Brookfield

This is an important document and requires your immediate attention. If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

BIDDER'S STATEMENT

containing an Offer by

Nitro Corporation Pty Ltd
ACN 607 605 701

(an indirect subsidiary of Brookfield Infrastructure Partners L.P.)

to purchase all of your ordinary shares in

Asciano Limited
ABN 26 123 652 862

For every Share, you will receive $6.9439 cash (reduced by the cash value of any Special Dividend paid) and 0.0387 BIP CDIs

ACCEPT

the recommended Offer by Nitro Corporation Pty Ltd for your shares in Asciano Limited.

Australian legal adviser

HERBERT SMITH FREEHILLS

Financial advisers

citi

MACQUARIE

KEY DATES

Lodgement date of Original Bidder's Statement	23 November 2015
Date first supplementary Bidder's Statement lodged with ASIC	10 December 2015
Date Replacement Bidder's Statement lodged with ASIC	10 December 2015
Date of this Replacement Bidder's Statement	10 December 2015
Date of Offer	10 December 2015
Offer closes (unless extended or withdrawn)	**11 January 2016 at 7:00pm** (Sydney time)

KEY CONTACTS

Share registrar for the Offer

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001

Brookfield Offer Information Line*

1300 395 895 (within Australia)
+61 3 9415 4079 (outside Australia)

*Calls to these numbers will be recorded.

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IMPORTANT NOTICES

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Nature of this document

This is a Replacement Bidder's Statement and is issued by Nitro Corporation Pty Ltd ACN 607 605 701 (**Acquirer**) under Part 6.5 of the ***Corporations Act 2001*** (Cth), as amended by ASIC Class Order [CO 13/528] and the additional relief described in Section 11.11. This Replacement Bidder's Statement is dated 10 December 2015 and replaces the Bidder's Statement dated 23 November 2015 and lodged with ASIC on that date (**Original Bidder's Statement**). The Offer made under this Replacement Bidder's Statement is on the same terms as the offer set out in the Original Bidder's Statement except to the extent approved by ASIC in the relief described in Section 11.11.

A copy of this Replacement Bidder's Statement was lodged with ASIC on 10 December 2015. Neither ASIC nor its officers takes any responsibility for the content of this Bidder's Statement.

References to the Bidder's Statement in this document are to this Replacement Bidder's Statement. This Bidder's Statement is an important document and you should read it in its entirety.

Investment advice

In preparing this Bidder's Statement, the Acquirer has not taken into account the individual objectives, financial situation or needs of individual Asciano Shareholders. Accordingly, before making a decision whether or not to accept the Offer, you may wish to consult with your financial or other professional adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Asciano and the Acquirer and the members of Brookfield Infrastructure operate, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of the Acquirer, the officers or employees of the Acquirer, any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to Asciano and Combined Group information

The information on Asciano, Asciano's securities and the Asciano Group contained in this Bidder's Statement has been prepared by the Acquirer using publicly available information and limited information made available to the Acquirer by Asciano. Much of the publicly available information used was taken from documents given by Asciano to the ASX, including the Scheme Booklet lodged with ASIC and released to Asciano Shareholders in connection with the Scheme. A copy of the Scheme Booklet will be provided to any Asciano Shareholder free of charge on request to the Acquirer.

The information in this Bidder's Statement concerning Asciano and the assets and liabilities, financial position and performance, profits and losses and prospects of the Asciano Group, has not been independently verified by the Acquirer. Accordingly the Acquirer does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on the Combined Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Asciano and the Asciano Group, has also been prepared using publicly available information and limited information made available to the Acquirer by Asciano. Accordingly, information in relation to the Combined Group is subject to the foregoing disclaimer.

Further, information relating to Asciano's business may be included in Asciano's Target's Statement, which Asciano must provide to its shareholders in response to this Bidder's Statement.

Foreign jurisdictions

The distribution of this Bidder's Statement in jurisdictions outside Australia may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. BIP CDIs have not been and will not be, registered under the *United States Securities Act* of 1933 (**Securities Act**) and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States state securities laws.

Warning statement for Asciano Shareholders in New Zealand

This Bidder's Statement is not a New Zealand prospectus, investment statement or product disclosure statement and it has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 or the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). This Bidder's Statement does not contain all the information that a prospectus, investment statement or product disclosure statement under New Zealand law is required to contain.

The BIP CDIs and the BIP Interests are offered in New Zealand under this Bidder's Statement in reliance on the Financial Markets Conduct (Nitro Corporation Pty Ltd) Exemption Notice 2015 (New Zealand) (**NZ Exemption Notice**) and not otherwise. Under the NZ Exemption Notice, the Acquirer and BIP GP are exempted, subject to certain conditions, from the offer disclosure, governance and financial reporting rules in Parts 3, 4 and 7 of the Financial Markets Conduct Act 2013. This Bidder's Statement must not be made available in or distributed in New Zealand to any person unless the recipient will be a person to whom an offer of BIP CDIs and BIP Interests may be made under the NZ Exemption Notice.

Additional warning statement for Asciano Shareholders in New Zealand: currency exchange risk

The Offer may involve a currency exchange risk. The currency for the BIP CDIs and the underlying BIP Interests is not New Zealand dollars. The value of the BIP CDIs and the underlying BIP Interests will go up or down according to changes in the exchange rate between the Australian dollar and New Zealand dollar. These changes may be significant.

If you expect the BIP CDIs or the underlying BIP Interests to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Additional warning statement for Asciano Shareholders in New Zealand: trading on financial product market

Because the BIP CDIs are expected to be able to be traded on ASX, if you wish to trade BIP CDIs through that market (or to trade underlying BIP Interests through the NYSE or TSX), you will have to make arrangements for a participant in that market to sell the BIP CDIs or the underlying BIP Interests on your behalf. The operation and regulation of participants in the ASX, NYSE or TSX (as applicable), and the information available to you about BIP CDIs and the underlying BIP Interests and trading of BIP CDIs and the underlying BIP Interests on those markets (as applicable) may differ from that applicable to financial product markets that operate in New Zealand.

Privacy

The Acquirer has collected your information from the Asciano Register of shareholders for the purpose of making this Offer and if accepted, administering a record of your acceptance of the Acquirer's Offer for your holding of Shares. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to the Acquirer's Related Bodies Corporate and external service providers and may be required to be disclosed to regulators such as ASIC.

The registered address of the Acquirer is c/o Brookfield Australia Investments Ltd, Level 22, 135 King Street Sydney NSW 2000.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise, or words are defined in Section 13 of this Bidder's Statement, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

BIP CDIs

The BIP CDIs to be provided as the Consideration under the Offer are very different to the Shares you currently hold. Asciano Shareholders should carefully consider this Bidder's Statement before making a decision about whether to accept the Offer.

Investigating Accountant's Report

The Investigating Accountant's Report on the Pro Forma Financial Information contained within the Bidder's Statement was prepared by Deloitte Corporate Finance Pty Limited.

This report is a review report of the following information contained within the Bidder's Statement:

- BIP Pro forma Financial Information as set out in Section 8.2;
- Asciano Pro forma Financial Information as set out in section 8.3; and
- Combined Group Pro forma Financial Information as set out in Section 8.4.

The Investigating Accountant's Report is included as Attachment 2 in this Bidder's Statement. Shareholders should carefully read the report, including the section titled "Scope".

CEO'S LETTER

CEO'S LETTER

10 December 2015

Dear Asciano Shareholders

Takeover bid for Asciano

The board and management of Brookfield Infrastructure Partners L.P. is pleased to present an off-market takeover Offer for all of the Shares in Asciano not currently held by Brookfield Infrastructure.

The Consideration under the Offer is identical to the Standard Consideration under the proposed Scheme and consists of:

- A$6.9439 cash (reduced by the cash value of any Special Dividend paid); and
- 0.0387 BIP CDIs,

per Share.

As at 20 November 2015, the last practicable trading day prior to the date of the Original Bidder's Statement, the implied value of the Offer was approximately A$9.19 per Share.

Brookfield Infrastructure believes that the Offer is compelling to Asciano Shareholders, offering a significant premium to the undisturbed trading levels of Shares:

- 38.2% premium to Asciano's closing share price of $6.65 on 30 June 2015; and
- 39.6% premium to Asciano's undisturbed 3 month VWAP of $6.58.[1]

Brookfield Infrastructure currently holds 14.99% of the Shares, together with an economic interest in a further 4.3% of the Shares.

Brookfield Infrastructure believes that the Offer delivers a superior outcome to Asciano Shareholders relative to other possible alternatives, including the Qube Consortium's conditional non-binding indicative proposal, because:

- the Offer has fully committed funding and is not subject to arranging financing;
- the Offer is complete and capable of acceptance (although regulatory Conditions, including in relation to the ACCC, remain to be satisfied);
- ownership of BIP CDIs will provide you with exposure to a global infrastructure business;
- the Offer may allow you to receive the Consideration sooner than under the Qube Consortium's conditional, non-binding indicative proposal; and
- the Offer is conditional on Brookfield Infrastructure obtaining a Relevant Interest in at least 50.1% of the Shares and whilst the Offer is for all of the Shares the Acquirer does not currently own, it does not require the acquisition of 100% of Shares for the Offer to be successful.

Brookfield Infrastructure owns and operates high quality, long-life assets that provide essential products and services for the global economy. BIP is a large business, with a market capitalisation of over A$13.4 billion (assuming the conversion of all the Redeemable Partnership Units held by BAM) and targets an investment grade capital structure. The business has a high degree of diversification across sectors and geographies.

Brookfield Infrastructure has consistently achieved its stated growth targets since its spin-off from BAM in 2008. Brookfield Infrastructure has a stated target of 5-9% growth in distributions per annum and 10% FFO growth per BIP Interest per annum. Brookfield Infrastructure has achieved an approximately 12% distribution per BIP Interest CAGR since 2009 and 23% FFO per BIP Interest CAGR since 2009.

1 Based on the price of US$41.97 per BIP Interest, as at NYSE close on 20 November 2015 and the AUD/USD exchange rate of 0.7235 as quoted at 8:00am (Sydney time) on 21 November 2015. The undisturbed VWAPs are based on cumulative trading for the 3 month period up to and including 30 June 2015, being the last day prior to Asciano confirming to the ASX that it had received a non-binding indicative proposal from Brookfield Infrastructure.

BIP Interests were last issued in Australia on 8 December 2010, under the Prime Scheme of Arrangement. The value of these units has increased by 175% since this time.

Brookfield Infrastructure's merger with Asciano aims to create a leading global infrastructure company with significant growth potential. We are committed to Asciano and its employees and we do not plan to make any material changes to Asciano's business, subject to the detailed intentions set out in Section 7. This means that BIP unitholders will continue to have exposure to all of Asciano's businesses, including Pacific National, Patrick and BAPS (subject to the effect of any structural undertaking, if given - see Section 9.5(a)).

We commenced the regulatory approval process with all key regulators several months ago and are actively working with these regulators to obtain their consent. In response to the ACCC's announcement on 26 November 2015 that it had decided not to accept BIP's proposed undertakings, the Acquirer is considering other options including structural undertakings to address the ACCC's concerns. We currently expect these processes to conclude by the end of the year.

The Qube Consortium's proposal is highly conditional, indicative and non-binding. You cannot accept it at this time. It is unclear whether any binding proposal will emerge from the Qube Consortium.[2]

As at the date of this Bidder's Statement, the Offer remains the only proposal capable of acceptance.

There are risks associated with holding BIP CDIs and Shares. Some of the key risks are summarised in Section 9.

The Offer will be concurrent with the previously announced scheme of arrangement (as detailed in the Scheme Booklet lodged with ASIC), under which it is proposed that a special purpose entity controlled by Brookfield Infrastructure will acquire all of the Shares (that it does not own) by way of a scheme of arrangement.

The proposed Scheme will remain in place, however the date for the Scheme Meeting has been deferred to a date to be determined. If a Scheme Meeting is held before the Offer is declared unconditional, Asciano Shareholders who have accepted the Offer will still be entitled to vote their Shares at that Scheme Meeting. In the event that the Scheme is approved by the requisite majority of Asciano Shareholders, the Scheme will be implemented and the Offer relating to the Takeover Bid will not proceed.

You should read this Bidder's Statement carefully and in full. The Offer is open for your acceptance until 7:00pm (Sydney time) on 11 January 2016, unless extended. To accept the Offer, please follow the instructions in this Bidder's Statement and the enclosed Acceptance Form.

On behalf of the board of BIP GP and Brookfield Infrastructure, I encourage you to accept this attractive Offer as soon as possible. If you have any questions about the Offer, please contact your legal, financial, tax or other professional adviser.

Yours sincerely

Sam Pollock

2 See Qube Announcement, section titled "Process" and AIO Qube Announcement, paragraphs titled "Conditions" and "Not legally binding".

WHY YOU SHOULD ACCEPT THE OFFER

1. The Asciano Board continues to support the Offer in the absence of a Superior Proposal.

2. The Offer represents attractive value for Asciano Shareholders.

3. Asciano Shareholders may receive a fully franked Special Dividend of up to A$0.90 per Share.

4. The Offer provides a superior outcome for Asciano Shareholders relative to the Qube Consortium's conditional non-binding indicative proposal.

5. Asciano Shareholders have the opportunity to participate in the Combined Group.

6. The Consideration compares favourably to the Qube Consortium's conditional non-binding indicative proposal.

7. If the Offer is not successful and there is no Competing Proposal capable of acceptance, the Share price may fall.

8. The Offer does not require 100% acceptance by Asciano Shareholders to be successful.

9. Brookfield Infrastructure continues to engage proactively with the ACCC.

10. You generally will not incur brokerage charges.

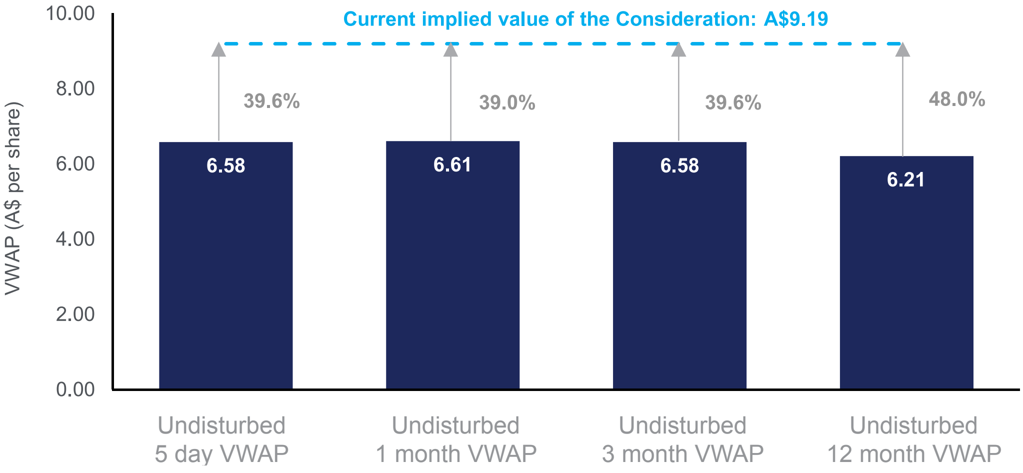
1. The Asciano Board continues to recommend the Offer

The Asciano Board continues to support Brookfield Infrastructure's Scheme and Takeover Bid proposals and has recommended that you accept the Offer in the absence of a Superior Proposal.

2. The Offer represents attractive value for Asciano Shareholders

The implied value of the Offer represents a significant premium over historical trading prices of the Shares. The implied value of the Offer, excluding the potential benefit of franking credits associated with the Special Dividend, is approximately A$9.19 per Share as at 20 November 2015[3] , being the last practicable trading day prior to the date of the Original Bidder's Statement.

Table 1: Current implied value of the Offer – premium to volume weighted average price (VWAPs)[4]



3. Asciano Shareholders may receive a fully franked Special Dividend of up to A$0.90 per Share

Subject to Brookfield Infrastructure notifying Asciano that it intends to free the Offer from all defeating Conditions and a favourable draft ATO Tax Ruling being obtained, Brookfield Infrastructure expects Asciano to pay a fully franked Special Dividend of up to A$0.90 per Share. To the extent that a Special Dividend is paid, the cash component of the Offer will be reduced to account for the cash value of any Special Dividend paid.

Those Asciano Shareholders who can capture the full benefit of the franking credits associated with the Special Dividend will receive an additional benefit valued at up to approximately A$0.386 per Share.

The value of franking credits will not be the same for all Asciano Shareholders. Whether an Asciano Shareholder is able to capture the full benefit of the franking credits will depend on their personal tax circumstances, including whether they satisfy the relevant 45 day "holding period rules". It is recommended that Asciano Shareholders contact their personal financial or tax advisers to discuss this.

4. The Offer provides a superior outcome for Asciano Shareholders relative to the Qube Consortium's conditional non-binding indicative proposal

The Qube Consortium has submitted a highly conditional indicative, non-binding proposal to Asciano. It is unclear whether any binding proposal will emerge from the Qube Consortium and, as at the date of this Bidder's Statement, the Offer remains the only proposal which is capable of acceptance.[5]

The Offer compares favourably to the Qube Consortium's conditional non-binding indicative proposal and provides a number of attractive features, including:

- the Offer is complete and capable of acceptance today (although regulatory Conditions, including in relation to the ACCC, remain to be satisfied);
- the Offer has fully committed funding and is not subject to arranging financing;
- the Offer has already commenced the regulatory approval process with all key regulators;
- the Offer may allow you to receive the Consideration sooner than the Qube Consortium's conditional non-binding indicative proposal; and
- the Offer is conditional on Brookfield Infrastructure obtaining a 50.1% interest in Shares and therefore does not require the acquisition of 100% of Shares to be successful.

3 Based on the price of US$41.97 per BIP Interest, as at NYSE close on 20 November 2015 and the AUD/USD exchange rate of 0.7235 as quoted at 8:00am (Sydney time) on 21 November 2015.

4 Based on the price of US$41.97 per BIP Interest, as at NYSE close on 20 November 2015 and the AUD/USD exchange rate of 0.7235 as quoted at 8:00am (Sydney time) on 21 November 2015. The undisturbed VWAPs are based on cumulative trading for the respective periods up to and including 30 June 2015, being the last day prior to Asciano confirming to the ASX that it had received a non-binding indicative proposal from Brookfield Infrastructure. Five day VWAP based on trading from 24 June 2015, 1 month VWAP based on trading from 1 June 2015, 3 month VWAP based on trading from 1 April 2015 and 12 month VWAP based on trading from 1 July 2014.

5 See Qube Announcement, section titled "Process" and AIO Qube Announcement, paragraphs titled "Conditions" and "Not legally binding".

5. Asciano Shareholders have the opportunity to participate in the potential upside of the Combined Group

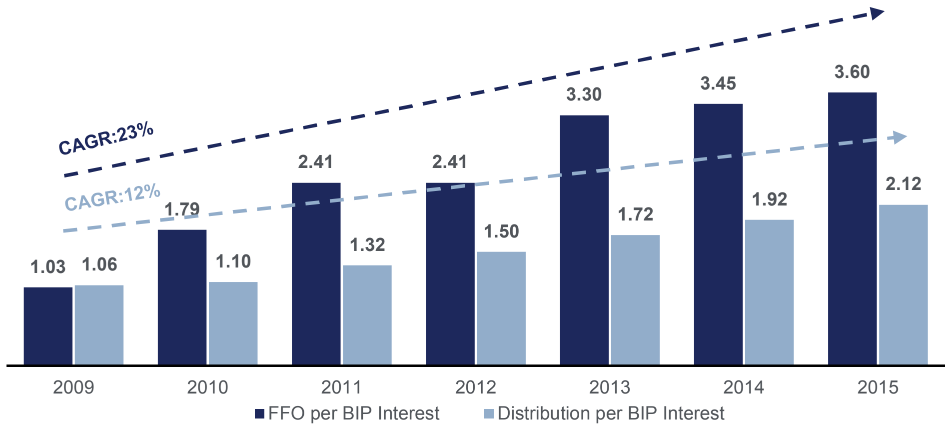
Asciano Shareholders who are eligible to receive BIP CDIs will be able to participate in the Combined Group, including the Asciano business, by retaining their BIP CDIs. The directors of the Acquirer consider the prospects of the Combined Group are strong, with highlights including:

a. BIP's track record of delivering growth to securityholders

BIP has consistently achieved its stated growth targets since it was spun-off from Brookfield in 2008.

BIP has a stated target of 5 – 9% growth in distributions per annum and 10% FFO growth per BIP Interest per annum. BIP has achieved an approximately 12% distribution per BIP Interest CAGR since 2009 and 23% FFO per BIP Interest CAGR since 2009.

Table 2: Brookfield Infrastructure FFO per BIP Interest and distribution per BIP Interest (in USD)[6]



b. Acquisition will have a positive financial impact to BIP[7]

Brookfield Infrastructure expects this investment to be immediately accretive. Its current expectation is an increase in adjusted funds from operations (**AFFO**) per unit of 7% under the 100% Acquisition Scenario (or 5% under the 50.1% Acquisition Scheme) based on the company's historical results, adjusted for normalised sustaining capital expenditure levels.

Table 3: AFFO/BIP Interest accretion in USD – 100% Acquisition Scenario

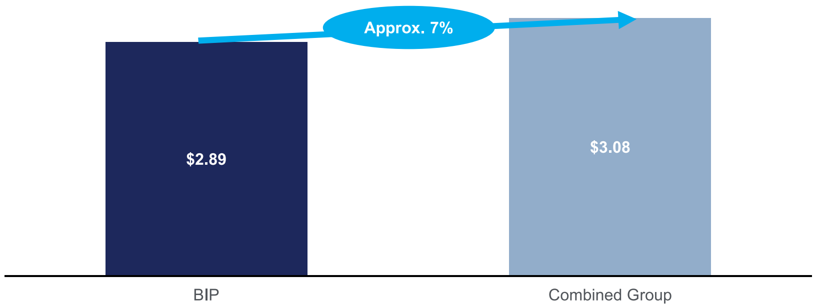
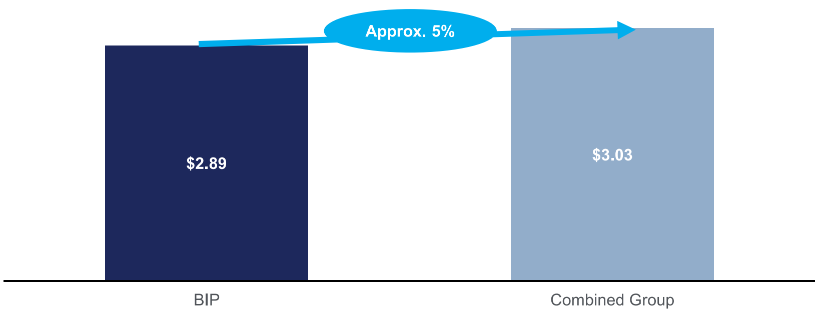


Table 4: AFFO/BIP Interest accretion in USD – 50.1% Acquisition Scenario



A summary of the indicative accretion analysis under the 100% and 50.1% acquisition scenarios is included in Section 7.2(e).

6 Brookfield Infrastructure August 2015 release 'Proposed Investment in Asciano Limited'. For 2015, data used is the annualised FFO and distribution per BIP Interest using the results for the 6 months ended 30 June 2015 (noting that BIP has a 31 December 2015 financial year end). Note that past performance is not an indicator of future performance.

7 Accretion under the 100% Acquisition Scenario in USD based on Brookfield Infrastructure's annualised nine month CY15 results and 55.7% of Asciano's financial year ended 30 June 2015 pro forma estimate, using an exchange rate of AUD/USD 0.7195. Accretion under the minimum acceptance level under the Offer of the Takeover Bid in USD based on Brookfield Infrastructure's annualised nine month CY15 results and 27% of Asciano's financial year ended 30 June 2015 pro forma estimate, using an exchange rate of AUD/USD 0.7195.

c. Combined Group provides enhanced geography and asset type diversification

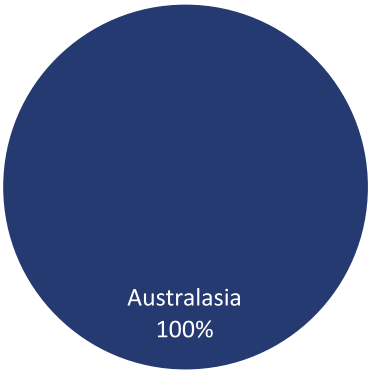
Currently, Asciano's operating businesses are only in Australia and New Zealand. Following implementation of the Offer, the Combined Group will have greater geographic diversification, with approximately half of EBITDA (50%) to come from Australia and New Zealand followed by Europe (21%), South America (20%) and North America (9%).

Asciano currently operates primarily in rail and port transportation infrastructure asset classes. The Combined Group will operate in four different infrastructure related asset classes, including transport (railroads, toll roads and ports) (58% of EBITDA), utilities (regulated terminal, electricity transmission assets and regulated distribution assets) (29% of EBITDA), energy (energy transmission, distribution and storage assets) (10% of EBITDA) and communications infrastructure (communication tower operations) (3% of EBITDA).

Further information on the Combined Group is set out in Sections 7 and 8.

Table 5: EBITDA by geography[8]

Asciano standalone EBITDA by geography



Combined Group pro forma EBITDA by geography under 100% Acquisition Scenario

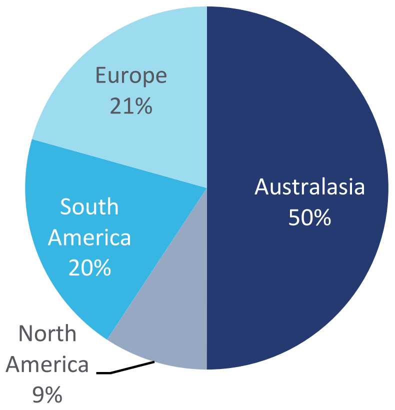
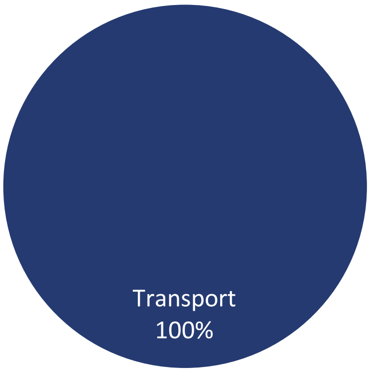
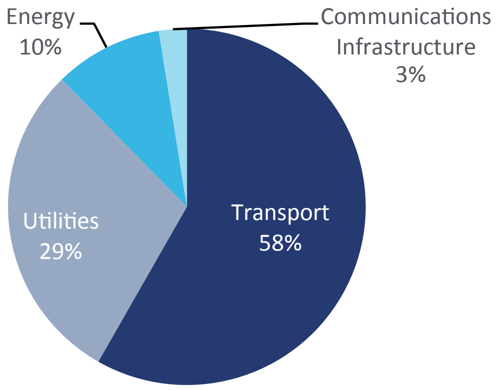


Table 6: Asciano and Combined Group EBITDA by asset class[9]

Asciano standalone EBITDA by asset type



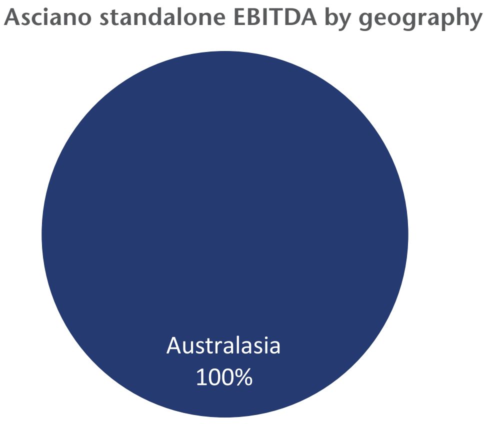
Combined Group pro forma EBITDA by asset type under 100% Acquisition Scenario



8 Pro forma EBITDA by geography for Combined Group based on Brookfield Infrastructure reported EBITDA for the six month period ending 30 June 2015, excluding corporate/other items. Asciano also based on EBITDA for the six months ended 30 June 2015 and converted at the average AUD/USD exchange rate over the same period of 0.7823. Excludes corporate and overheads and only includes Brookfield Infrastructure's proportionate share.

9 Pro forma EBITDA by asset type for Combined Group based on Brookfield Infrastructure reported EBITDA for the six month period ending 30 June 2015, excluding corporate/other items. Asciano also based on EBITDA for the six months ended 30 June 2015 and converted at the average AUD/USD exchange rate over the same period of 0.7823. Excludes corporate and overheads and only includes Brookfield Infrastructure's proportionate share. Transport includes rail haulage, stevedoring and other logistical activities.

Table 7: EBITDA by geography[10]



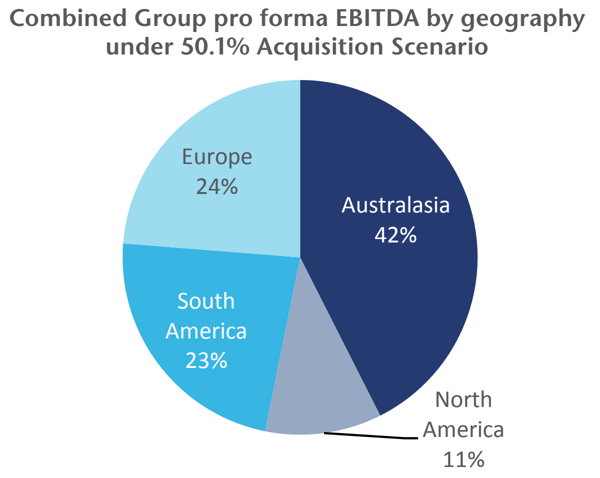
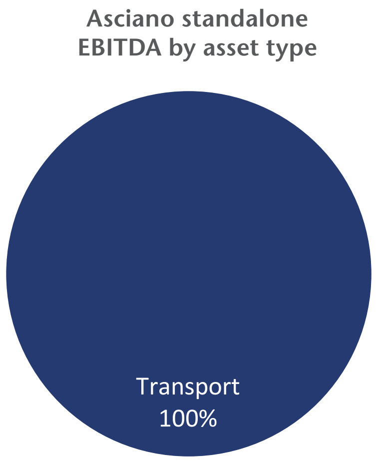
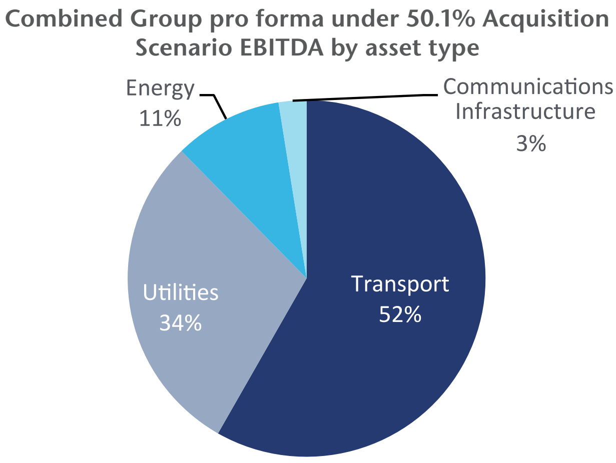


Table 8: Asciano and Combined Group EBITDA by asset class[11]





d. Combination will create a global ports and rail platform

Under the 100% Acquisition Scenario, Brookfield Infrastructure proposes to manage Asciano's high-quality assets together with those in its existing transport segment.

The combined ports portfolio would reflect a continuation of Asciano's stated strategy to join a global port platform. Together, the port assets provide the foundation of a global port platform, with the potential to provide a global solution to shipping customers across multiple geographies. Brookfield Infrastructure believes there are opportunities to drive value in the combined port portfolio of assets by leveraging Asciano's leading experience in container terminal automation and Brookfield Infrastructure's extensive business development expertise.

Asciano's leading above rail operations, together with Brookfield Infrastructure's Australian and Brazilian logistics businesses, would create an international rail logistics platform, which the BIP board believes has long term growth prospects. Brookfield Infrastructure believes there would be opportunities to drive value in the combined global rail portfolio including leveraging Pacific National technology and best practices to improve the efficiency of Brookfield Infrastructure's Brazilian rail assets.

e. Combination provides exposure to BIP's unique pipeline of growth opportunities

Brookfield Infrastructure has an organic growth profile driven by inflationary price increases, GDP linked volume growth and reinvestment in existing assets, in addition to new investments.

The Combined Group business provides Accepting Shareholders who receive and retain BIP CDIs with an opportunity to participate in Brookfield Infrastructure's global infrastructure platform and any new investments originated by Brookfield's global business development network.

f. Ongoing ASX listing

Accepting Shareholders are expected to be able to trade their BIP CDIs on the ASX. Brookfield Infrastructure has received in principle approval from the ASX for a foreign exempt listing in relation to the quotation of BIP Interests.

The introduction of the ASX as a new listing venue provides an additional source of liquidity.

10 Pro forma EBITDA by geography for Combined Group based on Brookfield Infrastructure reported EBITDA for the six month period ending 30 June 2015, excluding corporate/other items. Asciano also based on EBITDA for the six months ended 30 June 2015 and converted at the average AUD/USD exchange rate over the same period of 0.7823. Excludes corporate and overheads and only includes Brookfield Infrastructure's proportionate share.

11 Pro forma EBITDA by asset type for Combined Group based on Brookfield Infrastructure reported EBITDA for the six month period ending 30 June 2015, excluding corporate/other items. Asciano also based on EBITDA for the six months ended 30 June 2015 and converted at the average AUD/USD exchange rate over the same period of 0.7823. Excludes corporate and overheads and only includes Brookfield Infrastructure's proportionate share. Transport includes rail haulage, stevedoring and other logistical activities.

g. Increased access to investment grade capital

The Combined Group business will have increased access to capital due to its greater market capitalisation and from its relationship with Brookfield. This should provide the Combined Group with increased financial flexibility to pursue growth opportunities. Brookfield Infrastructure targets a prudent capital structure and currently has an average debt term to maturity of nine years.

Brookfield Infrastructure's strategy is to finance its businesses on a stand-alone non-recourse basis at the level of the asset with total debt at corporate level targeted at approximately 10%. Furthermore, more than 90% of Brookfield Infrastructure's total debt is structured to comply with investment grade metrics. Brookfield Infrastructure's current interest coverage ratio at the corporate level is in excess of 20 times.

6. The Consideration compares favourably to the Qube Consortium's conditional non-binding indicative proposal

The Offer provides Asciano Shareholders who receive and retain BIP CDIs with an opportunity to participate in the potential upside of the Combined Group and is described in the following section. Under the Qube Consortium's non-binding indicative proposal, Asciano shareholders would receive Qube ordinary shares.[12] The BIP CDIs compare favourably to the Qube ordinary shares across a range of attributes.

BIP CDIs are different to ordinary ASX-listed shares (such as shares in Qube) and have differing rights attaching to them. You should read this Bidder's Statement carefully and in full before making a decision about whether to accept the Offer. Please refer to Section 3 for details of the BIP CDIs.

a. Ongoing exposure to Asciano

BIP CDIs will provide ongoing exposure to the Asciano business, including Pacific National, Patrick and BAPS (subject to the effect of any structural undertaking, if given - see Section 9.5(a)).

In contrast, the Qube Consortium intends to acquire the Pacific National (Intermodal and Bulk) assets through an unlisted entity. As a result, Qube securities will not provide any participation in the future of the Pacific National (Intermodal and Bulk) business. Further, it is unclear under the Qube Consortium's conditional, non-binding indicative proposal exactly which assets will ultimately be acquired by Qube, or when and at what price. Only Asciano's container terminals business and its interest in AAT is stated to be transferred to Qube at completion of Qube's proposal. The Qube Consortium's non-binding indicative proposal states that transfer of the interest in AAT is subject to access undertakings being provided and the transfer of other assets to Qube may be subject to ACCC approval.[13]

The ACCC's informal review process in respect of the Qube Consortium's conditional non-binding indicative proposal has been delayed pending clarification of the Qube Consortium's proposed transaction structure, which is unknown at this stage.

b. Size and liquidity

BIP has a current market capitalisation of A$13.4 billion (assuming the conversion of all the Redeemable Partnership Units held by BAM), with listings on the NYSE, TSX and the ASX (proposed). The average daily trading value is A$20.4m over the last 12 months to 20 November 2015, being the last practicable trading date prior to the Original Bidder's Statement.[14]

Qube has a current market capitalisation of A$2,524m and a single listing on the ASX. The average daily trading value is A$10.2m over the last 12 months to 20 November 2015, being the last practicable trading day prior to the Original Bidder's Statement.[15]

c. Geographic and sector diversity

BIP is a global business and benefits from a diversification of earnings sources across sectors and geographies.

Following the acquisition, BIP will have a pro-forma geographic split of: 50% of EBITDA to come from Australia and New Zealand, 21% from Europe, 20% from South America and 9% from North America.

Following the acquisition, BIP will have a pro-forma business split of: 58% of EBITDA to come from Transport, 29% from Utilities, 10% from Energy and 3% from Communications Infrastructure.

In contrast, Qube operates predominantly in the Australian and New Zealand logistics segment and is highly exposed to economic conditions in those markets.

d. Share price performance

BIP has materially outperformed Qube over one, three and five year time periods.

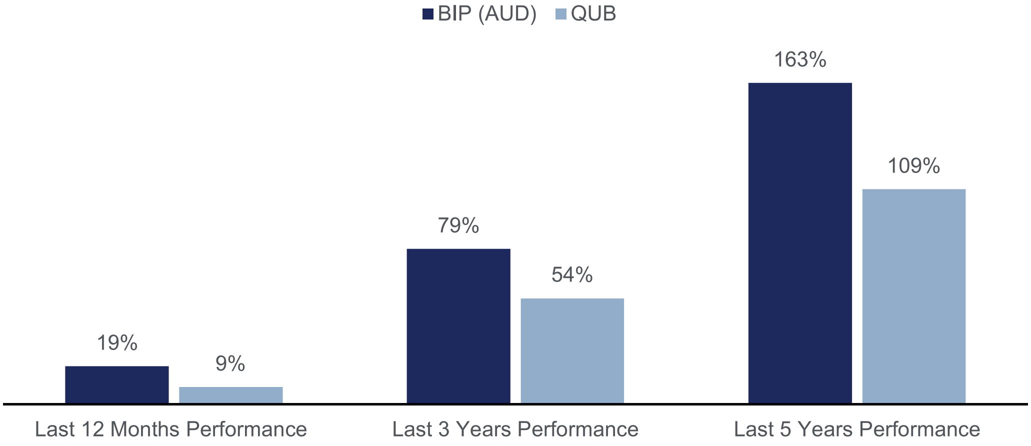
12 See Qube Announcement, paragraph 2 and AIO Qube Announcement, section titled "The Proposal".

13 See Qube Announcement, paragraphs 6, 11 and 12 and AIO Qube Announcement, paragraphs titled "ACCC review" and "Post-transaction arrangements".

14 Based on trading on the NYSE and TSX from 21 November 2014 to 20 November 2015. Daily trading values on each exchange converted to Australian dollars using daily AUD/USD and AUD/CAD exchange rates respectively.

15 Based on trading on the ASX from 21 November 2014 to 20 November 2015.

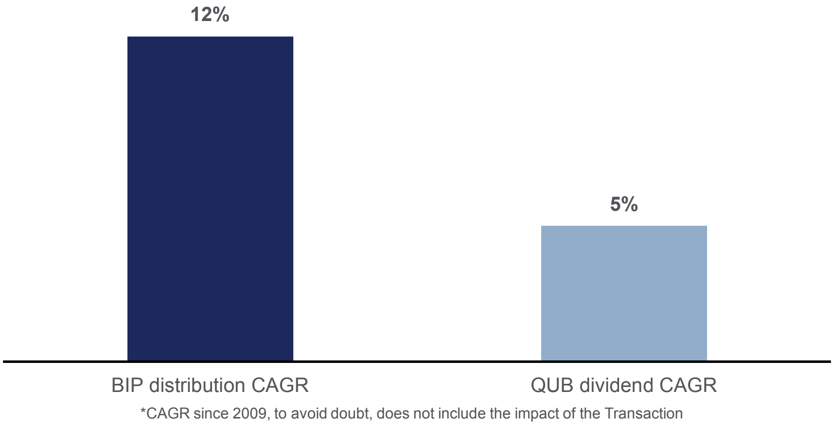
Table 9: Share Price Performance – BIP v QUB[16]



Dividends and distributions

BIP has delivered superior and consistent distribution growth relative to Qube. BIP's distributions have consistently increased each year. BIP targets long term distribution growth of 5 – 9% per annum.

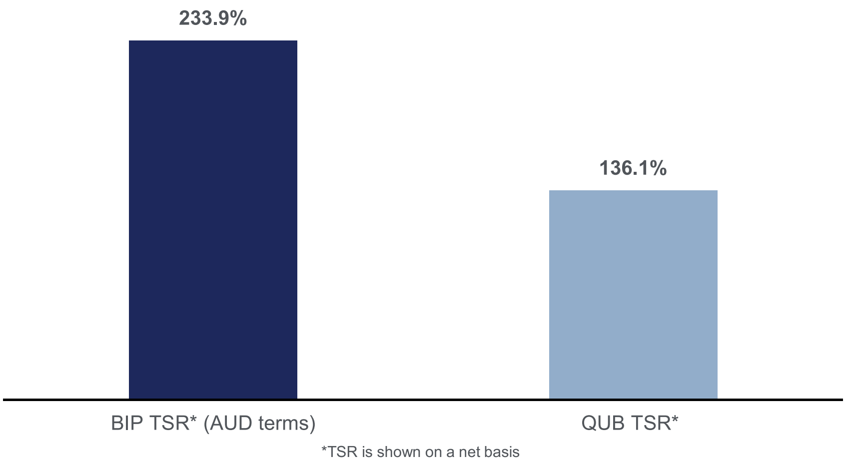
Table 10: Distributions over time – BIP v QUB



e. TSR

BIP units have delivered a higher total return than Qube shares over the last 5 years.

Table 11: Total A$ Net Return – BIP v QUB



7. If the Offer is not successful and no Superior Proposal eventuates, the Share price may fall

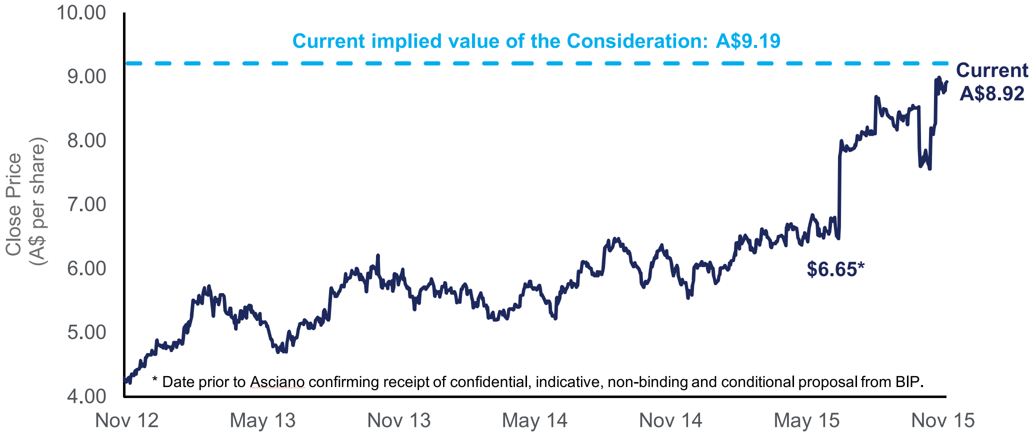
If the Offer is not successful or is only partially accepted and no Superior Proposal eventuates, it is likely that Shares will remain quoted on the ASX and will continue to be subject to market volatility, including as a result of general market movements and the impact of general economic conditions. As such, the price at which Shares trade may fall. At the date of this Bidder's Statement the Qube Consortium's proposal remains non-binding, indicative and highly conditional.[17]

16 BIP converted using a rolling AUD/USD exchange rate between 20 November 2010 and 20 November 2015.

17 See Qube Announcement, section titled "Process" and AIO Qube Announcement, paragraphs titled "Conditions" and "Not legally binding".

Over the 3 years prior to 30 June 2015, closing prices of Shares have been between a high of A$6.84 per Share on 25 May 2015 and a low of A$4.16 per Share on 25 July 2012. On 30 June 2015, the trading day prior to Asciano confirming to the ASX that it had received a non-binding indicative proposal from Brookfield Infrastructure, the Share price closed at A$6.65 per Share.

Table 12: Asciano 3 year share price performance[18]



8. The Offer does not require 100% acceptance by Asciano Shareholders to be successful

The Offer is subject to a minimum acceptance condition, which requires the Acquirer (together with its Associates) to have a Relevant Interest in at least 50.1% of the Shares, and does not require 100% of Shares to be accepted into the Offer before it becomes unconditional. As a result, the minimum acceptance condition may be satisfied without the support of the Qube Consortium, and the Acquirer's current 19.33% Relevant Interest in Asciano will count towards the 50.1% required to satisfy the Condition.

In the case that all Conditions are freed or fulfilled, including the minimum acceptance condition, and the Offer Period is not extended, the Offer will close and only the Accepting Shareholders will be paid the Consideration. There will be no guarantee that the Acquirer or Brookfield Infrastructure will make another offer for your Shares.

9. Brookfield Infrastructure continues to engage proactively with the ACCC

Brookfield Infrastructure has been engaging proactively and constructively with the ACCC since July 2015 and, in response to the ACCC's released Statement of Issues is considering various options, including structural undertakings to address the ACCC's concerns, although the behavioural undertakings it has volunteered to date have not been acceptable to the ACCC (which means that at this stage it is not yet clear that the ACCC's concerns will be addressed by behavioural undertakings alone). The ACCC has indicated that it proposes to make its decision on 17 December 2015.

The ACCC is undertaking a review of the conditional, non-binding indicative proposal by which Qube would acquire from Asciano the Patrick container terminals business and Asciano's 50% interest in AAT and GIP and CPPIB would acquire all of the shares in Asciano. The ACCC currently proposes announcing its decision about the Qube Consortium's proposal on 18 February 2015 (which may be a final decision or release of a statement of issues).

10. You generally will not incur brokerage charges

If your Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Brookfield Infrastructure, you will not incur any brokerage charges. If your Shares are registered in a CHESS holding, you should ask your Controlling Participant (usually your broker) whether it will charge any transaction or service fees in connection with the Offer.

If you sell your Shares on the ASX (rather than under the Offer), you may incur brokerage charges (and, potentially, GST on those charges).

18 Market data as at 20 November 2015. Current implied value of the Consideration is approximately A$9.19 per Share as at 20 November 2015, being the last practicable trading day prior to the date of the Original Bidder's Statement and based on the BIP Interest price of US$41.97 per BIP Interest as at NYSE close on 20 November 2015 and the AUD/USD exchange rate of 0.7235 as quoted at 8:00am (Sydney time) on 21 November 2015.

1.
SUMMARY OF THE OFFER

1. SUMMARY OF THE OFFER

1.1	**What the Acquirer is offering to buy**	The Acquirer is offering to buy all of the Shares on issue at the Record Date that it does not already own and any Shares that are issued between that date and the end of the Offer Period as a result of the conversion of, or exercise of rights attached to, other securities that are convertible into Shares (including as a result of the exercise of Asciano Performance Rights) that are on issue at the Record Date. In addition to the Offer, Asciano has announced a proposal to merge with the Acquirer, by way of the Scheme. Refer to the Scheme Booklet for more information on the Scheme. The Offer is conditional on, among other things, the Scheme vote failing and the approval of Third Parties. If the Scheme proceeds, the Offer will lapse.
1.2	**What you will receive if you accept the Offer**	If you accept the Offer and you are not a Foreign Shareholder, subject to the satisfaction or waiver of the Conditions to the Offer, for each of Your Shares on the Record Date, you will receive A$6.9439 cash reduced by the cash amount of any Special Dividend paid and 0.0387 BIP CDIs. For more information on Consideration see Section 12.1.
1.3	**Is the Consideration the same as that offered under the Scheme?**	No. The Consideration under the Offer is the same as the Standard Consideration offered under the Scheme but there is no "mix-and-match" facility which allows you to elect to maximise cash or maximise scrip.
1.4	**Why is the Acquirer making the Offer, whilst also participating in the Scheme?**	This Offer has been made concurrently with the Scheme to ensure that Asciano Shareholders have the ability to receive Consideration for their Shares, even if the Scheme is not approved by the requisite majority of Asciano Shareholders.
1.5	**How does this Offer affect the Scheme?**	This Offer is subject to the Scheme vote failing (and also to a number of other Conditions being satisfied or waived – see Section 12.8). If you accept the Offer and the Scheme becomes Effective, you will be entitled to receive the consideration under the Scheme as set out in the Scheme Booklet. Consideration under this Offer is the same as the Standard Consideration offered under the Scheme. If the Scheme vote fails and you accept the Offer, subject to the Conditions being satisfied or waived, you will receive the Consideration under this Offer.
1.6	**What is the recommendation of the Asciano Board?**	The Asciano Board has unanimously recommended Asciano Shareholders accept the Offer in the absence of a Superior Proposal and, if applicable, vote in favour of the Scheme.
1.7	**What is the Brookfield Infrastructure business model?**	Brookfield Infrastructure owns and operates high quality, long-life assets that generate stable cash flows, require relatively minimal maintenance capital expenditures and tend to appreciate in value over time. Its current operations consist of utilities, transport, energy and communications infrastructure businesses in North and South America, Australia and Europe. BIP's objective is to be the owner/operator of critical infrastructure assets. This is generally exercised through control of the asset or acting as the operator on behalf of Brookfield Infrastructure's partners. Where the assets are owned by Brookfield controlled infrastructure funds, in which BIP is the largest investor, Brookfield Infrastructure will operate the asset on behalf of the other institutional partners and is granted the right to direct the votes of the relevant entities. In some instances, Brookfield Infrastructure's operations are jointly controlled in conjunction with partners with which Brookfield Infrastructure has long standing relationships. Significant influence is exercised through operating agreements and board representation. More information about Brookfield Infrastructure and its business model is set out in Section 2.

1.8	**Key financial information about Brookfield Infrastructure**	Brookfield Infrastructure has provided key financial performance information as part of this Bidder's Statement. This information can be found in Section 2.5.
1.9	**Who are the Directors and key personnel of Brookfield Infrastructure and the Acquirer**	The key personnel of Brookfield Infrastructure are: Derek Pannell (Chairman); Jeffrey Blidner (Senior Managing Partner and Director); John Fees (Director); David Hamill (Director); Arthur Jacobson Jr. (Director); Don Mackenzie (Director); Rafael Miranda Robredo (Director); Anne Schaumburg (Director); Danesh Varma (Director); Sam Pollock (Senior Managing Partner) and Bahir Manios (Managing Partner). The directors of the Acquirer are: Stewart Upson (Director); Jeffrey Kendrew (Director); William Powell (Director) and Russell Proutt (Director). Further information about the senior leadership team for both Brookfield Infrastructure and the Acquirer can be found in Section 2.4.
1.10	**Why you should accept the Offer**	There are several reasons why BIP recommends that you should accept the Offer. These reasons include: • the Asciano Board has unanimously recommended that you accept the Offer in the absence of a Superior Proposal; • the Offer represents attractive value for Asciano Shareholders; • Asciano Shareholders may receive a fully franked Special Dividend of up to A$0.90 per Share. This gives an additional benefit to certain Asciano Shareholders; • the Offer provides a superior outcome for Asciano Shareholders relative to the Qube Consortium's conditional non-binding indicative proposal; • Accepting Shareholders will have the opportunity to participate in the Combined Group; • the Consideration compares favourably to the Qube Consortium's conditional non-binding indicative proposal; • if the Offer is not successful, and no Competing Proposal emerges, the price of Shares may fall; and • the Offer does not require 100% acceptance by Asciano Shareholders. For more details on why you should accept the Offer, please see 'Why you Should Accept this Offer' above.
1.11	**There are some conditions to the Offer**	The Offer is subject to the following conditions: • regulatory approvals being obtained before the close of the Offer Period, from FIRB, ACCC, OIO, ASIC and the ASX; • no Asciano Prescribed Occurrence; • no Asciano Material Adverse Change; • approval by the TSX and NYSE for the issue and listing of BIP Interests on the TSX and NYSE and approval by the ASX for listing of BIP and quotation of the BIP CDIs on the ASX; • a minimum acceptance condition that requires the Acquirer together with its Associates to have a Relevant Interest in at least 50.1% of the Shares; • a condition that the value of the Consideration (when valued for the purposes of section 621(3) of the Corporations Act) does not fall below $8.80; • failure of the Scheme vote; • no regulatory restraints; and • Third Party consents are obtained. Full terms of the Conditions are set out in Section 12.8 of this Bidder's Statement.
1.12	**What are the risks?**	There are a number of key risks in relation to the Offer, the BIP CDIs and Shares. You should read and understand these in full before making a decision about whether to accept the Offer. These risks are set out in Section 9. If you accept the Offer prior to it becoming unconditional, you will only have limited rights to withdraw your acceptance (see Sections 11.4, 12.5 and 12.9(a)).

1.13 What is a BIP CDI?	A CHESS Depositary Interest or CDI is a unit of beneficial ownership in an issued financial product which is issued on a foreign exchange. Each BIP CDI will represent a beneficial interest in one BIP Interest, being a unit in a limited partnership interest in BIP (a limited partnership formed in Bermuda). The relevant BIP Interest is issued by BIP and provided by the Acquirer to CDN who holds the legal title to the BIP Interest. Holders of BIP CDIs have rights that are economically equivalent to the rights attaching to BIP Interests. It is expected that BIP CDIs will be quoted and traded on the ASX in Australian dollars. At any time, holders of BIP CDIs will be able to convert their BIP CDIs into BIP Interests on the Brookfield Register trading on the NYSE or the TSX register by contacting Computershare's Global Transaction Team. The conversion will ordinarily take effect within 1 to 3 Business Days.
1.14 When you will receive the BIP CDIs	Generally, the Acquirer will provide the BIP CDIs to you under the Offer on or before the earlier of: • one month after this Offer is accepted or one month after all of the Conditions have been freed or fulfilled (whichever is the later); and • 21 days after the end of the Offer Period. Full details of when the Consideration will be provided are set out in Section 12.6 of this Bidder's Statement.
1.15 If I receive BIP CDIs, when and where can I start trading them?	It is expected that BIP will be admitted to the official list of the ASX (as a foreign exempt listing) and that BIP CDIs will be quoted on the ASX. BIP made an application for foreign exempt listing and quotation of BIP CDIs on the ASX within 7 days of the Original Bidder's Statement. If BIP is admitted to the official list of the ASX, the BIP CDIs will be tradeable on the ASX from the date of quotation.
1.16 How will fractional entitlements be treated?	Any entitlement of an Asciano Shareholder under the Offer to be provided with a fraction of a BIP CDI will be rounded down to the nearest whole number of BIP CDIs. Any cash amount payable to an Asciano Shareholder will be rounded down to the nearest whole cent.
1.17 What is the Special Dividend?	Asciano expects to pay a Special Dividend of up to A$0.90 per Share in cash. This is subject to the Offer being successful and a favourable draft ATO Tax Ruling being obtained. To the extent that a Special Dividend is paid, the cash component of the Consideration will be reduced to account for the cash value of the Special Dividend.
1.18 Are there any tax implications of the Offer?	If the Offer is implemented, there will be tax consequences for Asciano Shareholders which may include tax being payable on any gain on disposal of Shares. For further details regarding general Australian tax consequences of the Offer, refer to Section 10. The tax treatment may vary depending on the nature and characteristics of each Asciano Shareholder and their specific circumstances. Accordingly, Asciano Shareholders should seek professional tax advice in relation to their particular circumstances.
1.19 Will you need to pay brokerage or stamp duty on acceptances?	If Your Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to the Acquirer, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer. If Your Shares are registered in a CHESS holding, or if you are a beneficial owner whose Shares are registered in the name of a broker, bank custodian or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but you should ask your Controlling Participant (usually your broker) or that nominee, whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.
1.20 Close of the Offer	The Offer closes at 7:00pm (Sydney time) on 11 January 2016, unless it is extended under the Corporations Act.
1.21 What happens if the conditions of the Offer are not satisfied or waived?	If the Conditions of the Offer are not satisfied or waived by the end of the Offer Period, the Offer will lapse and your acceptance will be void.

1.22 How you accept the Offer	You may only accept the Offer for all Your Shares. **Issuer sponsored shareholders** If Your Shares are registered in an Issuer Sponsored Holding (such holdings will be evidenced by an 'I' appearing next to your holder number on the enclosed Acceptance Form), to accept this Offer, you must complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it, so that it is sent and postmarked before the end of the Offer Period, to the address indicated on the form. **CHESS shareholders** If Your Shares are registered in a CHESS holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the enclosed Acceptance Form), you may accept the Offer by either: • completing and signing the Acceptance Form enclosed with this Bidder's Statement and ensuring that the Acceptance Form is sent and postmarked before the end of the Offer Period to one of the addresses shown on the Acceptance Form; or • instructing your Controlling Participant (normally your broker) to accept the Offer before the Offer closes on your behalf. **Participants** If you are a Participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes. Full details on how to accept the Offer are set out in Section 12.3 of this Bidder's Statement. **ADR holders** ADRs may not be tendered under the Offer. However, holders of ADRs who want to participate in the Offer, may do so by following the normal ADR cancellation process in order to obtain the underlying Shares, which can then be tendered in the Offer. The cancellation process may take several days, and holders of ADRs should take this additional time requirement into account when making their decision to participate in the Offer.
1.23 Can you accept the Offer for part of your holdings	No. You cannot accept for part of your holding. You can only accept the Offer for all of Your Shares.
1.24 What if you are a Foreign Shareholder or hold a Small Parcel?	Foreign Shareholders and, subject to Section 12.7(e), Small Parcel Shareholders that accept the Offer will not receive BIP CDIs. Rather, the BIP CDIs that Foreign Shareholders and Small Parcel Shareholders would have been entitled to receive will be provided to, and sold by, a Nominee and the net proceeds attributable to each Foreign Shareholder or Small Parcel Shareholder will be paid to them by cheque in Australian dollars drawn on an Australian bank account. The determination whether an Asciano Shareholder constitutes a Foreign Shareholder or Small Parcel shareholder shall be final. Foreign Shareholders and Small Parcel Shareholders should read Section 12.7 which provides further information on the entitlements of Foreign Shareholders and Small Parcel Shareholders to receive the Consideration.
1.25 What happens if you do not accept the Offer	You will remain an Asciano Shareholder and will not receive the Consideration under the Offer. If the Acquirer becomes entitled to compulsorily acquire Your Shares, it intends to proceed with the compulsory acquisition. If your Shares are compulsorily acquired by the Acquirer, it will be on the same terms (including the same Consideration for each Share acquired) as the Offer.
1.26 Where to go for further information	For queries on how to accept the Offer, see the enclosed Acceptance Form or call Computershare Investor Services Pty Limited (Computershare) on: 1300 395 895 (within Australia); or +61 3 9415 4079 (outside Australia). For queries in relation to your Asciano shareholding, call Computershare on the telephone number(s) above. Please note that any calls to the above numbers will be recorded. Inquiries in relation to the Offer will not be received on any other telephone numbers of the Acquirer or its advisers.
1.27 Important notice	The information in this section is a **summary only** of the Acquirer's Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement. You should read the entire Bidder's Statement and the Target's Statement before deciding whether to accept the Offer.

2. INFORMATION ON THE ACQUIRER AND BROOKFIELD INFRASTRUCTURE

2. INFORMATION ON THE ACQUIRER AND BROOKFIELD INFRASTRUCTURE

2.1. Overview of Brookfield Infrastructure[19]

a. BIP, BILP and the Acquirer

BIP is Brookfield's flagship public infrastructure vehicle and is listed on the NYSE and the TSX.

BIP is a limited partnership, with its head office in Hamilton, Bermuda. BIP was established on 21 May 2007 to own and operate, indirectly through its Operating Entities, infrastructure assets on a global basis.

BIP's sole material asset is its approximate 70.5% equity interest in BILP, a Bermudian exempted limited partnership with its head office in Hamilton, Bermuda. An exempted partnership is a partnership in respect of which a certificate of exempted partnership has been registered in accordance with the provisions of the Exempted Partnerships Act and in which at least one partner does not possess Bermudian status.

The remaining equity interest in BILP is held by Brookfield. BIP holds its approximately 70.5% interest as Managing General Partner Units, whilst Brookfield holds approximately 29% of BILP's equity as Redeemable Partnership Units and approximately 0.5% as Special Limited Partner Units.

BIP also holds preferred units in BILP. BILP owns indirect interests in entities which operate various infrastructure assets. BIP, as general partner of BILP, has sole authority for management and control of BILP.

A reference to Brookfield Infrastructure in this Bidder's Statement is a reference to BIP, collectively with its subsidiary entities (including BILP) and the Operating Entities. This term is used to describe the operations of the group in which holders of BIP Interests and BIP CDIs invest.

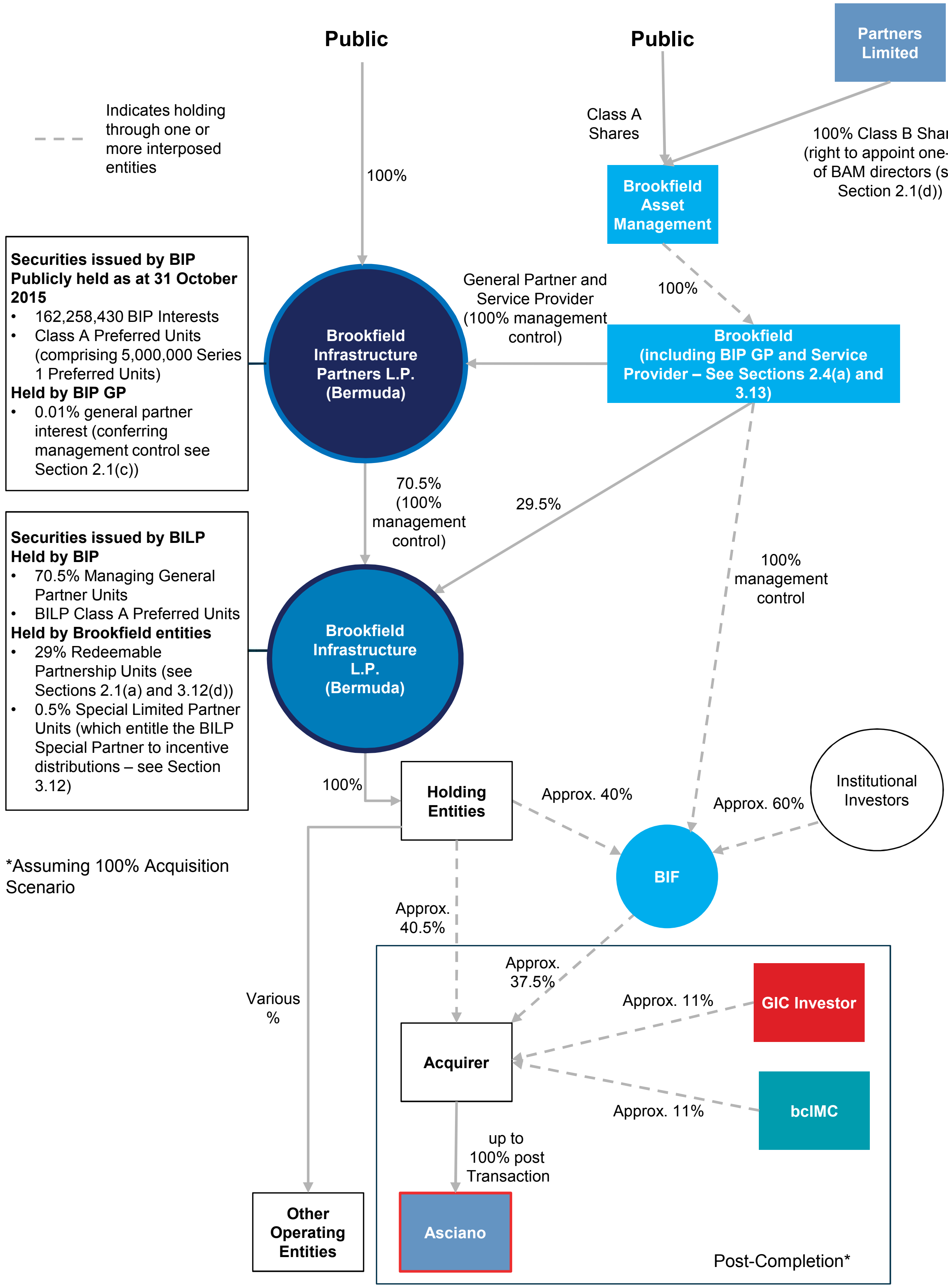
The expression "Brookfield Infrastructure", rather than BIP, has been used in a number of places in this Bidder's Statement for the following reasons:

- BIP's sole material asset is the Managing General Partnership Units it holds in BILP (approximately 70.5% equity interest); and
- the remaining equity interest in BILP is held by Brookfield as Special Limited Partner Units (approximately 0.5% equity interest) and Redeemable Partnership Units (approximately 29% equity interest) which, through the Redemption-Exchange Mechanism, can be converted into an equivalent interest in BIP (refer to Section 3.11(d) below).

Therefore, on an economic basis, the BIP GP Directors believe that holders of BIP Interests and BIP CDIs should view BIP, collectively with its subsidiary entities (including BILP) and the Operating Entities as a single combined enterprise.

The Acquirer has been incorporated for the purpose of undertaking the Transactions, and as such, it currently holds no assets of its own other than the 14.99% stake in Asciano acquired on 5 November 2015 and its rights under the swap contracts described in Section 5.2. The Acquirer will form part of Brookfield Infrastructure and is an Affiliate of BILP.

19 The equity interests and inter-group relationship set out in this section reflect the position as at 31 October 2015. This has changed since the Scheme Booklet, due to the operation of BIP's distribution reinvestment plan and normal course issuer bid.



Through its holdings in the Acquirer and BIF, BIP will hold an approximately 55.7% equity interest in Asciano. BIP's percentage equity interest in BILP will change from approximately 70.5% to 72.4% under the 100% Acquisition Scenario, or to 70.2% under the 50.1% Acquisition Scenario (held via Managing General Partner Units), and Brookfield's percentage equity interest in BILP will change from approximately 29.5% to 27.6% under the 100% Acquisition Scenario, or to 29.8% under the 50.1% Acquisition Scenario (held via Redeemable Partnership Units and Special Limited Partner Units) as a result of the provision of BIP CDIs to Accepting Shareholders and the BAM Private Placement.

b. Securities on issue

BIP currently has three classes of security on issue: the BIP Interests, the Series 1 Preferred Units and one general partner unit.

1. BIP Interests

The BIP Interests are limited partnership interests in BIP. Holders of BIP Interests are not entitled to the withdrawal or return of capital in respect of the BIP Interests, except to the extent, if any, that distributions are made to such holders pursuant to the Limited Partnership Agreement or upon the liquidation of BIP or as otherwise required by law.

Except to the extent expressly provided in the Limited Partnership Agreement, a holder of BIP Interests does not have priority over any other holder of BIP Interests, either as to the return of capital or as to profits, losses or distributions.

Holders of BIP Interests will not be granted any pre-emptive or other similar rights to acquire additional interests in BIP. In addition, holders of BIP Interests do not have any right to have their BIP Interests redeemed by BIP.

More information about the rights attaching to the BIP Interests is set out in Section 3.5(b).

2. Preferred Units

BIP's Preferred Units are limited partnership interests in BIP. Holders of Preferred Units are not entitled to the withdrawal or return of capital contributions in respect of Preferred Units, except to the extent, if any, that distributions are made to such holders pursuant to the Limited Partnership Agreement or upon the liquidation of BIP or as otherwise required by applicable law.

The Class A Preferred Units rank senior to the BIP Interests with respect to priority in the return of capital contributions or as to profits, losses or distributions. Each series of Class A Preferred Units ranks on a parity with every other series of the Class A Preferred Units with respect to priority in the return of capital contributions and as to profits, losses or distributions. There is only one series of Class A Preferred Units currently on issue, the Series 1 Preferred Units. The Series 1 Preferred Units are redeemable on 30 June 2020 and on 30 June every 5 years thereafter.

Holders of the Series 1 Preferred Units will have the right, at their option, to reclassify their Series 1 Preferred Units into Series 2 Preferred Units, subject to certain conditions, on 30 June 2020 and on 30 June every 5 years thereafter. Holders of Series 1 Preferred Units do not have any right to have their Series 1 Preferred Units redeemed by BIP.

On 1 December 2015, BIP announced that it had agreed to issue 5,000,000 Series 3 Preferred Units. The Series 3 Preferred Units will be issued at a price of CAD$25.00 per unit, for gross proceeds of CAD$125,000,000. The Series 3 Preferred Units will be redeemable on or after 31 December 2020 and on 31 December every 5 years thereafter.

Holders of the Series 3 Preferred Units will have the right, at their option, to reclassify their Series 3 Preferred Units into Series 4 Preferred Units, subject to certain conditions, on December 31, 2020 and on December 31 every 5 years thereafter.

Holders of Series 3 Preferred Units will not have any right to have their Series 3 Preferred Units redeemed by BIP.

The offering of Series 3 Preferred Units closed on 8 December 2015.

3. General partner interest

The general partner interest in BIP held by BIP GP entitles BIP GP the right to govern the financial and operating policies of BIP. The general partner interest entitles BIP GP to receive a general partner distribution equal to 0.01% of the total distributions on the BIP Interests.

For more information about BIP GP please see Section 2.1(c) below.

c. BIP GP

BIP is managed and controlled by the board of directors of its general partner, rather than a board of directors of BIP. The general partner is BIP GP, a wholly owned Subsidiary of Brookfield. Except in certain circumstances described in Section 3.8, the sole authority for the management and control of BIP GP, is exercised exclusively by the BIP GP Directors.

Further, BIP's equity interest in BILP, which consists of Managing General Partner Units entitles BIP to serve as BILP's managing general partner, with sole authority for management and control of BILP, which is exercised exclusively through the BIP GP Directors.

At least a majority of the BIP GP Directors must be independent using the standard for independence established by the NYSE (see Section 3.8(b)).

As noted in Section 3.8(d), transactions involving a conflict of interest with Brookfield require approval by a majority of BIP Independent Directors.

In addition, BIP GP's audit committee consists entirely of BIP Independent Directors and its nominating and governance committee consists of a majority of BIP Independent Directors.

Holders of BIP Interests do not have the right to:

- appoint directors or remove directors from the board of BIP GP; or
- remove BIP GP as general partner of BIP.

d. Brookfield

Brookfield is a global alternative asset manager with over US$200 billion in assets under management. For more than 100 years Brookfield has owned and operated assets on behalf of shareholders and clients with a focus on owning and operating property, renewable energy, infrastructure and private equity assets. Brookfield has centred its business around the ownership and operation of real assets and offers a range of public and private investment products and services which leverage its expertise and experience.

With 700 investment professionals and approximately 30,000 operating employees across the world, Brookfield utilises more than a century of experience to actively manage the assets it owns and operates in order to enhance value.

BAM, the parent company of the Brookfield Group, is listed on the NYSE, TSX, and Euronext stock exchanges under the symbols BAM, BAM.A and BAMA respectively.

BAM has two classes of outstanding voting shares on issue, Class A Shares and Class B Shares. The holders of the Class A Shares are entitled to elect one-half of the board of BAM and the holders of the Class B Shares are entitled to elect the other half of the Board of BAM.

Certain senior executives and directors of BAM and its Affiliates (collectively known as the Partners), are direct and indirect shareholders in a corporation, Partners Limited, which holds 100% of the Class B Shares. As at 30 June 2015, there were approximately 47 Partners, and they collectively own, directly or indirectly, virtually all of the common shares of Partners Limited. No individual owns, on a look- through, proportionate basis, more than a 25% effective equity interest in Partners Limited. The Partners also collectively own, directly or indirectly, exercise control or direction over, have contractual arrangements such as options to acquire, or otherwise hold beneficial or economic interests in approximately 20% of the Class A Shares on a fully diluted basis and a 20% common equity interest in BAM.

To the knowledge of the directors and officers of BAM, Partners Limited is the only person or corporation that beneficially owns, directly or indirectly, or exercises control or direction over voting securities of BAM carrying more than 10% of the votes attached to any class of outstanding voting securities of BAM.

e. Brookfield as Service Provider

BIP does not employ any of the individuals who carry out its management. The personnel that carry out these activities are employees of Brookfield, and their services are provided to BIP or for BIP's benefit under the Master Services Agreement. A summary of the Master Services Agreement is set out in Attachment 3. BIP and BILP and their Subsidiaries have appointed Service Providers, each an Affiliate of Brookfield Asset Management, to provide or arrange for the provision by an appropriate Service Provider of certain management, administrative and advisory services, for a fee, under the Master Services Agreement. See Attachment 3 for a summary of the Master Services Agreement.

f. Brookfield Infrastructure Fund

Following the successful launch of Brookfield's first private infrastructure fund in 2009, BIF was established in 2013 with committed capital of US$7 billion as Brookfield's primary global private infrastructure vehicle. BIF is a series of Delaware limited partnerships and other vehicles controlled and managed by one or more general partners or managers, each of which is an Affiliate of Brookfield.

Investors in BIF include Brookfield (through its public funds BIP and Brookfield Renewable Energy Partners L.P.) (approximately 40%) and external investors, consisting generally of recognised institutional and wholesale investors from around the world. BIP's investment in BIF is a limited partner interest. While the general partners and managers of BIF are Affiliates of Brookfield, neither BIP nor the BIP GP controls BIF or is involved in the day to day management of BIF. Brookfield (through its public funds BIP and Brookfield Renewable Energy Partners L.P.) is the only stakeholder which holds an equity interest of more than 15% in BIF. BIF will (via interposed entities) hold an approximate 37.5% equity interest in the Acquirer.

g. GIC, bcIMC and the co-investment arrangements

Two co-investors, the GIC Investor and bcIMC will provide equity funding to the Acquirer alongside BIP and BIF for the Scheme or Takeover Bid on the terms described in Section 6.2(b), with each co-investor to hold an approximate 11% equity interest in the "Acquirer Parent" (an entity which will indirectly wholly own the Acquirer) following Completion of the Scheme or Takeover Bid, as applicable (in each case, assuming a 50.1% Acquisition Scenario or a 100% Acquisition Scenario and subject to adjustment if agreed between the relevant parties).

As part of their equity funding arrangements, each of BIP, BIF, GIC Investor and bcIMC have agreed with the Acquirer in principle governance arrangements relating to certain liquidity, pre-emptive, voting, director appointment and other arrangements in relation to their investments in the Acquirer and, in certain circumstances, the Shares held by the Acquirer.

These terms are substantially the same as those disclosed in the substantial holder notices filed by BIP, the GIC Investor and bcIMC on 24 November 2015.

In particular, the following arrangements apply or will be reflected in a Governance Agreement (the key terms of which are agreed as a term of the equity commitment letters provided by the investors in Acquirer Parent):

- the GIC Investor and bcIMC may, under specified circumstances where Acquirer acquires less than 100% of the Shares, exit their investment in the Acquirer Parent by giving notice to Brookfield and, following a period of negotiation, their investments may be realised by way of a pre-emptive transfer to other investors in the Acquirer Parent, a block trade or other corporate action (subject to certain standstill periods);
- investors in the Acquirer Parent will be entitled to appoint one director to the Acquirer Parent board for every 10% of the outstanding securities of Acquirer Parent it holds and have corresponding appointment rights in relation to the Asciano Board;
- certain matters will be reserved for special board and Acquirer Shareholder approvals;
- investors in the Acquirer Parent will have pre-emptive rights in respect of capital raisings by Acquirer Parent and a "rescue equity" regime will apply under which those pre-emptive rights are modified;
- a distribution policy will be adopted consistent with that set out in Section 7.4(e);
- a general three year standstill will apply to transfers of interests in Acquirer Parent (except in certain circumstances where the Acquirer acquires less than 100% of the Shares), after which proposed transfers to third parties will be subject to pre-emptive rights in favour of the other investors in Acquirer Parent (including tag-along and drag-along rights); and
- there are IPO exit provisions after the fifth anniversary of Completion (80% investor approval threshold) or seventh anniversary of Completion (50% investor approval threshold), applicable if the Acquirer acquires 100% of the Shares.

To the extent necessary, the arrangements above will be adjusted depending on the percentage of Shares acquired by the Acquirer.

The companies comprising the GIC Investor are companies incorporated in Singapore. They are both indirectly wholly owned by GIC (Ventures) Pte Ltd, which is an investment holding company for investments managed by GIC Special Investments Limited, the private equity and infrastructure arm of GIC Private Limited (GIC).

GIC is a global investment management company. It is a private company wholly owned by the Government of Singapore and established in 1981 under the Singapore Companies Act to manage Singapore's foreign reserves. With a network of ten offices in key financial capitals around the world, GIC invests internationally in equities, fixed income, money-market instruments, real estate, private equity and infrastructure investments.

bcIMC is a company incorporated pursuant to an act of the government of the Province of British Columbia, Canada, the Public Sector Pension Plans Act, and its one share is held by the Minister of Finance for British Columbia. With a global portfolio of more than CAD$123.6 billion, bcIMC is one of Canada's largest institutional investors within the capital markets. It invests on behalf of public sector clients in British Columbia. Its activities help finance the retirement benefits of more than 526,000 plan members, as well as the insurance and benefit funds that cover over 2.2 million workers in British Columbia.

2.2. Overview of Brookfield Infrastructure's business and assets

a. Overview

Brookfield Infrastructure owns and operates high quality, long-life assets that generate stable cash flows, require relatively minimal maintenance capital expenditures and tend to appreciate in value over time. Its current operations consist of utilities, transport, energy and communications infrastructure businesses in North and South America, Australia and Europe.

BIP's objective is to be the owner/operator of critical infrastructure assets. This is generally exercised through control of the asset or acting as the operator on behalf of Brookfield Infrastructure's partners. Where the assets are owned by Brookfield controlled infrastructure funds, in which BIP is the largest investor, BIP will operate the asset on behalf of the other institutional partners and is granted the right to direct the votes of the relevant entities. In some instances BIP's operations are jointly controlled in conjunction with partners with which BIP has long standing relationships. Significant influence is exercised through operating agreements and board representation.

b. Utilities Operations

Brookfield Infrastructure's utilities segment owns and operates both regulated assets and contracted businesses. Returns are typically determined for prescribed periods of time and are subject to customary reviews based upon established criteria. Assets have significant competitive advantage owing to regulatory frameworks and economies of scale. Stable revenues and margins are expected to increase with investment of additional capital and inflation.

Regulated Terminal

Description	• Port facility exporting metallurgical and thermal coal mined in the central Bowen Basin region of Queensland, Australia.
Strategic Position	• Accounts for approximately 20% of global seaborne metallurgical coal exports and 7% of total global seaborne coal exports. • Few cost efficient options to access export market for Bowen Basin's high quality, low cost coal other than through Brookfield Infrastructure's terminal operations. • Operation is currently contracted through 2019 via take-or-pay arrangements with some of the world's largest mining companies.
Regulatory Environment	• Receives capacity revenue as if the terminal is fully contracted through regulatory regime (supervised by the Queensland Competition Authority) based on permitted return levels.
Growth Opportunities	• Terminal capacity has expanded over the past 30 years from 15 mtpa to 85 mtpa to meet ongoing customer demand. • Potential exists to further expand operations to facilitate any future growth in the Bowen Basin and to achieve additional share of exports within the existing port precinct and surrounding area.

Electricity Transmission

Description	• North America – 560 km of 44 kilovolt (**kV**) to 230 kV transmission lines in Ontario; and 600 km of 345 kV transmission lines in Texas. • South America – 9,600 km of transmission lines including 100% of Chile's 500 kV transmission lines and approximately 47% of the 220 kV lines, 85% of the 154 kV lines and 10% of the 66 kV and 110 kV lines in Chile.
Strategic Position	• North America – key infrastructure components connecting / delivering power to key population centres. • South America – backbone of high-voltage transmission system in Chile serving 98% of the country. • Benefit from stable long-term cash flows: - Ontario and Texas assets benefit from diverse customer bases; and - South American revenues derived from a number of long-term transmission contracts primarily serving hydro-electric power generators with no material volume risk.

Regulatory Environment	•	All operations are located in regions with stable regulatory environments: - Ontario transmission lines are 100% regulated under a historical cost of service regime, subject to periodic review; - Texas operations regulated based on a historical cost of services regulatory regime; and - Chile regulated revenues determined every four years based on a 10% annuity real rate return on replacement cost plus annual payments for operational, maintenance and administrative costs.
Growth Opportunities	•	Ontario – as an incumbent utility, Brookfield Infrastructure is well placed to connect new projects (driven by recent legislative changes) to the existing grid.
	•	Texas – expected strong economic growth and aging infrastructure to drive required expansion and upgrades of existing transmission system.
	•	Chile – upgrades and expansions of the electricity transmission system required to satisfy increased electricity demand from strong economic growth in the region.

Regulated Distribution

Description	•	UK – the largest independent "last mile" natural gas and electricity connections provider (approximately 2 million connections).
	•	South America – provides power to 427,000 customers in the Boyacá province of Colombia (approximately 150 km north of Bogotá).
Strategic Position	•	UK – market leader based on new gas and electricity connection sales and total installed connections among independent utilities, with cash flow underpinned by a diverse customer base.
	•	South America – provides power to a primarily residential customer base, with nearly 100% urban electrification and 92% rural electrification in the areas Brookfield Infrastructure services.
Regulatory Environment	•	UK – energy retailers charged based on the tariff of the connecting distribution utility with which Brookfield Infrastructure is interconnected, adjusted annually and protected from inflation via a cap and floor.
	•	South America – annuity returns based on the replacement cost of its systems plus a charge to cover operating expenses determined every 5 years. Brookfield Infrastructure's current regulatory return is in excess of 13%.
Growth Opportunities	•	UK – organic growth driven by connections, bundled service offerings and new product lines (e.g. "fibre to home") with further growth aided by the continual opening up of the electricity market to independent connections providers.
	•	South America – strong economic growth expected from emerging industrial industries in Boyacá. Brookfield Infrastructure continues to assess vertical expansion opportunities (as permitted by license) into the generation, transmission, and retail sectors.

c. Transport

Brookfield Infrastructure's transport segment is comprised of open access systems that provide transportation, storage and handling services for freight, bulk commodities and passengers, for which Brookfield Infrastructure is paid an access fee. Revenues are generally stable and, in many cases, are supported by contracts or customer relationships. Approximately 80% of Brookfield Infrastructure's transport segment's EBITDA is supported by contractual revenues. Brookfield Infrastructure's transport segment is expected to benefit from increases in demand for commodities and increases in the global movement of goods.

Rail

Description	•	Australian rail operations comprised of over 5,100km of track and related infrastructure in the southwest region of Western Australia (**WA**).
	•	Brazilian rail operations comprise below and above rail services for approximately 4,800km of track.
	•	Additional revenues earned from complementary services including inland terminals and ports.
Strategic Position	•	Australia – only freight rail network in the southwest region of WA providing access to the region's five government owned ports for minerals, grain and interstate intermodal traffic.
	•	Brazil – operations span nine states and operate in three main corridors serving Brazil's centre North, centre East and centre Southeast regions, including the most important agricultural and industrial regions in the country.
Regulatory Environment	•	Australia – access regime with revenue ceilings and floors, however currently customers have either negotiated and concluded their access agreement outside the access regime for various commercial reasons or are generating revenues well below the regulated ceiling.
	•	Brazil – regulatory regime requires concession holders to provide third party access allowing Brookfield Infrastructure to reach destination ports in both the North and South of the country.

Growth Opportunities	• Australia – well positioned to benefit from any expansion of existing mines or the development of new mines. • Brazil – expectation is to deploy more than R$6 billion to upgrade and expand its operations over the next few years, allowing it to capture volume growth from increased activity in the agriculture, steel and other industrial sectors. • Focused on improving network integration to capture growing demand for integrated transportation services.

Toll Roads

Description	• Chile – 33km of toll roads that form a key part of the transportation network of Santiago. • Brazil – operations comprise in excess of 3,200km of inter urban toll roads, located in the Southeast and South regions of Brazil crossing or connecting states like São Paulo, Rio de Janeiro, Minas Gerais, Parana and Santa Catarina.
Strategic Position	• Brookfield Infrastructure's toll roads are critical infrastructure for the economies of Chile and Brazil, with few alternative routes available and limited ability to build new competing routes due to environmental restrictions, difficulty of expropriating urban land and physical restrictions.
Regulatory Environment	• Chile – operators are allowed to raise annual tariffs at CPI + 3.5%, with additional increases in the form of congestion premiums. • Brazilian concession agreements provide operators with indexed annual tariff increases while additional investments are compensated with real tariff increase or an extension of the concession period.
Growth Opportunities	• Growth in these South American economies is likely to trigger increases in traffic volumes. Coupled with tariff increases in excess of inflation and congestion tariffs, this should drive significant future cash flow growth. • In addition, both Brazil and Chile are seeking to expand their paved road network, presenting opportunities for Brookfield Infrastructure to invest additional capital in these attractive markets.

Ports

Description	• 30 terminals in North America, the UK and across Europe.
Strategic Position	• Port operations are strategically located - Teesport in the UK is a large, deep water port located in a well-developed industrial area in Northern England and Brookfield Infrastructure's North American port operations are located in the ports of Los Angeles and Oakland, the first and fifth largest container port markets in North America, respectively. • Brookfield Infrastructure's UK port is one of the largest operators in the country by volume and is a statutory harbour authority (**SHA**) for the Port of Tees and Hartlepool in the north of the UK. Brookfield Infrastructure's UK port's status as the SHA gives it the right to charge vessel and cargo owners conservancy tariffs (toll-like dues).
Regulatory Environment	• Brookfield Infrastructure's UK port is unregulated, but has the statutory right to set tariffs which are determined through consultancy with users of the river and are indexed to inflation. • North American and European port operations conduct business in an unregulated environment.
Growth Opportunities	• UK – growth initiatives including increased throughput at adjacent steel facility, opportunities created by growth in renewable energy in the UK and the expansion of container handling facilities. • North America – significant automation project in Los Angeles that is expected to approximately double capacity and increase efficiency. Once complete, this project will make this terminal one of the most automated in North America. • Europe – well positioned to capitalise on increasing demand for bulk and general commodities as well as cross selling opportunities with existing customers.

d. Energy

Brookfield Infrastructure's energy segment is comprised of systems that provide transportation, storage and distribution services. This operating segment is comprised of businesses that are subject to light regulation, such as the natural gas transmission business whose services are subject to price ceilings, and businesses that are essentially unregulated like the district energy business. Brookfield Infrastructure's energy segment is expected to benefit from forecasted increases in demand for energy. Revenues are typically generated under contracts with varying durations and are relatively stable.

Transmission, Distribution and Storage

Description	• One of the largest natural gas transmission and pipeline systems in the U.S. (14,800km of transmission pipelines). • An unregulated natural gas and LPG distribution operation in the UK (with over 40,000 gas distribution customers). • Significant natural gas storage capacity in Alberta and the continental U.S. (370 billion cubic feet of natural gas).

Strategic Position	• Largest provider of natural gas transmission and storage services to the Chicago and Northern Indiana market with significant interconnectivity with local distribution companies, industrial users and gas fired power plants. • Energy distribution business in the UK is the sole provider of gas distribution and retail services on the Channel Islands and the Isle of Man, with customers comprised of a number of residential and commercial end users. • The Canadian and Californian natural gas storage facilities represent approximately 5% and 8% of the total storage capacity in the province of Alberta and state of California respectively, while the south Texas gas storage facility has a high deliverability gas storage capacity and has a header system that interconnects across 10 interstate and intrastate pipelines.
Regulatory Environment	• U.S. operations have a regulated framework for shippers and natural gas pipeline owners to reach commercial agreement with customers under a maximum rate regime, while the Californian natural gas storage facilities are also subject to California Public Utilities Commission oversight. • Canadian natural gas storage facility is subject to operational and environmental oversight only. • European energy distribution operations are not regulated, but are ultimately subject to government oversight.
Growth Opportunities	• Opportunities to expand Brookfield Infrastructure's facilities' capacity by adding incremental storage capacity through low cost capital projects. • Additionally, ownership of natural gas storage facilities is highly fragmented, providing consolidation opportunities especially in light of current depressed commodity prices resulting in historically low valuations.

District Energy

Description	• Delivers heating and cooling and energy to customers from centralized systems including: - Heating plants capable of delivering 2,775,000 pounds per hour of steam heating capacity and 251,000 tons of cooling capacity (North America); and - Centralised gas distribution and cogeneration for heating, cooling and energy and connections for distributed water and sewage services (Australia).
Strategic Position	• In most cases Brookfield Infrastructure's district energy businesses offer the only feasible source of energy to customers who are connected to Brookfield Infrastructure's network. • Business in North America provides essential heating and cooling services to commercial customers, governments, hospitals and major sporting arenas in Toronto, Houston, New Orleans, Chicago and Seattle. • Australian business comprises an established natural gas distribution and retail business, supplying to residential, commercial and industrial customers, as well as projects to supply natural gas and/or thermal energy, as well as distributed water and sewage services, to residential and commercial customers.
Regulatory Environment	• Business in Toronto is not subject to rate regulation but receives the rights of a utility, allowing it unrestricted access to its network of underground pipes in downtown Toronto. • Business in Australia is currently not subject to any economic regulation, while U.S. operations are enabled by franchise agreements with the respective municipalities.
Growth Opportunities	• Significant organic growth opportunities in Brookfield Infrastructure's various district energy businesses, primarily through system expansions such as the recently completed project to increase steam generating capacity in New Orleans. • Additional opportunities from increased operational efficiencies, utilisation of excess capacity and consolidation opportunities. • The district energy industry is highly fragmented, providing significant opportunities to grow through acquisition.

e. Communications Infrastructure

Since completion of the TDF acquisition, which involved Brookfield Infrastructure's acquisition of a 21% interest in TDF, the largest independent communication tower infrastructure business in France, the communications infrastructure segment provides essential services and critical infrastructure to the media broadcasting and telecommunications sectors. Operations generate stable, inflation-linked cash flows underpinned by long-term contracts with large, prominent customers in France.

Communications Tower Operations

Description	• 21% interest in TDF, the largest independent communication tower infrastructure business in France with 7,000 multi-purpose towers and active rooftop sites and 5,000 km of fibre backbone.

Strategic Position	• Leading independent communication infrastructure operator in France with sites covering the entire French territory and is the preferred partner of mobile network operators given its scale. • Capable of covering the French population with approximately 97% coverage in one of Europe's largest television markets and is the preferred provider for radio services in France with approximately 60% share of FM analogue radio frequencies.
Regulatory Environment	• Pricing regulated for a small proportion of television sites (currently approximately 80) which are considered to be nonreplicable given significant market power (approximately 30% of television broadcast revenues). • Access prices for replicable television sites are subject to a price floor and cap established by the regulator.
Growth Opportunities	• Size and scope of platform positions. Brookfield Infrastructure to construct and acquire additional assets to take advantage of favourable market trends: technological evolution driving further site growth; network densification; and further site rollout associated with minimum coverage requirements.

f. Performance targets and key measures

Brookfield Infrastructure targets a total return of 12% to 15% per annum on the infrastructure assets that it owns, measured over the long-term.

Brookfield Infrastructure intends to generate this return from the in-place cash flow from its operations plus growth through investments in upgrades and expansions of its asset base, as well as acquisitions.

To measure performance, amongst other measures, Brookfield Infrastructure focuses on FFO. FFO is a measure of operating performance that is not calculated in accordance with, and does not have any standardised meaning prescribed by IFRS. FFO is therefore unlikely to be comparable to similar measures presented by other issuers. FFO has limitations as an analytical tool.

If Brookfield Infrastructure is successful in growing FFO per BIP Interest, BIP will be able to increase distributions to holders of BIP Interests.

Furthermore, the increase in FFO per BIP Interest should result in capital appreciation. Brookfield Infrastructure also measures the growth of FFO per BIP Interest, which it believes is a proxy for Brookfield Infrastructure's ability to increase distributions to holders of BIP Interests.

In addition, Brookfield Infrastructure uses adjusted funds from operations or AFFO. Management uses AFFO as a measure of long-term sustainable cash flow.

Another key performance measure for Brookfield Infrastructure is AFFO Yield which measures how effectively Brookfield Infrastructure is employing its capital.

In addition, Brookfield Infrastructure focuses on EBITDA. Like FFO, EBITDA is a measure of operating performance that is not calculated in accordance with, and does not have any standardised meaning prescribed by, IFRS. EBITDA is therefore unlikely to be comparable to similar measures presented by other issuers. EBITDA has limitations as an analytical tool.

Brookfield Infrastructure also has performance measures that track the key value drivers of each of its operating segments. See Section 2.5(f) for more details.

2.3. Overview of Brookfield Infrastructure's performance

a. BIP's distribution policy and recent distribution history

BIP's objective is to pay a distribution to holders of BIP Interests that is sustainable on a long term basis, whilst retaining sufficient liquidity within its operations to fund recurring growth capital expenditures, debt repayments and general corporate requirements.

BIP currently believes that a payout of 60% to 70% of its FFO is appropriate.

Distribution payout is reviewed with the BIP GP Directors in the first quarter of each year. In February 2015 the BIP GP Directors approved a 10% increase in BIP's quarterly distribution to US 53 cents per BIP Interest, which started with the distribution paid in March 2015. This increase reflects the forecasted contribution from its recently commissioned capital projects, as well as the expected cash yield on acquisitions that it closed in the past year.

Since inception, BIP has increased its quarterly distribution from US 26.5 cents per BIP Interest to US 53 cents per BIP Interest. This is a compound annual growth rate of 13%. BIP targets 5% to 9% annual distribution growth in light of the per BIP Interest FFO growth it foresees in its operations.

Below is a breakdown of BIP's distribution history since inception (in USD):

US$ per BIP Interest, unaudited

Year	2008	2009	2010	2011	2012	2013	2014	2015
Annual Distribution	$0.88*	$1.06	$1.10	$1.32	$1.50	$1.72	$1.92	$2.12
Growth	–	–	4%	20%	14%	15%	12%	10%

*2008 distribution was pro-rated from spin-off.

b. Other BIP securities

Holders of the Series 1 Preferred Units issued by BIP will be entitled to receive a cumulative quarterly fixed distribution at a rate of 4.50% annually for the initial period ending 30 June 2020. Thereafter, the distribution rate will be reset every five years at a rate equal to the five year Government of Canada bond yield plus 3.56%.

On 1 December 2015, BIP announced that it had agreed to issue 5,000,000 Series 3 Preferred Units. Holders of the Series 3 Preferred Units issued by BIP will be entitled to receive a cumulative quarterly fixed distribution at a rate of 5.50% annually for the initial period ending December 31, 2020. Thereafter, the distribution rate will be reset every five years at a rate equal to the greater of: (i) the 5-year Government of Canada bond yield plus 4.53%, and (ii) 5.50%. The offering of Series 3 Preferred Units closed on 8 December 2015.

Distributions to holders of Preferred Units in accordance with their terms rank higher in priority than distributions to holders of BIP Interests – with each holder of BIP Interests or Preferred Units receiving a pro rata share of distributions made to all holders of BIP Interests or Preferred Units, as applicable, in accordance with the proportion of all BIP Interests or Preferred Units held by that holder.

2.4. Directors and management of BIP and the Acquirer

a. BIP GP Directors and management of BIP

The Limited Partnership Agreement provides for the management and control of BIP by BIP GP, rather than a board of directors. BIP GP has a board of directors but does not have any executive officers. Information on the current BIP GP Directors is set out below.

1. BIP GP Directors

Derek Pannell (Chairman)

Derek has served as a director of BIP GP since 15 June 2007. Until April 2010, he was a Managing Partner of BAM and prior to this he was the CEO of Noranda Inc. and Falconbridge Limited from June 2002 to October 2006. He also served as the President and Chief Operating Officer for Noranda Inc. between September 2001 and June 2002.

Derek is a metallurgical engineer with over 42 years of experience in the mining and metals industry. He is former Chair of the Mining Association of Canada and board member of the International Council on Mining and Metals. Derek was a board member of Teck Resources Inc. until 1 April 2010 and African Barrick Gold until April 2013. Derek currently serves on the board of Agrium Inc.

Derek is a professional engineer registered in Quebec and Peru and is an Associate of the Royal School of Mines and a Fellow of the Canadian Academy of Engineers. Derek holds a Bachelor of Science degree from Imperial College in London, England.

Jeffrey Blidner

Jeffrey is a Senior Managing Partner of BAM and is responsible for strategic planning and transaction execution. Jeffrey is also a director of a number of Brookfield companies in Europe and Canada.

Prior to joining Brookfield in 2000, Jeffrey was a senior partner at a Canadian law firm. Jeffrey's practice focused on merchant banking transactions, public offerings, mergers and acquisitions, management buy-outs and private equity transactions.

Jeffrey received his LLB from Osgoode Hall Law School and was called to the Bar in Ontario as a Gold Medallist.

John Fees

John joined as a director of BIP GP on 22 April 2013. He is the Chairman of The Babcock & Wilcox Company, having assumed this role after completing the spin-off of The Babcock & Wilcox Company to McDermott International shareholders. John is a 30 year veteran of McDermott International, having started his career in 1979 in The Babcock & Wilcox Company.

While CEO of McDermott International, John led the company and board through the process of the spin-off and established McDermott International and The Babcock & Wilcox Company as 2 independent, public companies.

John holds a Master's degree of Engineering Administration from George Washington University and a Bachelor of Science, Industrial Engineering, from the University of Pittsburgh.

David Hamill

David has served as a director of BIP GP since 31 December, 2010. David is a professional director and brings significant management and strategic expertise to Brookfield Infrastructure. He was Treasurer of the State of Queensland in Australia from 1998 to 2001, Minister for Education from 1995 to 1996, and Minister for Transport and Minister Assisting the Premier on Economic and Trade Development from 1989 to 1995. David retired from the Queensland Parliament in February 2001.

David holds a Bachelor of Arts (Honours) from the University of Queensland, a Master's degree in Arts from Oxford University and a Doctorate of Philosophy from University of Queensland. He is a fellow of the Chartered Institute of Transport and the Australian Institute of Company Directors.

Arthur Jacobson, Jr.

Arthur has served as a director of BIP GP since 27 November 2007. He is a former Managing Director of Spear, Leeds Kellogg Specialists LLC (a division of Goldman Sachs Group Inc.) from 2001 to 2004. He was a partner of Benjamin Jacobson and Sons, LLC from 1987 to 2001. He was also a specialist on the NYSE for 16 years, from 1988 to 2004. Prior to that he was an Account Executive at Drexel Burnham Lambert Inc. from 1985 to 1987.

Arthur holds a degree in Business Administration from the University of Southern California.

Don Mackenzie

Don joined as a director of BIP GP on 22 April, 2013. He is the Chairman and Owner of New Venture Holdings, a well-established privately owned holding company with an operating company and real estate investments in Bermuda and Canada.

Prior to moving to Bermuda in 1990, Don worked in the software and sales sector. He acquired his first business in 1995, and New Venture Holdings was formed in 2000 to consolidate a number of operating investments under a holding company umbrella.

Don has a Bachelor of Commerce from Queens University and an MBA from Schulich School of Business of York University.

Rafael Miranda Robredo

Rafael joined as a director of BIP GP on 22 April 2013. He is the Chairman of Acerinox S.A., Hispania Activos Inmobiliarios S.A. and the Endesa Foundation, Honorary Chairman of Eurelectric, the European Electricity Association, Chairman of the Social Council of Burgos University and, until April 2013, a board member of Enersis – the company which manages all of Endesa's investments in Latin America.

Rafael joined Endesa, Spain's largest electric company in 1987 as managing director and served as the company's CEO from 1997 to 2009. During this time, he lead the business through a period of government deregulation of the electricity sector.

Rafael has a Bachelor of Industrial Engineering from Comillas University, and a Master's degree in Management Science from the Industrial Organisation E.O.I.

Anne Schaumburg

Anne has served as a director of BIP GP since 3 November 2008. She has been a member of the board of directors of NRG Energy, Inc., a power generation company listed on NYSE, since 2005.

From 1984 until her retirement in 2002, Anne was with the Global Energy Group of Credit Suisse First Boston, where she last served as Managing Director. From 1979 to 1984, she was with the Utilities Group at Dean Witter Financial Services Group, where she last served as managing director. From 1971 to 1978, Anne was at First Boston Corporation in the Public Utilities Group.

Anne is a graduate of the City University of New York.

Danesh Varma

Danesh has served as a director of BIP GP since 15 June 2007. He is the Chief Financial Officer of Anglesey Mining PLC, Minco plc., Xterra Inc. and Conquest Resources Limited. He joined Minco plc and Conquest Resources Limited in 2006, Xterra Inc. in 2008 and Anglesey Mining PLC in 2014.

From 1999 to 2005, Danesh was a director at Dundee B Corp. Ltd. Prior to that, Danesh held a number of senior positions in the banking, corporate finance and accounting fields.

Danesh holds a degree from Delhi University and is a Chartered Accountant.

2. Management of BIP

The BIP GP does not have any employees. Instead, members of Brookfield's senior management and other individuals from Brookfield's Affiliates are drawn upon to fulfil the Service Provider's obligations to provide BIP with management services under the Master Services Agreement. Brookfield currently has approximately 30,000 operating employees and over 700 investment professionals, worldwide.

The following table presents certain information concerning the core senior management team that is principally responsible for BIP's operations and their positions with the Service Provider as of the date of this Bidder's Statement:

Name	Age	Years of experience in relevant industry or role	Years at Brookfield	Current position with Service Provider
Jeffrey Blidner	67	39	14	Chair
Sam Pollock	49	26	21	CEO
Bahir Manios	37	14	11	CFO

Sam Pollock

Sam is a Senior Managing Partner of BAM and CEO of the Service Provider. Since 2006, Sam has led Brookfield's expansion into the infrastructure sector and is responsible for the formulation and execution of the operating and investment strategy for Brookfield's infrastructure business. Sam joined BAM in 1994 and prior to his current role, was broadly responsible for Brookfield's investment initiatives, acting as BAM's Chief Investment Officer (**CIO**).

Sam is a professional accountant and holds a business degree from Queen's University.

Bahir Manios

Bahir is a Managing Partner of BAM and CFO of the Service Provider. In his capacity as CFO of the Service Provider, Bahir is responsible for Brookfield Infrastructure's financial reporting, risk management, investor relations, taxation, corporate finance and overall funding activities of the organisation.

Bahir began his career at one of the big 4 accounting firms where he worked in the assurance and business advisory practice, and joined Brookfield in 2004.

A graduate of the School of Business and Economics at Wilfrid Laurier University in 2001, Bahir is a member of the Chartered Professional Accountants of Canada.

Jeffrey Blidner

For information on Jeffrey Blidner, see Section 2.4(a) of this Bidder's Statement.

b. Acquirer Directors

Brief profiles of the directors of the Acquirer as at the date of this Bidder's Statement are as follows:

Stewart Upson

Stewart is a Managing Partner for Brookfield Infrastructure. He joined Brookfield in March 2010 and is the CIO for Brookfield in Australia, responsible for sourcing and executing investment opportunities in Australasia.

Prior to working at Brookfield, Stewart held the role of general manager of Business Development of Prime Infrastructure from December 2008. In this role he had responsibility for corporate transactions and strategic planning processes, including new revenue generation initiatives for assets within Prime's portfolio. Stewart was previously employed in the infrastructure origination group at Babcock & Brown and prior to that was Prime's group treasurer. Stewart joined Prime from Powerco (a New Zealand based utility) in 2005 where he was treasurer.

Stewart is a CFA charter holder and holds a Bachelor of Commerce with Honours from Auckland University.

Jeffrey Kendrew

Jeff is a Managing Partner for Brookfield's Infrastructure business and Chief Development Officer focused on the growth of Brookfield's infrastructure business in Australia and New Zealand. He served as Prime Infrastructure's CEO from 2007 prior to its merger with BIP. Prior to joining Prime Infrastructure, he was General Manager of Corporate Development at Powerco, a New Zealand based utility.

Jeff holds a Bachelor of Engineering (Electrical) from the University of Canterbury New Zealand, and MBA (Technology Management) from Deakin University. He is a member of the Australian Institute of Company Directors.

William Powell

Bill is a Senior Managing Partner of Brookfield and is CEO of Brookfield Australia. Bill is also the Manager of Brookfield's global Financial Risk Management activities. Previously, Bill was a partner in Brookfield's real estate mezzanine debt fund. Prior to joining Brookfield, Bill held various senior management positions within the real estate capital markets groups at several investment management firms. Bill received his B.S. in Accounting from the University of Richmond in 1981 and his M.B.A. from the Darden School of the University of Virginia in 1990.

Russell Proutt

Russell is a Managing Partner of Brookfield and is the Chief Financial Officer of Brookfield Australia Pty Ltd. Russell has responsibility for the capital management for Brookfield's investments in the region including permanent and transitional capital relating to the existing portfolio and investments including mergers and acquisitions.

Russell joined Brookfield in 2006 and has held various senior positions in the organisation. He moved to Australia in 2008. Prior to joining Brookfield, Russell was a director with Credit Suisse's investment banking division. Russell is a member of the Canadian Institute of Chartered Professional Accountants, the Canadian Institute of Chartered Business Valuators and holds a business degree from the University of Manitoba.

2.5. Historical Financial Information

a. Introduction

This Section 2.5 contains the following financial information of Brookfield Infrastructure as approved by the BIP GP Directors.

Historical financial information comprising:

- the consolidated statement of operating results for the year ended 31 December 2013, 31 December 2014, the 6 months ended 30 June 2015 and the 9 months ended 30 September 2015; and
- the consolidated statement of financial position at 31 December 2013, 31 December 2014, 30 June 2015 and 30 September 2015.

(collectively, the **BIP Financial Information**).

b. Basis of preparation

The BIP Financial Information is presented in order to provide Asciano Shareholders and BIP Securityholders with the historical performance of BIP for the year ended 31 December 2013, 31 December 2014, the 6 months ended 30 June 2015 and the 9 months ended 30 September 2015.

The financial statements of BIP for the year ended 31 December 2013, 31 December 2014 and the interim condensed financial statements for the quarters ended 31 March 2015, 30 June 2015 and 30 September 2015, form the basis of the financial information presented in this Bidder's Statement.

The only material asset of BIP is its 70.5% equity interest in BILP.

c. Sources of information

The BIP Financial Information has been extracted from the audited financial statements of BIP for the year ended 31 December 2013, 31 December 2014 and the unaudited interim condensed and consolidated financial statements for the 6 months ended 30 June 2015 and unaudited results for the 9 months ended 30 September 2015. The financial statements of BIP for the aforementioned periods were prepared in accordance with IFRS, which are the accounting standards under which BIP reports.

d. Accounting estimates

The preparation of financial statements requires the Brookfield Infrastructure management team to make critical judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses that are not readily apparent from other sources, during the reporting period. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements made by the Brookfield Infrastructure management team and utilised in the normal course of preparing BIP's consolidated financial statements are disclosed in Note 3 of the financial statements of BIP for the year ended 31 December 2014.

e. BIP historical financial information

The following tables set out the historical statements of BIP for the year ended 31 December 2013, 31 December 2014, the 6 months ended 30 June 2015 and the 9 months ended 30 September 2015. The consolidated statement of operating results and consolidated statement of financial position have been prepared based on this historical information. The statements exclude any pro forma adjustments arising from the implementation of the 100% Acquisition Scenario. These adjustments are provided in Section 8.2(c)(3) of this Bidder's Statement.

BIP Statement of Operating Results	For the year ended 31 December 2013	For the year ended 31 December 2014	For the 6 months ended 30 June 2015	For the 9 months ended 30 September 2015
US$ millions, except per unit information				
Revenues	1,826	1,924	932	1,400
Direct operating costs	(823)	(846)	(400)	(599)
General and administrative expenses	(110)	(115)	(69)	(99)
Depreciation and amortisation expense	(329)	(380)	(196)	(293)
	564	583	267	409
Interest expense	(362)	(362)	(183)	(273)
Share of earnings from investments in associates	56	58	37	55
Mark-to-market on hedging items	19	38	58	109
Gain on sale of associates	53	-	-	-
Other (expenses) income	(35)	(1)	9	82
Income before income tax	295	316	188	382
Income tax (expense) recovery				
Current	(3)	(30)	(13)	(21)
Deferred	1	(49)	(1)	(4)
Net income from continuing operations	293	237	174	357
(Loss) income from discontinued operations, net of income tax	(228)	(8)	-	-
Net income	65	229	174	357
Attributable to:				
Limited partners	(63)	101	85	160
General partner	31	44	32	49
Non-controlling interest attributable to:				
Redeemable Partnership Units held by Brookfield	(26)	39	33	64
Interests of others in operating subsidiaries	123	45	23	82
Preferred Unitholders	-	-	1	2
Basic and diluted (loss) earnings per unit attributable to:				
Limited partners	(0.43)	0.67	0.55	1.01

BIP Statement of Financial Position	As of 31 December 2013	As of 31 December 2014	As of 30 June 2015	As of 30 September 2015
US$ millions				
Assets				
Cash and cash equivalents	538	189	652	577
Financial assets	362	484	427	508
Accounts receivable and other	346	299	350	357
Inventory	22	21	18	16
Assets classified as held for sale	-	567	568	311
Current assets	1,268	1,560	2,015	1,769
Property, plant and equipment	7,763	8,084	7,882	7,453
Intangible assets	4,006	3,575	3,401	3,261
Investments in associates	2,039	2,412	2,716	2,401
Investment properties	164	162	163	157
Goodwill	48	84	82	80
Financial assets	178	430	521	714
Other assets	92	89	78	70
Deferred income tax asset	124	99	94	87
Total assets	15,682	16,495	16,952	15,992
Liabilities and Partnership Capital Liabilities				
Accounts payable and other	491	532	534	568
Non-recourse borrowings	71	41	320	296
Financial liabilities	36	49	200	188
Liabilities directly associated with assets classified as held for sale	-	199	195	-
Current liabilities	598	821	1,249	1,052
Corporate borrowings	377	588	683	634
Non-recourse borrowings	5,719	6,180	5,695	5,699
Financial liabilities	511	554	457	476
Other liabilities	557	569	543	493
Deferred income tax liability	1,295	1,441	1,394	1,313
Preferred shares	20	20	20	20
Total liabilities	9,077	10,173	10,041	9,687
Partnership capital				
Limited partners	3,751	3,533	3,864	3,550
Non-controlling interest attributable to:				
Redeemable Partnership Units held by Brookfield	1,408	1,321	1,519	1,401
Interest of others in operating subsidiaries	1,419	1,444	1,410	1,238
General partner	27	24	22	20
Preferred unitholders	-	-	96	96
Total partnership capital	6,605	6,322	6,911	6,305
Total liabilities and partnership capital	15,682	16,495	16,952	15,992

f. Management discussion and analysis

1. BIP's selected statement of operating results and financial position information

To measure performance, BIP is focused on FFO and AFFO, among other measures. BIP also focused on EBITDA and net income, taking into account items that BIP considers unusual or otherwise not reflective of the ongoing profitability of its operations.

BIP defines FFO as net income excluding the impact of depreciation and amortisation, deferred income taxes, breakage and transaction costs, non-cash valuation gains or losses and other items. BIP defines AFFO as FFO less maintenance capital expenditure. FFO is a measure of operating performance and AFFO is a measure of the sustainable cash flow of the business. Since they are not calculated in accordance with, and do not have any standardised meanings prescribed by, IFRS, FFO and AFFO are unlikely to be comparable to similar measures presented by other issuers and FFO and AFFO have limitations as analytical tools.

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
US$ millions, except per unit information	2015	2014	2015	2014
Funds from operations (FFO)	604	544	394	366
Per unit FFO[20]	2.71	2.59	1.80	1.74
Distributions per unit	1.59	1.44	1.06	0.96
Payout ratio[21]	67%	62%	68%	61%
Adjusted funds from operations (AFFO)[22]	508	457	337	312
AFFO Yield	13%	13%	13%	13%

For the 9 months ended 30 September 2015, FFO totalling US$604 million (US$2.71 per BIP Interest) increased from the prior year. This reflected deployment of capital in organic growth initiatives and the contribution from new investments, partially offset by a strengthening US dollar. The payout ratio at period end was 67%, which is within BIP's 60-70% long term range, and generated AFFO Yield of 13% during the period. This was consistent with the prior year.

For the 6 months ended 30 June 2015, FFO totalling US$394 million (US$1.80 per BIP Interest) increased from the prior year. This also reflected deployment of capital in organic growth initiatives and the contribution from new investments, partially offset by a strengthening US dollar. The payout ratio at period end was 68%, which is within BIP's 60 – 70% long-term range, and generated AFFO Yield of 13% during the period. This was consistent with the prior year.

The following tables present selected statements of operating results and financial position information by operating segment on a proportionate basis:

Statements of Operating Results	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Net income (loss) by segment				
Utilities	150	127	80	72
Transport	105	75	70	50
Energy	17	5	19	10
Communications Infrastructure	7	-	5	-
Corporate and other	(6)	(90)	(24)	(87)
Net income	273	117	150	45
EBITDA by segment				
Utilities	391	388	258	256
Transport	424	451	282	292
Energy	124	105	86	77
Communications Infrastructure	44	-	22	-
Corporate and other	(99)	(84)	(69)	(56)
EBITDA	884	860	579	569
FFO by segment				
Utilities	287	274	188	181
Transport	303	291	200	189
Energy	70	52	51	42
Communications Infrastructure	40	-	20	-
Corporate and other	(96)	(73)	(65)	(46)
FFO	604	544	394	366

20 Average BIP Interests outstanding during the 9 month period of 223.2 million (2014: 210.1 million). Average BIP Interests outstanding during the 6 month period of 219.2 million (2014: 210.1 million).

21 Payout ratio is defined as distributions paid (inclusive of GP incentive distributions and preferred BIP Interests) divided by FFO.

22 AFFO is defined as FFO less maintenance capital expenditures.

Statement of Financial Position	As of 30 September 2015	As of 30 June 2015	As of 31 December 2014
US$ millions	$	$	$
Total assets by segment			
Utilities	4,338	4,653	4,805
Transport	4,247	4,593	4,970
Energy	1,803	1,851	1,816
Communications Infrastructure	820	845	-
Corporate and other	(179)	(227)	(56)
Total assets	11,029	11,715	11,535
Net debt by segment			
Utilities	2,640	2,779	2,843
Transport	2,039	2,191	2,513
Energy	1,018	1,028	1,030
Communications Infrastructure	402	429	-
Corporate and other	(41)	(117)	271
Net Debt	6,058	6,310	6,657
Partnership capital by segment			
Utilities	1,698	1,874	1,962
Transport	2,208	2,402	2,457
Energy	785	823	786
Communications Infrastructure	418	416	-
Corporate and other	(138)	(110)	(327)
Partnership capital	4,971	5,405	4,878

Summary Statements of Operating Results	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions, except per unit information	$	$	$	$
Revenues	1,400	1,459	932	968
Direct operating expenses	(599)	(643)	(400)	(427)
General and administrative expenses	(99)	(84)	(69)	(56)
Depreciation and amortisation expense	(293)	(282)	(196)	(185)
Interest expense	(273)	(267)	(183)	(177)
Mark-to-market on hedging items	109	9	58	(38)
Other income (expense)	82	11	-	-
Earnings from investments in associates	55	48	37	18
Net income	357	166	174	86
Income from continuing operations	357	173	174	91
Loss from discontinued operations	-	(7)	-	(5)
Net income attributable to BIP	273	117	150	45
Net income per limited partnership unit	1.01	0.39	0.55	0.11

2. Review of Consolidated Financial Results

This section reviews BIP's financial position as at 30 September 2015, 30 June 2015 and 31 December 2014 and consolidated performance for the 9 months ended 30 September 2015 and 2014 and 6 months ended 30 June 2015 and 2014.

For the 9 months ended 30 September 2015, Brookfield Infrastructure reported net income of US$357 million, of which US$273 million is attributable to BIP, compared to net income of US$173 million and net income attributable to BIP of US$117 million in the prior year.

Revenues totalled US$1,400 million in the first 9 months of 2015, representing a year-over-year decrease of US$59 million or 4%. Revenue from acquisitions completed over the past 12 months at Brookfield Infrastructure's US district energy and gas storage businesses contributed US$62 million.

BIP benefited from organic growth initiatives in BIP's utilities and energy segments which contributed incremental revenue of US$30 million and US$20 million, respectively. Transport operations also contributed an additional US$23 million primarily due to rate and tariff increases across the platform as well as increased volume in BIP's Australian rail and UK port operations. These increases were more than offset by the US$194 million impact of foreign exchange.

Direct operating expenses totalled US$599 million for the first 9 months of 2015, which represented a decrease of US$44 million, or 7%, compared to the same period in 2014. This was driven by incremental costs of US$41 million attributable to the district energy and gas storage businesses acquired over the past 12 months, an additional US$30 million of costs as a result of the aforementioned organic growth initiatives in Brookfield Infrastructure's utilities and energy segments and higher volumes at BIP's transport operations. These items were more than offset by the US$115 million impact of foreign exchange.

General and administrative expenses totalled US$99 million for the 9 months ended 30 September 2015, an increase of US$15 million from the comparative period. This line item is primarily comprised of the annual Base Management Fee that is paid to Brookfield, which is equal to 1.25% of BIP's market value (the value of all BIP Interests and Preferred Units, assuming conversion of all Redeemable Partnership Units held by Brookfield into BIP Interests, plus all securities of other Service Recipients that are not held by Brookfield Infrastructure and recourse debt, net of cash).

It also includes certain public company expenditures relating to the ongoing operations of BIP. The Base Management Fee increased from prior year due to a larger market capitalisation driven by a higher BIP Interest trading price, the issuance of medium term notes and Series 1 Preferred Units in March 2015, and BIP Interests in April 2015.

Depreciation and amortisation expenses totalled US$293 million in the first 9 months of 2015, an increase of US$11 million from the comparative period. The increase was primarily due to higher property, plant and equipment values as a result of BIP's annual revaluation process, acquisitions and capital deployed over the past 12 months, partially offset by depreciation of the foreign currencies in which BIP operates against the US dollar.

Mark-to-market on hedging items was a gain of US$109 million for the 9 months ended 30 September 2015 versus a US$9 million gain in the prior year. The current period consists primarily of derivative gains of US$109 million related to Brookfield Infrastructure's foreign currency risk management program at the corporate level, whereas the comparative period relates to a net US$9 million gain on these items.

Earnings from investments in Associates were US$55 million for the 9 months ended 30 September 2015, representing an increase of US$7 million from the US$48 million earned in the first 9 months of 2014. This increase was driven by US$22 million and US$7 million of contributions from Brookfield Infrastructure's Brazilian rail business and European telecommunications infrastructure operations, respectively (which Brookfield Infrastructure acquired over the past 12 months). This is offset by a US$10 million tax recovery recorded in the period associated with a change in Chilean tax law and the US$10 million impact of foreign exchange.

For the 6 months ended 30 June 2015, Brookfield Infrastructure reported net income of US$174 million, of which US$150 million is attributable to BIP, compared to net income of US$86 million and net income attributable to BIP of US$45 million in the prior year.

Revenues totalled US$932 million in the first 6 months of 2015, representing a year-over-year decrease of US$36 million or 4%. Revenue from acquisitions completed over the past 12 months at Brookfield Infrastructure's US district energy and gas storage businesses contributed US$41 million.

BIP benefited from organic growth initiatives in BIP's utilities and energy segments which contributed incremental revenue of US$20 million and US$12 million, respectively. Transport operations also contributed an additional US$12 million primarily due to rate and tariff increases across the platform as well as increased volume in BIP's Australian rail and UK port operations. These increases were more than offset by the US$121 million impact of foreign exchange.

Direct operating expenses totalled US$400 million for the first 6 months of 2015, which represented a decrease of US$27 million, or 6%, compared to the same period in 2014. This was driven by incremental costs of US$28 million attributable to the district energy and gas storage businesses acquired over the past 12 months, an additional US$19 million of costs as a result of the aforementioned organic growth initiatives in Brookfield Infrastructure's utilities and energy segments, and higher volumes at BIP's transport operations. These items were more than offset by the US$74 million impact of foreign exchange.

General and administrative expenses totalled US$69 million for the 6 months ended 30 June 2015, an increase of US$13 million from the comparative period. This line item is primarily comprised of the annual Base Management Fee that is paid to Brookfield, which is equal to 1.25% of BIP's market value (the value of all BIP Interests and Preferred Units, assuming conversion of all Redeemable Partnership Units held by Brookfield into BIP Interests, plus all securities of other Service Recipients that are not held by Brookfield Infrastructure and recourse debt, net of cash). It also includes certain public company expenditures relating to the ongoing operations of BIP. The Base Management Fee increased from prior year due to a larger market capitalisation driven by a higher BIP Interest trading price, the issuance of medium term notes and Series 1 Preferred Units in March 2015, and BIP Interests in April 2015.

Depreciation and amortisation expense totalled US$196 million in the first 6 months of 2015, an increase of US$11 million versus the second quarter of 2014. The increase was primarily due to higher property, plant and equipment values as a result of BIP's annual revaluation process, acquisitions and capital deployed over the past 12 months, partially offset by depreciation of the foreign currencies in which BIP operates against the US dollar.

Mark-to-market on hedging items was a gain of US$58 million for the 6 months ended 30 June 2015 versus a US$38 million loss in the prior year. The current period consists primarily of derivative gains of US$55 million related to Brookfield Infrastructure's foreign currency risk management program at the corporate level, whereas the comparative period mostly relates to US$42 million of losses on these items.

Earnings from investments in Associates were US$37 million for the 6 months ended 30 June 2015, representing an increase of US$19 million from the US$18 million earned in the first 6 months of 2014. This increase was driven by US$9 million and US$5 million of contributions from Brookfield Infrastructure's Brazilian rail business and European telecommunications infrastructure operations, respectively (which Brookfield Infrastructure acquired over the past 12 months).

Summary Statements of Financial Position Key Metrics	**As of 30 September 2015**	**As of 30 June 2015**	**As of 31 December 2014**
US$ millions			
Cash and cash equivalents	577	652	189
Other current assets	1,192	1,363	1,371
Total assets	15,992	16,952	16,495
Current liabilities	756	929	780
Corporate borrowings	634	683	588
Non-recourse borrowings	5,995	6,015	6,221
Other long-term liabilities	2,302	2,414	2,584
Preferred unitholders	96	96	-
Limited partner's capital	3,550	3,864	3,533
Non-controlling interest – Redeemable Partnership Units held by Brookfield	1,401	1,519	1,321
Non-controlling interest – in operating subsidiaries	1,238	1,410	1,444
General partner's capital	20	22	24

As of 30 September, 2015, BIP had US$15,992 million in assets, compared to US$16,495 million at the end of 2014. This represented a US$503 million decrease. Funds raised from the second quarter US$950 million equity offering net of US$246 million used to repay BIP's corporate credit facility balance, drawn to fund new investments in the prior year, an increase in financial assets of US$308 million primarily due to mark-to-market gains on hedging items and $US128 million impact of BIP's follow on investment in a tunnel connected to BIP's Chilean toll road was more than offset by foreign exchange translation losses of US$1,388 million from the strengthening of the US dollar versus all of the foreign currencies in which we operate, and a US$255 million decline associated with the sale of BIP's New England electricity transmission business in the period.

Corporate borrowings increased to US$634 million at 30 September, 2015, compared to US$588 million at 31 December, 2014. The increase of US$46 million is attributable to US$360 million of proceeds from the issuance of medium terms notes in March 2015, partially offset by the repayment of US$246 million drawn on BIP's corporate credit facility at year end (utilising proceeds from BIP's recent equity offering) and a US$68 million decline in BIP's Canadian dollar denominated corporate debt. The Canadian dollar depreciated against the US dollar during the 9 months ended 30 September, 2015.

Non-recourse borrowings decreased by US$226 million to US$5,995 million at 30 September, 2015, from US$6,221 million at 31 December, 2014. This was primarily due to the depreciation of BIP's Australian dollar, Chilean peso and Canadian dollar denominated debt balances – because these currencies depreciated against the US dollar during the first 9 months of 2015.

Partnership capital increased by US$93 million to US$4,971 million at 30 September, 2015 from US$4,878 million at 31 December, 2014. The US$950 million of partnership units issued in April 2015 (being the net of US$24 million of associated fees and net income attributable to the Partnership of US$273 million for the first 9 months of 2015), was offset by the US$405 million of distributions paid to BIP's unitholders, US$61 million of unit repurchases and US$640 million associated with foreign currency translation reserve losses during the 9 months ended 30 September, 2015.

As of 30 June 2015, BIP had US$16,952 million in assets, compared to US$16,495 million at the end of 2014. The US$457 million increase is primarily due to funds raised from the recent US$950 million equity offering net of US$246 million utilised to repay Brookfield Infrastructure's corporate credit facility balance, which was drawn to fund new investments in the prior year partially offset by foreign exchange translation losses of US$247 million from the strengthening of the US dollar versus most of the foreign currencies in which it operates.

Corporate borrowings increased to US$683 million at 30 June 2015, compared to US$588 million at 31 December 2014. The increase of US$95 million is attributable to US$360 million of proceeds from the issuance of medium terms notes in March 2015 partially offset by the repayment of US$246 million drawn on BIP's corporate credit facility at year end utilising proceeds from the April 2015 equity offering and a US$19 million decline in BIP's Canadian dollar denominated corporate debt, as the Canadian dollar depreciated against the US dollar during the 6 months ended 30 June 2015.

Non-recourse borrowings decreased by US$206 million to US$6,015 million at 30 June 2015 from US$6,221 million at 31 December 2014, primarily due to depreciation of the Australian dollar, Chilean peso and Canadian dollar denominated debt balances – because these currencies depreciated against the US dollar during the first 6 months of 2015.

Partnership capital increased by US$527 million to US$5,405 million at 30 June 2015 from US$4,878 million at 31 December 2014. This increase was mainly driven by the US$950 million of BIP Interests and Redeemable Partnership Units issued in April 2015, net of US$24 million of associated fees. The balance was also impacted by net income attributable to BIP of US$150 million for the first 6 months of 2015 partially offset by the US$266 million of distributions paid to Brookfield Infrastructure unitholders and US$285 million of foreign currency translation reserve losses during the 6 months ended 30 June 2015.

3. Summary of Quarterly Results

Total revenues and net income for the 8 most recent quarters are as follows:

	2015						2014	2013
3 months ended	Q3 – 30 Sep	Q2 – 30 Jun	Q1 – 31 Mar	Q4 – 31 Dec	Q3 – 30 Sep	Q2 – 30 Jun	Q1 – 31 Mar	Q4 – 31 Dec
US$ millions, except per unit amounts								
Revenues	468	466	466	465	491	488	480	470
Direct operating costs	(199)	(197)	(203)	(203)	(216)	(215)	(212)	(212)
Earnings from investment in associates	18	20	17	10	30	5	13	-
Expenses	-	-	-	-	-	-	-	-
Interest	(90)	(93)	(90)	(95)	(90)	(90)	(87)	(98)
Corporate costs	(30)	(35)	(34)	(31)	(28)	(29)	(27)	(28)
Valuation items	-	-	-	-	-	-	-	-
Fair value changes and other	124	(31)	98	17	34	5	(19)	55
Depreciation and amortisation	(97)	(101)	(95)	(98)	(97)	(94)	(91)	(79)
Income tax (expense) recovery	(11)	(3)	(11)	(1)	(42)	(24)	(12)	(12)
Net income from continuing operations	183	26	148	64	82	46	45	96
Loss from discontinued operations, net of tax	-	-	-	(1)	(2)	(4)	(1)	(272)
Net income (loss)	183	26	148	63	80	42	44	(176)
Net income (loss) attributable to others	108	25	64	(4)	36	41	29	(32)
Net income (loss) attributable to limited partners	75	1	84	67	44	1	15	(144)
Net income per limited partnership unit	0.46	0.01	0.56	0.28	0.29	0.01	0.10	(0.96)

A significant driver of Brookfield Infrastructure's results continues to be organic growth driven by inflation, volume growth and reinvested capital, in addition to new investments, which add to the ongoing earnings profile of BIP's current businesses. After factoring in the impact of foreign exchange, these items contributed to consistent increases in revenues, operating and interest costs, as well as depreciation expense.

In addition to the aforementioned items, net income is impacted by fair value adjustments and other income and expenses. Brookfield Infrastructure does not consider the effects of seasonality to be significant to the business overall. This is primarily due to the diversification of the business from a geographic and a segment perspective.

4. Segmented Disclosures

This section provides a review of the results of BIP's principal operating segments: utilities, transport, energy and communications infrastructure. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity method, whereby BIP either controls or exercises significant influence over its investments.

Utilities

Brookfield Infrastructure's utilities segment is comprised of regulated businesses, which earn a return on their asset base, as well as businesses with contracts designed to generate a return on capital over the life of the contract. In all cases, Brookfield Infrastructure owns and operates assets that earn a return on a regulated or notionally stipulated asset base, which Brookfield Infrastructure refers to as its rate base.

Brookfield Infrastructure's rate base increases in accordance with capital that it invests to upgrade and expand its systems. Depending on the jurisdiction, its rate base may also increase by inflation and maintenance capital expenditures and decrease by regulatory depreciation. The return that it earns is typically determined by a regulator or contracts for prescribed periods of time. Thereafter, it may be subject to customary reviews based upon established criteria.

Due to the regulatory diversity it has within its utilities segment, Brookfield Infrastructure mitigates exposure to any single regulatory regime. In addition, due to the regulatory frameworks and economies of scale of its utilities businesses, Brookfield Infrastructure often has significant competitive advantages in competing for projects to expand its rate base. Accordingly, Brookfield Infrastructure expects this segment to produce stable revenue and margins that should increase with investment of additional capital and inflation. Nearly all of Brookfield Infrastructure's utility segment's EBITDA is supported by regulated or contractual revenues.

Brookfield Infrastructure's objectives for its utilities segment are to invest capital in the expansion of its rate base and to provide safe and reliable service for its customers on a cost efficient basis. If it does so, it will be in a position to earn an appropriate return on its rate base. Its performance can be measured by the growth in its rate base, the return on rate base, as well as its AFFO.

Brookfield Infrastructure's utilities segment is comprised of the following:

- *Regulated Terminal*: one of the world's largest coal export terminals in Queensland, Australia, with 85 mtpa of capacity;
- *Electricity Transmission*: approximately 10,800 kilometres of transmission lines in North and South America; and
- *Regulated Distribution*: approximately 2.4 million electricity and natural gas connections.

Results of operations

The following table presents BIP's proportionate share of rate base and selected key metrics:

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
US$ millions	2015	2014	2015	2014
Rate base, start of period	4,118	4,242	4,118	4,242
Capital expenditures commissioned	165	145	110	103
Inflation and other indexation	68	75	45	46
Regulatory depreciation	(41)	(45)	(28)	(30)
Foreign exchange and other	(378)	(168)	(130)	50
Rate base, end of period	3,932	4,249	4,115	4,411

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
US$ millions	2015	2014	2015	2014
Funds from operations (FFO)	287	274	188	181
Maintenance capital	(7)	(8)	(4)	(5)
Adjusted funds from operations (AFFO)	280	266	184	176
Return on rate base[23]	11%	11%	11%	10%

For the 9 months ended 30 September 2015, the utilities segment produced FFO of US$287 million, compared with US$274 million for the same period in the prior year, as results benefited from higher connections activity at BIP's UK regulated distribution business, inflation indexation and additions to rate base, partially offset by the impact of foreign exchange.

For the 6 months ended 30 June 2015, the utilities segment produced FFO of US$188 million, compared with US$181 million for the same period in the prior year, as results benefited from higher connections activity at BIP's UK regulated distribution business, inflation indexation and additions to rate base, partially offset by the impact of foreign exchange.

The following table presents BIP's Utilities segment's proportionate share of financial results:

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
US$ millions	2015	2014	2015	2014
Revenue	520	554	340	363
Cost attributable to revenues	(129)	(166)	(82)	(107)
EBITDA	391	388	258	256
Interest expense	(107)	(120)	(72)	(79)
Other income	3	6	2	4
Funds from operations (FFO)	287	274	188	181
Depreciation and amortisation	(115)	(118)	(77)	(79)
Deferred taxes and other items	(22)	(29)	(31)	(30)
Net income	150	127	80	72

23 Return on rate base is EBITDA divided by time weighted average rate base. Return on rate base excludes impact of connections revenues at BIP's UK regulated distribution operation.

The following table presents the proportionate EBITDA and FFO for each business in this operating segment:

	EBITDA		FFO	
	For the 9 month period ended 30 September		For the 9 month period ended 30 September	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Regulated Distribution	165	149	132	117
Regulated Terminal	118	128	69	70
Electricity Transmission	108	111	86	87
Total	391	388	287	274

	EBITDA		FFO	
	For the 6 month period ended 30 June		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Regulated Distribution	106	98	84	76
Regulated Terminal	80	84	46	46
Electricity Transmission	72	74	58	59
Total	258	256	188	181

BIP's regulated distribution operation generated EBITDA and FFO of US$165 million and US$132 million, respectively, for the current 9 month period, versus US$149 million and US$117 million, respectively, in the comparative period. This increase was primarily due to stronger performance at BIP's UK regulated distribution business that benefited from a larger rate base, inflation indexation and higher connections activity.

BIP's regulated terminal operation reported EBITDA and FFO of US$118 million and US$69 million, respectively, for the current 9 month period, versus US$128 million and US$70 million, respectively, in the comparative period. EBITDA and FFO decreased compared to the prior year as inflation indexation and the benefit of additions to the rate base were more than offset by the impact of foreign exchange as the hedged rate declined compared to the prior year.

BIP's electricity transmission operations reported EBITDA and FFO of US$108 million and US$86 million, respectively, for the 9 month period, versus US$111 million and US$87 million, respectively, in the comparative period. EBITDA and FFO decreased compared to the prior year as inflation indexation and additions to rate base were offset by the impact of foreign exchange.

Non-cash expenses are primarily comprised of depreciation and amortisation, inflation indexation on the Chilean peso denominated debt, deferred taxes and other items. Depreciation and amortisation decreased by US$3 million to US$115 million for the 9 months ended 30 September 2015, driven by a US$11 million decline attributable to the impact of foreign exchange partially offset by US$8 million of additional depreciation as a result of a higher asset base following BIP's annual revaluation of property, plant and equipment and additions to rate base over the past 12 months. Deferred taxes and other items for the period were a loss of US$22 million compared to a loss of US$29 million for the same period in 2014.

The US$7 million decrease versus the prior period is due to BIP's share of the gain on the sale of the New England electricity transmission business of US$14 million. Whereas the prior year included a US$7 million deferred tax gain recorded at our Chilean electricity transmission system associated with changes in local tax rates.

BIP's regulated distribution operation generated EBITDA and FFO of US$106 million and US$84 million, respectively, for the current 6 month period, versus US$98 million and US$76 million, respectively, in the comparative period. This increase was primarily due to stronger performance at BIP's UK regulated distribution business that benefited from a larger rate base, inflation indexation and higher connections activity.

BIP's regulated terminal operation reported EBITDA and FFO of US$80 million and US$46 million, respectively, for the current 6 month period, versus US$84 million and US$46 million, respectively, in the comparative period. EBITDA decreased while FFO remained consistent with the prior year as inflation indexation and the benefit of additions to rate base were offset by the impact of foreign exchange as the hedged rate declined compared to the prior year.

BIP's electricity transmission operations reported EBITDA and FFO of US$72 million and US$58 million, respectively, for the 6 month period, versus US$74 million and US$59 million, respectively, in the comparative period. EBITDA and FFO decreased compared to the prior year as inflation indexation and additions to rate base were offset by the impact of foreign exchange.

Non-cash expenses are primarily comprised of depreciation and amortisation, inflation indexation on the Chilean peso denominated debt, deferred taxes and other items. Depreciation and amortisation decreased by US$2 million to US$77 million for the 6 months ended 30 June 2015, driven by a US$5 million decline – attributable to the impact of foreign exchange partially offset by US$3 million of additional depreciation as a result of a higher asset base following BIP's annual revaluation of property, plant and equipment and additions to rate base over the past 12 months. Deferred taxes and other items for the period were a loss of US$31 million compared to a loss of US$30 million for the same period in 2014, as current period results included US$3 million of incremental mark-to-market losses on derivative contract positions at BIP's UK regulated distribution business offset by the US$4 million impact of foreign exchange.

Transport

Brookfield Infrastructure's transport segment is comprised of open access systems that provide transportation, storage and handling services for freight, bulk commodities and passengers, for which it is paid access fees. Profitability is based on the volume and price achieved for the provision of these services. This operating segment is comprised of businesses with price ceilings as a result of regulation, such as its rail and toll road operations, as well as unregulated businesses, such as ports.

Transport businesses have greater sensitivity to market prices and volume than Brookfield Infrastructure's utilities segment, but revenues are generally stable and in many cases, are supported by contracts or customer relationships. Brookfield Infrastructure's transport segment is expected to benefit from increases in demand for commodities and increases in the global movement of goods. Furthermore, the diversification within Brookfield Infrastructure's transport segment mitigates the impact of fluctuations in demand from any particular sector, commodity or customer. Approximately 80% of EBITDA for the transport segment is supported by contractual revenues.

Brookfield Infrastructure's objectives for its transport segment are to provide safe and reliable service to its customers and to satisfy their growth requirements by increasing the utilisation of its assets and expanding its capacity in a capital efficient manner. If Brookfield Infrastructure does so, it will be able to charge an appropriate price for its services and it will be able to earn an attractive return on the capital that it has deployed – as well as the capital that it will invest to increase the capacity of its operations. Brookfield Infrastructure's performance in this segment can be measured by its revenue growth and its EBITDA margin.

Brookfield Infrastructure's transport segment is comprised of the following:

- *Rail*: sole provider of rail networks in Southwestern Western Australia with 5,100 kilometres of track and operator of approximately 4,800 kilometres of rail in Brazil;
- *Toll Roads*: approximately 3,300 kilometres of motorways in Brazil and Chile; and
- *Ports*: 30 terminals in North America, the UK and across Europe.

Results of operations

The following table presents the proportionate share of key metrics of BIP's transport segment:

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Growth capital expenditures	212	238	134	147
EBITDA margin[24]	49%	49%	48%	49%
Funds from operations (FFO)	303	291	200	189
Maintenance capital	(54)	(55)	(35)	(36)
Adjusted funds from operations (AFFO)	249	236	165	153

In the transport segment, BIP generated FFO of US$303 million in the first 9 months of 2015 compared to US$291 million in the same period of 2014. The increase in FFO was primarily driven by the investment in BIP's South American rail operation in the third quarter of 2014, higher volumes and rates at the Australian rail operation, the benefit of inflationary tariff increases at the South American toll roads and volume growth at the North American container terminal, which were partially offset by the impact of foreign exchange.

In the transport segment, BIP generated FFO of US$200 million in the first 6 months of 2015 compared to US$189 million in the same period of 2014. The increase in FFO was primarily driven by the investment in BIP's South American rail operation in the third quarter of 2014, higher volumes and rates at the Australian rail operation, the benefit of inflationary tariff increases at the South American toll roads and volume growth at the North American container terminal, which were partially offset by the impact of foreign exchange.

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

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Revenue	871	923	585	595
Cost attributable to revenues	(447)	(472)	(303)	(303)
EBITDA	424	451	282	292
Interest expense	(110)	(132)	(75)	(87)
Other expenses	(11)	(28)	(7)	(16)
Funds from operations (FFO)	303	291	200	189
Depreciation and amortisation	(165)	(186)	(110)	(120)
Deferred taxes and other items	(33)	(30)	(20)	(19)
Net income	105	75	70	50

24 Adjusted EBITDA margin is Adjusted EBITDA divided by revenues.

The following table presents the proportionate EBITDA and FFO for each business in this operating segment:

	EBITDA		FFO	
	For the 9 month period ended 30 September		For the 9 month period ended 30 September	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Rail	223	203	175	149
Toll Roads	138	188	85	104
Ports	63	60	43	38
Total	424	451	303	291

	EBITDA		FFO	
	For the 6 month period ended 30 June		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Rail	148	132	115	96
Toll Roads	91	120	56	67
Ports	43	40	29	26
Total	282	292	200	189

For the 9 months ended 30 September 2015, BIP's rail operations reported EBITDA and FFO of US$223 million and US$175 million, respectively, versus US$203 million and US$149 million, respectively, in the prior year. EBITDA and FFO increased versus prior year due to contribution from the South American rail acquisition completed in the third quarter of 2014 and volume growth and improved margins at the Australian operation, partially offset by the impact of foreign exchange.

For the 9 months ended 30 September 2015, BIP's toll roads contributed EBITDA and FFO of US$138 million and US$85 million, respectively, compared to EBITDA and FFO of US$188 million and US$104 million, respectively, in the comparative period. EBITDA and FFO decreased versus prior year as regulatory tariff increases were more than offset by the impact of foreign exchange. In local currency, toll road EBITDA was 7% higher than prior year.

For the 9 months ended 30 September 2015, BIP's port operations reported EBITDA and FFO of US$63 million and US$43 million, respectively, compared to EBITDA and FFO of US$60 million and US$38 million, respectively, in the comparative period. EBITDA and FFO increased from prior year as BIP benefited from the automation project at the North American container terminal and the No.1 quay expansion at the UK port operations.

Non-cash expenses are primarily comprised of depreciation and amortisation, inflation indexation on the Chilean peso denominated debt, deferred taxes and other items. Depreciation and amortisation decreased to US$165 million for the period ended 30 September 2015, down from US$186 million for the same period in 2014. The US$21 million decrease versus prior year is primarily driven by the depreciation of the foreign currencies in which BIP operates versus the prior year, which led to a US$38 million decline, partially offset by US$8 million of additional depreciation from the Brazilian rail operation and North American container port, acquired in August 2014 and March 2014 respectively, US$6 million of additional depreciation at the Brazilian toll roads mainly driven by growth capex deployed in the business over the past 12 months, as well as US$4 million of additional depreciation due to the annual revaluation of property, plant and equipment. Deferred taxes and other items for the period were a loss of US$33 million compared to a loss of US$30 million for the same period in 2014, primarily due to incremental losses incurred at the Australian rail operation related to ineffective hedges as a result of a refinancing completed in the prior period.

For the 6 months ended 30 June 2015, BIP's rail operations reported EBITDA and FFO of US$148 million and US$115 million, respectively, versus US$132 million and US$96 million, respectively, in the prior year. EBITDA and FFO increased versus prior year due to contribution from the South American rail acquisition completed in the third quarter of 2014 and volume growth and improved margins at the Australian operation, partially offset by the impact of foreign exchange.

For the 6 months ended 30 June 2015, BIP's toll roads contributed EBITDA and FFO of US$91 million and US$56 million, respectively, compared to EBITDA and FFO of US$120 million and US$67 million, respectively, in the comparative period. EBITDA and FFO decreased versus prior year as regulatory tariff increases were more than offset by the impact of foreign exchange. In local currency, toll road EBITDA was 5% higher than prior year.

For the 6 months ended 30 June 2015, BIP's port operations reported EBITDA and FFO of US$43 million and US$29 million, respectively, compared to EBITDA and FFO of US$40 million and US$26 million, respectively, in the comparative period. EBITDA and FFO increased from prior year as BIP benefited from the automation project at the North American container terminal and the No.1 quay expansion at the UK port operations.

Non-cash expenses are primarily comprised of depreciation and amortisation, inflation indexation on the Chilean peso denominated debt, deferred taxes and other items. Depreciation and amortisation decreased to US$110 million for the period ended 30 June 2015, down from US$120 million for the same period in 2014. The US$10 million decrease versus prior year is primarily driven by the depreciation of the foreign currencies in which BIP operates versus the prior year, which led to a US$22 million decline. This was partially offset by US$7 million of additional depreciation from the Brazilian rail operation and North American container port, acquired in August 2014 and March 2014 respectively, US$3 million of additional depreciation at the Brazilian toll roads mainly driven by growth capex deployed in the business over the past 12 months, as well as US$3 million of additional depreciation due to the annual revaluation of property, plant and equipment. Deferred taxes and other items for the period were a loss of US$20 million compared to a loss of US$19 million for the same period in 2014 – primarily due to incremental losses incurred at the Australian rail operation related to ineffective hedges as a result of a refinancing completed in the prior period.

Energy

Brookfield Infrastructure's energy segment is comprised of systems that provide transportation, storage and distribution services. Profitability is based on the volume and price achieved for the provision of these services. This operating segment is comprised of businesses that are subject to light regulation, such as Brookfield Infrastructure's natural gas transmission business whose services are subject to price ceilings, and businesses that are essentially unregulated like its district energy business. Brookfield Infrastructure's energy segment is expected to benefit from forecasted increases in demand for energy. Although these businesses have greater sensitivity to market prices and volume than the utilities segment, revenues are typically generated under contracts with varying durations and are relatively stable.

Brookfield Infrastructure's objectives for its energy segment are to provide safe and reliable service to its customers and to satisfy their growth requirements by increasing the utilisation of Brookfield Infrastructure's assets and expanding its capacity in a capital efficient manner. If Brookfield Infrastructure does so, it will be able to charge an appropriate price for its services and earn an attractive return on the capital that it has deployed – as well as the capital that it will invest to increase the capacity of its operations. Brookfield Infrastructure's performance can be measured by its revenue growth, EBITDA margin and its AFFO.

Brookfield Infrastructure's energy segment is comprised of the following:

Transmission, Distribution and Storage Operations:

- 14,800 kilometres of transmission pipelines;
- over 40,000 gas distribution customers in the UK; and
- 370 billion cubic feet of natural gas storage in the U.S. and Canada.

District Energy Operations:

- heating plants capable of delivering over 2,825,000 pounds per hour of steam heating capacity and 251,000 tons of cooling capacity in North America; and
- heating, cooling and distributed water and sewage services in Australia.

Results of operations

The following table presents the proportionate share of the key metrics of BIP's energy segment:

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Growth capital expenditures	20	33	13	22
EBITDA margin[25]	48%	45%	48%	47%
Funds from operations (FFO)	70	52	51	42
Maintenance capital	(31)	(24)	(16)	(13)
Adjusted funds from operations (AFFO)	39	28	35	29

BIP's energy segment generated FFO of US$70 million in the first 9 months of 2015 compared to US$52 million in the same period of 2014. The increase was attributable to organic growth initiatives and new investments made over the last 12 months in the district energy business and higher transportation volumes at the North American natural gas transmission business.

BIP's energy segment generated FFO of US$51 million in the first 6 months of 2015 compared to US$42 million in the same period of 2014. The increase was attributable to organic growth initiatives and new investments made over the last 12 months in the district energy business and higher transportation volumes at the North American natural gas transmission business.

25 EBITDA margin is EBITDA divided by revenues.

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

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Revenues	259	231	178	163
Cost attributable to revenues	(135)	(126)	(92)	(86)
EBITDA	124	105	86	77
Interest expense	(56)	(53)	(36)	(35)
Other income	2	-	1	-
Funds from operations (FFO)	70	52	51	42
Depreciation and amortisation	(33)	(55)	(22)	(34)
Deferred taxes and other items	(20)	8	(10)	2
Net income	17	5	19	10

The following table presents proportionate EBITDA and FFO for each business in this operating segment:

	EBITDA		FFO	
	For the 9 month period ended 30 September		For the 9 month period ended 30 September	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Energy Transmission, Distribution and Storage	89	94	40	44
District Energy	35	11	30	8
Total	124	105	70	52

	EBITDA		FFO	
	For the 6 month period ended 30 June		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Energy Transmission, Distribution and Storage	65	66	33	33
District Energy	21	11	18	9
Total	86	77	51	42

For the 9 months ended 30 September 2015, the energy transmission, distribution and storage operations reported EBITDA and FFO of US$89 million and US$40 million, respectively, versus US$94 million and US$44 million respectively, in the comparative period. EBITDA and FFO decreased versus prior year as results were impacted by milder weather in the Chicago market in the first three months of the year, which lowered transportation volumes at Brookfield Infrastructure's North American energy transmission business.

BIP's district energy business contributed EBITDA and FFO of US$35 million and US$30 million, respectively, for the first 9 months of 2015, versus US$11 million and US$8 million, respectively, in the comparative period. EBITDA and FFO increased from the prior year primarily as a result of contribution from new systems that came on-line in the third quarter of 2014 and organic capital investments made to increase the number of in-place connections. Prior period balances have been reclassified to include Australian district energy businesses which were formerly presented as part of the energy distribution platform.

Non-cash expenses are primarily comprised of depreciation, amortisation, deferred taxes and other items. Depreciation and amortisation was US$33 million for the period ended 30 September 2015, down from US$55 million for the same period in 2014. The decline is primarily due to a US$32 million decrease in depreciation at the North American natural gas transmission business, which since classification as an asset held for sale on 31 December 2014 has not been depreciated. This decline was partially offset by US$10 million of additional depreciation as a result of acquisitions completed over the past 12 months in the district energy and gas storage businesses. Deferred taxes and other expenses for the period ended 30 September 2015 were a loss of US$20 million compared to income of US$8 million in the same period in 2014. The US$28 million variance is primarily due to a recovery of deferred taxes which benefitted results in the prior year at the North American gas transmission business.

For the 6 months ended 30 June 2015, the energy transmission, distribution and storage operations reported EBITDA and FFO of US$65 million and US$33 million, respectively, versus US$66 million and US$33 million respectively, in the comparative period. FFO remained consistent whilst EBITDA decreased versus prior year as results were impacted by milder weather in the Chicago market in the first 3 months of the year, which lowered transportation volumes at Brookfield Infrastructure's North American energy transmission business.

BIP's district energy business contributed EBITDA and FFO of US$21 million and US$18 million, respectively, for the first 6 months of 2015, versus US$11 million and US$9 million, respectively, in the comparative period. EBITDA and FFO increased from the prior year primarily as a result of contribution from new systems that came on-line in the third quarter of 2014 and organic capital investments made to increase the number of in-place connections. Prior period balances have been reclassified to include Australian district energy businesses which were formerly presented as part of the energy distribution platform.

Non-cash expenses are primarily comprised of depreciation, amortisation, deferred taxes and other items. Depreciation and amortisation was US$22 million for the period ended 30 June 2015, down from US$34 million for the same period in 2014. The decline is primarily due to a US$20 million decrease in depreciation at the North American natural gas transmission business, which since classification as an asset held for sale on 31 December 2014 has not been depreciated.

This decline was partially offset by US$8 million of additional depreciation as a result of acquisitions completed over the past 12 months in the district energy and gas storage businesses. Deferred taxes and other expenses for the period ended 30 June 2015 were a loss of US$10 million compared to income of US$2 million in the same period in 2014. The US$12 million variance is primarily due to a recovery of deferred taxes which benefitted results in the prior year at the North American gas transmission business.

Communications infrastructure

Brookfield Infrastructure's communications infrastructure segment provides essential services and critical infrastructure to the media broadcasting and telecommunications sectors in France. These services and access to infrastructure are contracted on a long term basis with tariff escalation mechanisms. Brookfield Infrastructure's telecommunications customers pay upfront and recurring fees to lease space on its towers to host their equipment. Brookfield Infrastructure's broadcasting customers pay fees for transmitting television and radio content to the end user.

The key objective for this segment is to deploy capital to capture increased demand for densification from mobile network operators and to acquire towers and other infrastructure that are non-core to such operators. Brookfield Infrastructure's performance will be measured by growth in its EBITDA.

The segment is comprised of 7,000 multi-purpose towers and active rooftop sites and 5,000 km of fibre backbone located in France. These operations will generate stable, inflation linked cash flows underpinned by long term contracts (typically 10-20 years in telecommunications and over 5 years in broadcasting) with large, prominent customers in France.

Results of operations

The following table presents BIP's proportionate share of the key metrics of the communications infrastructure segment:

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Growth capital expenditures	10	-	5	-
EBITDA margin[26]	54%	-	52%	-
Funds from operations (FFO)	40	-	20	-
Maintenance capital	(4)	-	(2)	-
Adjusted funds from operations (AFFO)	36	-	18	-

BIP acquired the European telecommunications infrastructure operations for US$415 million on 31 March, 2015.

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

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Revenues	82	-	42	-
Cost attributable to revenues	(38)	-	(20)	-
EBITDA	44	-	22	-
Interest expense	(4)	-	(2)	-
Funds from operations (FFO)	40	-	20	-
Depreciation and amortisation	(31)	-	(16)	-
Deferred taxes and other items	(2)	-	1	-
Net income	7	-	5	-

For the 9 months ended 30 September 2015, BIP's communications infrastructure segment generated EBITDA and FFO of US$44 million and US$40 million, respectively, versus nil and nil, respectively, in the prior year, as the business was acquired in March 2015.

26 EBITDA margin is EBITDA divided by revenues.

For the 6 months ended 30 June 2015, BIP's communications infrastructure segment generated EBITDA and FFO of US$22 million and US$20 million, respectively, versus nil and nil, respectively, in the prior year, as the business was acquired in March 2015.

Non-cash expenses are primarily comprised of depreciation, amortisation, deferred taxes and other items.

5. Corporate and other

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

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
General and administrative costs	(6)	(6)	(4)	(4)
Base Management Fee	(93)	(78)	(65)	(52)
EBITDA	(99)	(84)	(69)	(56)
Interest expense	(18)	(10)	(11)	(6)
Other income	21	21	15	16
Funds from operations (FFO)	(96)	(73)	(65)	(46)
Deferred taxes and other items	90	(17)	41	(41)
Net loss	(6)	(90)	(24)	(87)

General and administrative costs for the period ended 30 September and 30 June 2015 were in-line with prior year. BIP anticipates that corporate and administrative costs, excluding the Base Management Fee, will be in the range of US$8 million to US$10 million per year.

Pursuant to the Master Services Agreement, BIP pays Brookfield an annual Base Management Fee equal to 1.25% of BIP's market value. The Base Management Fee increased from prior year due to a larger market capitalisation driven by higher BIP Interest trading price and higher recourse debt.

Corporate interest expense includes interest expense on corporate borrowings and standby fees on BIP's committed credit facility, less interest earned on cash balances. Interest expense increased year-over-year due to higher recourse debt used to finance new investments.

Other income includes interest and distribution income earned on corporate financial assets, in addition to realised gains on corporate financial assets.

Deferred taxes and other expenses for the 9 months ended 30 September 2015 were a gain of US$90 million compared to an US$17 million loss in the same period in 2014, as the current period benefited from mark-to-market gains related to Brookfield Infrastructure's Foreign Currency Hedging Program, while the prior period contained mark-to-market losses on these items.

Deferred taxes and other expenses for the 6 months ended 30 June 2015 were a gain of US$41 million compared to an US$41 million loss in the same period in 2014, as the current period benefited from mark-to-market gains related to Brookfield Infrastructure's Foreign Currency Hedging Program, while the prior period contained mark-to-market losses on these items.

Capital resources and liquidity

BIP maintains 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 its FFO to unitholders.

The principal sources of liquidity are cash flows from operations, undrawn credit facilities and access to public and private capital markets. BIP may, from time to time, invest in financial assets comprised mainly of liquid equity and debt infrastructure securities in order to earn attractive short term returns and for strategic purposes. Certain subsidiaries may be subject to limitations on their ability to declare and pay dividends. Any limitations existing at 30 June 2015 and 31 December 2014 were insignificant and would not adversely impact the ability to meet cash obligations.

BIP's total liquidity was approximately US$2.9 billion at 30 September 2015 and US$2.8 billion at 30 June 2015. This comprised of the following:

	As of 30 September 2015	As of 30 June 2015	As of 31 December 2014
US$ millions	$	$	$
Corporate cash and cash equivalents	675	800	317
Committed corporate credit facility	1,425	1,425	1,400
Draws on corporate credit facilities	-	-	(246)
Commitments under corporate credit facility	(103)	(105)	(110)
Proportionate cash retained in businesses	312	283	380
Proportionate availability under subsidiary credit facilities	585	420	384
Total liquidity	2,894	2,823	2,125

BIP finances assets primarily at the operating company level with debt that generally has long term maturities, few restrictive covenants and no recourse to either Brookfield Infrastructure or other operations. On a proportionate basis as of 30 September 2015, scheduled principal repayments over the next 5 years are as follows:

	As of 30 September 2015							
	Average term (years)	2015	2016	2017	2018	2019	Beyond	Total
US$ millions		$	$	$	$	$	$	$
Recourse borrowings								
Corporate borrowings	4	-	-	297	-	-	337	634
Total recourse borrowings	4	-	-	297	-	-	337	634
Non-recourse borrowing[27]								
Utilities								
Regulated Distribution	12	-	-	-	-	-	993	993
Regulated Terminal	6	-	174	-	-	36	728	938
Electricity Transmission	12	1	73	5	5	5	671	760
	10	1	247	5	5	41	2,392	2,691
Transport								
Rail	8	2	5	5	5	5	883	905
Toll Roads	10	25	151	104	66	65	544	955
Ports	6	2	9	55	180	11	103	360
	9	29	165	164	251	81	1,530	2,220
Energy								
Energy Transmission, Distribution & Storage	6	8	15	482	-	145	230	880
District Energy	13	4	-	28	-	-	153	185
	7	12	15	510	-	145	383	1,065
Communications Infrastructure								
European Telecommunications Infrastructure Operations	5	-	-	-	105	189	141	435
	5	-	-	-	105	189	141	435
Total non-recourse borrowings[28]	9	42	427	679	361	456	4,446	6,411
Total borrowings[29]	9	42	427	976	361	456	4,783	7,045
Cash retained in business								
Utilities								51
Transport								181
Energy								47
Communications Infrastructure								33
Corporate								675
Total cash retained								987
Net debt								
Utilities								2,640
Transport								2,039
Energy								1,018
Communications Infrastructure								402
Corporate								(41)
Total net debt								6,058
Net debt as % of total net debt		1%	6%	14%	5%	6%	68%	100%

27 Represents non-recourse debt to Brookfield Infrastructure as holders recourse only to the underlying operations.

28 Represents non-recourse debt to Brookfield Infrastructure as holders recourse only to the underlying operations.

29 As of 30 September, approximately 22% has been issued as floating rate debt. Brookfield Infrastructure and its subsidiaries have entered into interest rate swaps whereby the floating rate debt has been converted to fixed rate debt, effectively reducing floating rate debt maturities to approximately 16% of our total borrowings.

BIP's debt has an average term of 9 years. The weighted average cash interest rate is 5.8% for the overall business (30 September 2014: 5.9%), in which the utilities, transport, energy and corporate segments were 5.4%, 6.5%, 6.8% and 3.3%, respectively (30 September 2014: 5.3%, 6.7%, 6.8% and 3.5% respectively). The weighted average cash interest rate of the European communications infrastructure operations, acquired in the first quarter of 2015 was 2.2%.

BIP finances assets primarily at the operating company level with debt that generally has long term maturities, few restrictive covenants and no recourse to either Brookfield Infrastructure or other operations. On a proportionate basis as of 30 June 2015, scheduled principal repayments over the next five years are as follows:

	As of 30 June 2015							
	Average term (years)	2015	2016	2017	2018	2019	Beyond	Total
US$ millions		$	$	$	$	$	$	$
Recourse borrowings								
Corporate borrowings	5	-	-	321	-	-	362	683
Total recourse borrowings	**5**	**-**	**-**	**321**	**-**	**-**	**362**	**683**
Non-recourse borrowing[30]								
Utilities								
Regulated Distribution	11	-	-	46	-	-	909	955
Regulated Terminal	6	-	191	-	-	33	800	1,024
Electricity Transmission	12	4	80	7	8	8	721	828
	9	4	271	53	8	41	2,430	2,807
Transport								
Rail	8	3	5	10	5	5	949	977
Toll Roads	10	89	104	143	73	78	562	1,049
Ports	6	17	10	47	182	12	103	371
	9	109	119	200	260	95	1,614	2,397
Energy								
Energy Transmission, Distribution & Storage	6	9	15	482	-	145	234	885
District Energy	13	2	-	29	-	-	156	187
	7	11	15	511	-	145	390	1,072
Communications Infrastructure								
European Telecommunications Infrastructure Operations	3	-	-	165	104	165	-	434
	3	-	-	165	104	165	-	434
Total non-recourse borrowings[31]	9	124	405	929	372	446	4,434	6,710
Total borrowings[32]	9	124	405	1,250	372	446	4,796	7,393
Cash retained in business								
Utilities								28
Transport								206
Energy								44
Communications Infrastructure								5
Corporate								800
Total cash retained								1,083
Net debt								
Utilities								2,779
Transport								2,191
Energy								1,028
Communications Infrastructure								429
Corporate								(117)
Total net debt								6,310
Net debt as % of total net debt		2%	5%	17%	5%	6%	65%	100%

30 Represents non-recourse debt to Brookfield Infrastructure as holders recourse only to the underlying operations.

31 Represents non-recourse debt to Brookfield Infrastructure as holders recourse only to the underlying operations.

32 As of 30 June, approximately 24% has been issued as floating rate debt. Brookfield Infrastructure and its subsidiaries have entered into interest rate swaps whereby the floating rate debt has been converted to fixed rate debt, effectively reducing floating rate debt maturities to approximately 17% of our total borrowings.

BIP's debt has an average term of 9 years. The weighted average cash interest rate is 5.8% for the overall business (30 June 2014: 5.8%), in which the utilities, transport, energy and corporate segments were 5.4%, 6.5%, 6.8% and 3.3%, respectively (30 June 2014: 5.2%, 6.5%, 6.9% and 2.9% respectively). The weighted average cash interest rate of the European communications infrastructure operations, acquired in the first quarter of 2015 was 2.2%.

Proportionate debt can be reconciled to consolidated debt as follows:

Summary Statements of Financial Position Key Metrics	As of 30 September 2015	As of 30 June 2015	As of 31 December 2014
US$ millions	$	$	$
Consolidated debt	6,629	6,698	6,809
Add: proportionate share of borrowings of investments in associates:			
Utilities	644	672	684
Transport	740	812	1,140
Communications Infrastructure	435	434	-
Add: proportionate share of debt directly associated with assets held for sale	779	813	809
Less: borrowings attributable to non-controlling interest	(1,667)	(1,726)	(1,834)
Premium on debt and cross currency swaps	(515)	(310)	(254)
Proportionate debt	7,045	7,393	7,354

6. Contractual obligations

The table below outlines Brookfield Infrastructure's contractual obligations as at 30 September 2015:

	Payments due by period as at 30 September 2015				
	Total	Less than 1 year	1-2 years	2-5 years	5+ years
US$ millions	$	$	$	$	$
Accounts payable and other liabilities	530	452	27	3	48
Interest-bearing liabilities[33]	9,191	628	406	1,707	6,450
Finance lease liabilities	2	1	1	-	-
Other long-term liabilities	576	75	35	296	170
Total	10,299	1,156	469	2,006	6,668

In addition, pursuant to the Master Services Agreement, on a quarterly basis, BIP pays a Base Management Fee to Brookfield equal to 0.3125% (1.25% annually) of BIP's market value. Based on the market value of BIP as of 30 September 2015, this fee is estimated to be approximately US$112 million per year based on the current capitalisation and BIP Interest price.

The table below outlines Brookfield Infrastructure's contractual obligations as at 30 June 2015:

	Payments due by period as at 30 June 2015				
	Total	Less than 1 year	1-2 years	2-5 years	5+ years
US$ millions	$	$	$	$	$
Accounts payable and other liabilities	535	419	39	21	56
Interest-bearing liabilities[34]	9,468	668	361	1,579	6,860
Finance lease liabilities	6	1	3	2	-
Other long-term liabilities	560	84	33	244	199
Total	10,569	1,172	436	1,846	7,115

In addition, pursuant to the Master Services Agreement, on a quarterly basis BIP pays a Base Management Fee to Brookfield equal to 0.3125% (1.25% annually) of BIP's market value. Based on the market value of BIP as of 30 June 2015, this fee is estimated to be approximately US$132 million per year based on the current capitalisation and BIP Interest price.

33 Comprised of non-recourse borrowings and corporate borrowings and includes interest payments of US$298 million, US$290 million, US$777 million and US$1,197 million for the periods as follows: less than 1 year, 1-2 years, 2-5 years and 5 years and thereafter, respectively. Interest payments are calculated based on interest rates in effect as at the balance sheet date.

34 Comprised of non-recourse borrowings and corporate borrowings and includes interest payments of US$298 million, US$290 million, US$777 million and US$1,197 million for the periods as follows: less than 1 year, 1-2 years, 2-5 years and 5 years and thereafter, respectively. Interest payments are calculated based on interest rates in effect as at the balance sheet date.

7. Financial instruments – Foreign Currency Hedging Program

To the extent that BIP believes it is economic to do so, its strategy is to hedge a portion of Brookfield Infrastructure's equity investments and/or cash flows exposed to foreign currencies. The following key principles form the basis of BIP's foreign currency hedging strategy:

- Leverage any natural hedges that may exist within BIP's operations.
- Utilise local currency debt financing to the extent possible.
- May utilise derivative contracts to the extent that natural hedges are insufficient.

The following table presents the hedged position in foreign currencies as of 30 September 2015:

	Net Investment Hedges as of 30 September 2015							
US$ millions	US	AUD	GBP	BRL	EUR	CAD	CLP	COP
Net equity investment – US$	898	1,335	999	849	586	128	127	49
FX contracts – US$	2,096	(669)	(795)	-	(517)	(115)	-	-
Net unhedged – US$	2,994	666	204	849	69	13	127	49
% of equity investment hedged	N/A	50%	80%	-	88%	90%	-	-

At 30 September 2015, BIP had hedges in place equal to approximately 51% of its net equity investment in foreign currencies. For the 9 month period ended 30 September 2015, BIP recorded gains in comprehensive income of US$79 million related to these contracts.

The following table presents the hedged position in foreign currencies as of 30 June 2015:

	Net Investment Hedges as of 30 June 2015							
US$ millions	US	AUD	GBP	BRL	EUR	CAD	CLP	COP
Net equity investment – US$	888	1,499	1,066	1,060	583	140	112	57
FX contracts – US$	3,238	(1,449)	(1,066)	-	(583)	(140)	-	-
Net unhedged – US$	4,126	50	-	1,060	-	-	112	57
% of equity investment hedged	N/A	97%	100%	-	100%	100%	-	-

At 30 June 2015, BIP had hedges in place equal to approximately 72% of its net equity investment in foreign currencies. For the 6 month period ended 30 June 2015, BIP recorded losses in comprehensive income of US$13 million related to these contracts.

8. Market risks

a. Inflation risk

Certain of BIP's subsidiaries and Associates are subject to inflation risk. Most significantly, the South American electricity transmission operations and a portion of the toll road operations in Chile are subject to inflation risk as these debt portfolios are denominated in Unidad de Fomento which is an inflation indexed Chilean peso monetary unit that is set daily, on the basis of the prior month's inflation rate. However, BIP believes this is offset by the nature of the revenues which are in large part indexed to Chilean inflation.

b. Commodity risk

Some of BIP's operations are critically linked to the transport or production of key commodities. For example, in the long term, the Australian regulated terminal operation relies on demand for coal exports, the Australian rail operation relies on demand for iron ore exports and the North American gas transmission operation relies on demand for natural gas and benefits from higher gas prices.

While BIP endeavours to protect against short to medium term commodity demand risk wherever possible by structuring the contracts in a way that minimises volume risk (e.g. minimum guaranteed volumes and 'take-or-pay' arrangements), these contract terms are not always able to be achieved and in any event the contract terms are finite and may include suspension or termination rights in favour of the customer.

Accordingly, a long term and sustained downturn in the demand for or price of a key commodity linked to one of BIP's operations may have a material adverse impact on the financial performance or growth prospects of that particular operation, notwithstanding the use of take-or-pay contracts wherever possible. Furthermore, the North American gas transmission operations have direct natural gas exposure as it collects more natural gas from customers than it consumes and resells the balance; however, this exposure has been significantly reduced as a result of the FERC settlement agreed to in July 2011.

Revenues from the Chilean electricity transmission operation are adjusted by a multi-factor inflation index that is designed to approximate changes in prices of the underlying components of the replacement cost of the transmission system. Due to the construction of the system, metals, such as aluminium, are a material percentage of replacement cost. Thus, changes in the price of these metals will impact the revenues.

BIP does not currently use any hedging strategies or instruments to manage the commodity risks in its operations.

c. Capital reinvestment

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

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

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Funds from operations (FFO)	604	544	394	366
Less: maintenance capital	(96)	(87)	(57)	(54)
Funds available for distribution (AFFO)	508	457	337	312
Distributions paid	(406)	(336)	(266)	(224)
Funds available for reinvestment	102	121	71	88
Growth capital expenditures	(433)	(454)	(271)	(298)
Asset level debt funding of growth capital expenditures	246	291	164	211
New investments, net of disposals	(475)	(393)	(486)	(39)
Project level repayments	(200)	(30)	(242)	(51)
Repayments on corporate credit facilities	(246)	262	(246)	-
Proceeds from debt issuance	892	-	360	-
Proceeds from preferred unit issuance	360	-	96	-
Proceeds from equity issuance	96	-	950	-
Changes in working capital and other	(52)	25	(10)	(4)
Change in proportionate cash retained in business	290	(178)	386	(93)
Opening, proportionate cash retained in business	697	853	697	853
Closing, proportionate cash retained in business	987	675	1,083	760

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

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Growth capital expenditures by segment				
Utilities	191	183	119	129
Transport	212	238	134	147
Energy	20	33	13	22
Communications Infrastructure	10	-	5	-
Total	433	454	271	298

Growth capital expenditures decreased by US$21 million or 5% compared to the prior year primarily as higher capital deployed at Brookfield Infrastructure's South American electricity transmission system due to the acquisition of a transmission line in the prior period, as well as the impact of the depreciation of the Brazilian reais on capital spend at Brookfield Infrastructure's Brazilian toll road and rail operations was partially offset by the impact of the South American rail and European telecommunications infrastructure acquisitions in the past 12 months and higher connections activity at the UK regulated distribution business.

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Maintenance capital expenditures by segment				
Utilities	7	8	4	5
Transport	54	55	35	36
Energy	31	24	16	13
Communications Infrastructure	4	-	2	-
Total	96	87	57	54

BIP estimates annual maintenance capital expenditures of US$15-20 million, US$90-100 million and US$25-35 million, and US$5-10 million for its utilities, transport, energy, and communication infrastructure segments, respectively, for a total range between US$135-165 million. For the 9 and 6 month period, BIP's maintenance capital expenditures were lower than the estimated range, due primarily to the timing of maintenance projects, primarily at the Brazilian toll road operation, Chilean electricity transmission system and North American natural gas transmission business.

9. BILP partnership capital

The total number of partnership units outstanding in BILP was comprised of the following:

Units	As of 30 September 2015	As of 30 June 2015	As of 31 December 2014
Redeemable Partnership Units, held by Brookfield	66,841,266	66,841,266	58,739,416
General partnership units	1,066,928	1,066,928	1,066,928
Limited partnership units	162,258,430	163,695,219	150,318,306
Total units	230,166,624	231,603,413	210,124,650

During the third quarter 2015, Brookfield Infrastructure repurchased and cancelled 2 million BIP Interests for US$61 million and incurred less than US$1 million in commission costs. As Brookfield's Redeemable Partnership Units were not repurchased concurrently, this resulted in a decrease from 71% to 70% in BIP's ownership interest in the BILP without resulting in a loss of control. The difference between the proportionate amount by which the non-controlling interest in BILP was increased and the carrying value of the Redeemable Partnership Units resulted in a gain of US$10 million that was recognised directly in equity.

In April 2015, Brookfield Infrastructure issued 13.4 million BIP Interests at US$45 per BIP Interest under its shelf registrations in the US and Canada. In total, US$600 million of gross proceeds were raised through the issuance and US$24 million in equity issuance costs were incurred. Concurrently, Brookfield Infrastructure issued 8.1 million Redeemable Partnership Units to Brookfield for proceeds of US$350 million.

An Affiliate of Brookfield in its capacity as the BILP Special Partner is entitled to incentive distributions which are based on the amount by which quarterly distributions on the BIP Interests exceed specified target levels. To the extent distributions on BIP Interests exceed US$0.305 per quarter, the incentive distribution rights entitle the Special Limited Partner to 15% of incremental distributions above this threshold up to US$0.33 per BIP Interest.

To the extent that distributions on BIP Interests exceed US$0.33 per BIP Interest, the incentive distribution rights entitle the Special Limited Partner to 25% of incremental distributions above this threshold. During the 6 months ended 30 June 2015, an incentive distribution of US$32 million was paid to the general partner (for the 6 months ended 30 June 2014: US$22 million).

During the 9 months ended 30 September 2015, an incentive distribution of US$49 million was paid to the general partner (for the 9 months ended 30 September 2014: US$33 million).

10. Related Party considerations

In the normal course of operations, Brookfield Infrastructure entered into the transactions below with related parties on market terms. These transactions have been measured at fair value and are recognised in the financial statements.

The immediate parent of BILP is BIP. The ultimate parent of BIP is BAM. Other related parties of BILP represent its subsidiaries and the Operating Entities.

a. Transactions with the immediate parent

Throughout the year, BIP GP incurs director fees, a portion of which are charged at cost to BIP in accordance with the Limited Partnership Agreement. Less than US$1 million in director fees were incurred during the 9 and 6 months ended 30 September 2015 and 30 June 2015, respectively (2014: less than US$1 million during the 9 and 6 months ended 30 September 2014 and 30 June 2014, respectively).

b. Transactions with other related parties

At inception, Brookfield Infrastructure entered into the Master Services Agreement with its external service providers, wholly-owned subsidiaries of BAM. A summary of the key provisions of the Master Services Agreement is set out in Attachment 3.

Pursuant to the Master Services Agreement, on a quarterly basis, Brookfield Infrastructure pays a Base Management Fee to the Service Provider equal to 0.3125% per quarter (1.25% annually) of the market value of BIP. The Base Management Fee was US$93 million for the 9 months ended 30 September 2015 (US$78 million for the 9 months ended 30 September 2014). The Base Management Fee was US$65 million for the 6 months ended 30 June 2015 (US$52 million for the 6 months ended 30 June 2014).

For purposes of calculating the Base Management Fee, the market value of BIP is equal to the aggregate value of all the outstanding BIP Interests (assuming full conversion of Brookfield's Redeemable Partnership Units into BIP Interests), Preferred Units and securities of the other Service Recipients that are not held by Brookfield Infrastructure, plus all outstanding recourse borrowings, less all cash held by Service Recipients. As set out in Section 8.7(f), the Asciano Group's debt and the Acquisition Facilities are not recourse borrowings.

During the 9 months ended 30 September 2015, US$6 million was reimbursed at cost to the Service Provider (US$6 million for the 9 months ended 30 September 2014). During the 6 months ended 30 June 2015, US$4 million was reimbursed at cost to the Service Provider (US$4 million for the 6 months ended 30 June 2014). These amounts represent Third Party costs that were paid for by Brookfield on behalf of Brookfield Infrastructure relating to general and administrative expenses, and acquisition related expenses of Brookfield Infrastructure. These expenses were charged to Brookfield Infrastructure at cost.

Brookfield Infrastructure has placed funds on deposit with BAM. Interest earned on the deposits is at market terms. At 30 September 2015, Brookfield Infrastructure's deposit balance with BAM was US$337 million (31 December 2014: less than US$1 million) and earned interest of less than US$1 million for the 9 months ended 30 September 2015 (2014: less than US$1 million for the nine months ended 30 September 2014).

At 30 June 2015, Brookfield Infrastructure's deposit balance with BAM was US$434 million (31 December 2014: less than US$1 million) and earned interest of less than US$1 million for the 6 months ended 30 June 2015 (2014: less than US$1 million for the six months ended 30 June 2014).

Brookfield Infrastructure's North American district energy operation has various right of way easements and leases office space on market terms with subsidiaries of Brookfield Office Properties Inc. The North American district energy operation also utilises consulting and engineering services provided by a wholly-owned subsidiary of Brookfield on market terms. For the 9 months ended 30 September 2015, revenues of US$1 million were generated and expenses of less than US$1 million were incurred (30 September, 2014: revenues of US$1 million were generated and expenses of less than US$1 million were incurred). For the 6 months ended 30 June 2015 revenues of US$1 million were generated and expenses of less than US$1 million were incurred (30 June 2014: revenues of US$1 million were generated and expense of less than US$1 million were incurred).

11. Off-Balance Sheet Arrangements

Brookfield Infrastructure has no off-balance sheet arrangements. Brookfield Infrastructure, on behalf of its subsidiaries, provides letters of credit, which include but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance. As at 30 September 2015, letters of credit issued by subsidiaries of Brookfield Infrastructure amounted to US$103 million. As at 30 June 2015, letters of credit issued by subsidiaries of Brookfield Infrastructure amounted to US$105 million.

In the normal course of operations, BIP executes agreements that provide for indemnification and guarantees to Third Parties in transactions such as business dispositions and acquisitions, construction projects, capital projects, and sales and purchases of assets and services. BIP has also agreed to indemnify its directors and certain of Brookfield Infrastructure's officers and employees. The nature of substantially all of the indemnification undertakings prevents BIP from making a reasonable estimate of the maximum potential amount that BIP could be required to pay Third Parties, as many of the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, BIP has made no significant payments under such indemnification agreements.

12. Reconciliation of Non-IFRS Financial Measures

To measure performance, amongst other measures, BIP focused on FFO. BIP defines FFO as net income excluding the impact of depreciation and amortisation, deferred income taxes, breakage and transaction costs, non-cash valuation gains or losses and other items. FFO is a measure of operating performance that is not calculated in accordance with, and does not have any standardised meaning prescribed by IFRS. FFO is therefore unlikely to be comparable to similar measures presented by other issuers.

FFO has limitations as an analytical tool:

- FFO does not include depreciation and amortisation expense; because BIP owns capital assets with finite lives, depreciation and amortisation expense recognises the fact that BIP must maintain or replace its asset base in order to preserve its revenue generating capability;
- FFO does not include deferred income taxes, which may become payable if BIP owns the assets for a long period of time; and
- FFO does not include any non-cash fair value adjustments or mark-to-market adjustments recorded to net income.

Because of these limitations, FFO should not be considered as the sole measure of performance and should not be considered in isolation from, or as a substitute for, analysis of the results as reported under IFRS. However, FFO is a key measure that BIP uses to evaluate the performance of its operations and forms the basis for BIP's distribution policy.

When viewed with IFRS results, BIP believes that FFO provides a more complete understanding of factors and trends affecting the underlying operations. FFO allows BIP to evaluate businesses on the basis of cash return on invested capital by removing the effect of non-cash and other items.

BIP adds back depreciation and amortisation to remove the implication that the assets decline in value over time since BIP believes that the value of most of the assets will typically increase over time – provided BIP makes all necessary maintenance expenditures. BIP adds back deferred income taxes because BIP does not believe this item reflects the present value of the actual cash tax obligations BIP will be required to pay, particularly if the operations are held for a long period of time. BIP adds back non-cash valuation gains or losses recorded in net income as these are non-cash in nature and indicate a point in time approximation of value on long term items. BIP also adds back breakage and transaction costs as they are capital in nature.

In addition, BIP focuses on adjusted funds from operations or AFFO, which is defined as FFO less maintenance capital expenditures. Management uses AFFO as a measure of long term sustainable cash flow.

The following table reconciles FFO and AFFO to the most directly comparable IFRS measure, which is net income.

	For the 9 month period ended 30 September		For the 6 month period ended 30 June	
	2015	2014	2015	2014
US$ millions	$	$	$	$
Net income attributable to partnership[35]	273	117	150	45
Add back or deduct the following:				
Depreciation and amortisation	344	359	225	233
Deferred income taxes	(3)	5	8	1
Mark-to-market on hedging items	(82)	(10)	(40)	35
Valuation losses and other	72	73	51	52
FFO	604	544	394	366
Maintenance capital expenditures	(96)	(87)	(57)	(54)
AFFO	508	457	337	312

The difference between net income and FFO is primarily attributable to depreciation and amortisation, mark-to-market on hedging items and valuation losses during the period. BIP also uses EBITDA as a measure of performance.

BIP defines EBITDA as FFO excluding the impact of interest expense, cash taxes and other income (expense).

13. Reconciliation of operating segments

EBITDA, FFO and AFFO are presented based on Brookfield Infrastructure's proportionate share of results in operations accounted for using consolidation and the equity method whereby BIP either controls or exercises significant influence over the investment respectively, in order to demonstrate the impact of key value drivers of each of these operating segments on BIP's overall performance.

As a result, segment depreciation and amortisation, deferred income taxes, breakage and transaction costs, non-cash valuation gains and losses and other items are reconciling items that will differ from results presented in accordance with IFRS as these reconciling items:

1. Include Brookfield Infrastructure's proportionate share of earnings from investments in Associates attributable to each of the above-noted items;
2. Exclude the proportionate share of earnings (loss) of consolidated investments not held by Brookfield Infrastructure apportioned to each of the above-noted items.

The following tables present each segment's results in the format that management organises 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 accounted for using the consolidation and equity method whereby BIP either controls or exercises significant influence over the investment, respectively. These tables reconcile Brookfield Infrastructure's proportionate results to BIP's consolidated statements of operating results on a line-by-line basis by aggregating the components comprising the earnings from BIP's investments in Associates and reflecting the portion of each line item attributable to non-controlling interests.

35 Includes net income attributable to non-controlling interests – Redeemable Partnership Units held by Brookfield, general partner and limited partners.

Table 13: Brookfield operating segment results

For the 9 months ended 30 September, 2015	Brookfield Infrastructure's Share						Contribution from investment in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials
	Utilities	Transport	Energy	Communications Infrastructure	Other	Total				
US$ millions	$	$	$	$	$	$	$	$	$	$
Revenues	520	871	259	82	-	1,732	(675)	446	(103)	1,400
Costs attributed to revenues	(129)	(447)	(135)	(38)	-	(749)	369	(257)	38	(599)
General and administrative costs	-	-	-	-	(99)	(99)	-	-	-	(99)
EBITDA	**391**	**424**	**124**	**44**	**(99)**	**884**	**(306)**	**189**	**(65)**	
Other income (expense)	3	(11)	2	-	21	15	8	(7)	-	16
Interest expense	(107)	(110)	(56)	(4)	(18)	(295)	63	(85)	44	(273)
FFO	**287**	**303**	**70**	**40**	**(96)**	**604**	**(235)**	**97**	**(21)**	
Depreciation and amortisation	(115)	(165)	(33)	(31)	-	(344)	144	(93)	-	(293)
Deferred taxes	(21)	7	3	5	9	3	(15)	7	1	(4)
Mark-to-market on hedging items	4	(3)	(3)	-	84	82	-	27	-	109
Valuation (losses) gains and other	(5)	(37)	(20)	(7)	(3)	(72)	51	44	20	43
Share of earnings from associates	-	-	-	-	-	-	55	-	-	55
Loss from discontinued operations, net of tax	-	-	-	-	-	-	-	-	-	-
Net income attributable to non-controlling interest	-	-	-	-	-	-	-	(82)	-	(82)
Net income (loss) attributable to partnership	**150**	**105**	**17**	**7**	**(6)**	**273**	-	-	-	**273**

For the 6 months ended 30 June, 2015	Brookfield Infrastructure's Share									
	Utilities	Transport	Energy	Communications Infrastructure	Other	Total	Contribution from investment in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials
US$ millions	$	$	$	$	$	$	$	$	$	$
Revenues	340	585	178	42	-	1,145	(441)	297	(69)	932
Costs attributed to revenues	(82)	(303)	(92)	(20)	-	(497)	243	(172)	26	(400)
General and administrative costs	-	-	-	-	(69)	(69)	-	-	-	(69)
EBITDA	**258**	**282**	**86**	**22**	**(69)**	**579**	**(198)**	**125**	**(43)**	
Other income (expense)	2	(7)	1	-	15	11	5	(2)	-	14
Interest expense	(72)	(75)	(36)	(2)	(11)	(196)	42	(58)	29	(183)
FFO	**188**	**200**	**51**	**20**	**(65)**	**394**	**(151)**	**65**	**(14)**	
Depreciation and amortisation	(77)	(110)	(22)	(16)	-	(225)	92	(63)	-	(196)
Deferred taxes	(16)	3	-	1	4	(8)	(5)	8	4	(1)
Mark-to-market on hedging items	(2)	(1)	(1)	-	44	40	-	18	-	58
Valuation (losses) gains and other	(13)	(22)	(9)	-	(7)	(51)	27	(5)	10	(19)
Share of earnings from associates	-	-	-	-	-	-	37	-	-	37
Loss from discontinued operations, net of tax	-	-	-	-	-	-	-	-	-	-
Net income attributable to non-controlling interest	-	-	-	-	-	-	-	(23)	-	(23)
Net income (loss) attributable to partnership	**80**	**70**	**19**	**5**	**(24)**	**150**	-	-	-	**150**

For the 9 months ended 30 September, 2014	Brookfield Infrastructure's Share Utilities	Transport	Energy	Other	Total	Contribution from investment in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials
US$ millions	$	$	$	$	$	$	$	$	$
Revenues	554	923	231	-	1,708	(600)	452	(101)	1,459
Costs attributed to revenues	(166)	(472)	(126)	-	(764)	315	(230)	36	(643)
General and administrative costs	-	-	-	(84)	(84)	-	-	-	(84)
EBITDA	**388**	**451**	**105**	**(84)**	**860**	**(285)**	**222**	**(65)**	
Other income (expense)	6	(28)	-	21	(1)	18	(8)	-	9
Interest expense	(120)	(132)	(53)	(10)	(315)	79	(75)	44	(267)
FFO	**274**	**291**	**52**	**(73)**	**544**	**(188)**	**139**	**(21)**	
Depreciation and amortisation	(118)	(186)	(55)	-	(359)	124	(80)	33	(282)
Deferred taxes	(12)	3	2	2	(5)	(32)	(17)	(1)	(55)
Mark-to-market on hedging items	7	5	(1)	(1)	10	(3)	2	-	9
Valuation (losses) gains and other	(24)	(38)	7	(18)	(73)	51	5	(4)	(21)
Share of earnings from associates	-	-	-	-	-	48	-	-	48
Loss from discontinued operations, net of tax	-	-	-	-	-	-	-	(7)	(7)
Net income attributable to non-controlling interest	-	-	-	-	-	-	(49)	-	(49)
Net income (loss) attributable to partnership	**127**	**75**	**5**	**(90)**	**117**	-	-	-	**117**

For the 6 months ended 30 June, 2014	Brookfield Infrastructure's Share: Utilities	Transport	Energy	Other	Total	Contribution from investment in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials
US$ millions	$	$	$	$	$	$	$	$	$
Revenues	363	595	163	-	1,121	(380)	298	(71)	968
Costs attributed to revenues	(107)	(303)	(86)	-	(496)	198	(153)	24	(427)
General and administrative costs	-	-	-	(56)	(56)	-	-	-	(56)
EBITDA	**256**	**292**	**77**	**(56)**	**569**	**(182)**	**145**	**(47)**	
Other income (expense)	4	(16)	-	16	4	8	(3)	-	9
Interest expense	(79)	(87)	(35)	(6)	(207)	52	(51)	29	(177)
FFO	**181**	**189**	**42**	**(46)**	**366**	**(122)**	**91**	**(18)**	
Depreciation and amortisation	(79)	(120)	(34)	-	(233)	80	(52)	20	(185)
Deferred taxes	(15)	10	(1)	5	(1)	(15)	(7)	1	(22)
Mark-to-market on hedging items	4	3	-	(42)	(35)	(3)	-	-	(38)
Valuation (losses) gains and other	(19)	(32)	3	(4)	(52)	42	9	2	1
Share of earnings from associates	-	-	-	-	-	18	-	-	18
Loss from discontinued operations, net of tax	-	-	-	-	-	-	-	(5)	(5)
Net income attributable to non-controlling interest	-	-	-	-	-	-	(41)	-	(41)
Net income (loss) attributable to partnership	**72**	**50**	**10**	**(87)**	**45**	-	-	-	**45**

The following table provides each segment's assets in the format that management organises 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 accounted for using the consolidation and equity method whereby BIP either controls or exercises significant influence over the investment, respectively. These tables reconcile Brookfield Infrastructure's proportionate assets to total assets presented on BIP's consolidated statements of financial position by removing net liabilities contained within investments in associates and reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities.

Table 14: Brookfield operating segment assets

	Brookfield Infrastructure's Share: Utilities	Transport	Energy	Communications Infrastructure	Other	Total	Contribution from investment in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials
US$ millions	$	$	$	$	$	$	$	$	$	$
Total assets										
As at 30 September, 2015	4,338	4,247	1,803	820	(179)	11,029	(3,038)	3,775	4,226	15,992
As at 30 June, 2015	4,653	4,593	1,851	845	(227)	11,715	(3,099)	3,934	4,402	16,952
As at 31 December, 2014	4,805	4,970	1,816	–	(56)	11,535	(1,944)	4,284	2,620	16,495

Discussion of Segment Reconciling Items

The following tables detail and provide discussion, where applicable, of material changes between reporting periods for each operating segment, the reconciliation of contributions from investments in Associates and attribution of non-controlling interest in the determination of EBITDA, FFO, and net income attributable to BIP. The purpose of this is to facilitate the understanding of the nature of and changes to reconciling items.

For the 9 month period ended 30 September, 2015	Utilities	Transport	Energy	Communications Infrastructure	Corporate and Other	Total
US$ millions	$	$	$	$	$	$
Adjustments to items comprising EBITDA[36]						
Contributions from investment in associates	(87)	(175)	-	(44)	-	(306)
Attribution to non-controlling interest	124	48	41	-	(24)	189
Discontinued operations	-	-	(65)	-	-	(65)
EBITDA	37	(127)	(24)	(44)	(24)	(182)
Adjustments to items comprising AFFO[37]						
Contributions from investment in associates	19	47	-	5	-	71
Attribution to non-controlling interest	(45)	(24)	(18)	-	(5)	(92)
Discontinued operations	-	-	44	-	-	44
FFO	11	(104)	2	(39)	(29)	(159)
Adjustments to items net income attributable to Partnership[38]						
Contributions from investment in associates	68	128	-	39	-	235
Attribution to non-controlling interest	(79)	(24)	(23)	-	29	(97)
Discontinued operations	-	-	21	-	-	21
Net income attributable to partnership	-	-	-	-	-	-

For the 6 month period ended 30 June, 2015	Utilities	Transport	Energy	Communications Infrastructure	Corporate and Other	Total
US$ millions	$	$	$	$	$	$
Adjustments to items comprising EBITDA[39]						
Contributions from investment in associates	(59)	(117)	-	(22)	-	(198)
Attribution to non-controlling interest	84	33	26	-	(18)	125
Discontinued operations	-	-	(43)	-	-	(43)
EBITDA	25	(84)	(17)	(22)	(18)	(116)
Adjustments to items comprising AFFO[40]						
Contributions from investment in associates	13	32	-	2	-	47
Attribution to non-controlling interest	(32)	(16)	(12)	-	-	(60)
Discontinued operations	-	-	29	-	-	29
FFO	6	(68)	-	(20)	(18)	(100)
Adjustments to items net income attributable to Partnership[41]						
Contributions from investment in associates	46	85	-	20	-	151
Attribution to non-controlling interest	(52)	(17)	(14)	-	18	(65)
Discontinued operations	-	-	14	-	-	14
Net income attributable to partnership	-	-	-	-	-	-

36 Revenues, costs attributed to revenues, general and administrative costs.

37 Other income, interest expense and cash taxes.

38 Depreciation and amortisation, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.

39 Revenues, costs attributed to revenues, general and administrative costs.

40 Other income, interest expense and cash taxes.

41 Depreciation and amortisation, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.

For the 9 month period ended 30 September, 2014	Utilities	Transport	Energy	Corporate and Other	Total
US$ millions	$	$	$	$	$
Adjustments to items comprising EBITDA[42]					
Contributions from investment in associates	(86)	(199)	-	-	(285)
Attribution to non-controlling interest	153	47	22	-	222
Discontinued operations	-	-	(65)	-	(65)
EBITDA	67	(152)	(43)	-	(128)
Adjustments to items comprising AFFO[43]					
Contributions from investment in associates	17	84	-	(4)	97
Attribution to non-controlling interest	(52)	(20)	(7)	(4)	(83)
Discontinued operations	-	-	44	0	44
FFO	32	(88)	6	(8)	(70)
Adjustments to items net income attributable to Partnership[44]					
Contributions from investment in associates	69	115	-	4	188
Attribution to non-controlling interest	(101)	(27)	(15)	4	(139)
Discontinued operations	-	-	21	-	21
Net income attributable to partnership	-	-	-	-	-

For the 6 month period ended 30 June, 2014	Utilities	Transport	Energy	Corporate and Other	Total
US$ millions	$	$	$	$	$
Adjustments to items comprising EBITDA[45]					
Contributions from investment in associates	(57)	(125)	-	-	(182)
Attribution to non-controlling interest	100	32	13	-	145
Discontinued operations	-	-	(47)	-	(47)
EBITDA	43	(93)	(34)	-	(84)
Adjustments to items comprising AFFO[46]					
Contributions from investment in associates	11	53	-	(4)	60
Attribution to non-controlling interest	(35)	(14)	(5)	-	(54)
Discontinued operations	-	-	29	-	29
FFO	19	(54)	(10)	(4)	(49)
Adjustments to items net income attributable to Partnership[47]					
Contributions from investment in associates	46	72	-	4	122
Attribution to non-controlling interest	(65)	(18)	(8)	-	(91)
Discontinued operations	-	-	18	-	18
Net income attributable to partnership	-	-	-	-	-

42 Revenues, costs attributed to revenues, general and administrative costs.

43 Other income, interest expense and cash taxes.

44 Depreciation and amortisation, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.

45 Revenues, costs attributed to revenues, general and administrative costs.

46 Other income, interest expense and cash taxes.

47 Depreciation and amortisation, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.

Contributions from investments in Associates increased compared to the 9 and 6 month periods of 2014 as additions to rate base and inflation indexation at the Chilean electricity transmission system, along with contributions from the acquisition of the Brazilian rail operation, North American container terminal and European telecommunications business were partially offset by the impact of foreign exchange associated with the depreciation of the Brazilian reais and Chilean peso.

Attribution to non-controlling interest decreased compared to the 9 and 6 month periods of 2014 as contributions from acquisitions completed over the past 12 months in the district energy and gas storage businesses were more than offset by the impact of foreign exchange as the Australian dollar, British pound, Chilean peso and Colombian peso depreciated against the US dollar relative to the prior year.

For the 9 and 6 month periods ended 30 September 2015 and 2014 and 30 June 2015 and 2014, contributions from discontinued operations are comprised of the results of the North American natural gas transmission business.

2.6. Publicly available information about BIP

BIP's continuous disclosure, regulatory filings and other press releases are available through BIP's website: (http://www.brookfieldinfrastructure.com/content/investor_relations-2625.html).

Additional information in BIP's Annual Report 20-F

BIP's Annual Report contains copies of:

- the Limited Partnership Agreement;
- BILP's limited partnership agreement;
- Master Services Agreement;
- Relationship Agreement; and
- the indentures and guarantee documents relating to BIP's medium term notes.

For access to BIP's 20-F Annual Report, see: http://www.sec.gov.Archives/edgar/data/1406234/000104746915002366/0001047469-15-002366-index.htm.

2.7. Announcements by BIP

The table below describes certain key announcements and filings made by BIP for the period from 17 March 2015, the day on which BIP's most recent annual report was lodged, to 4 December 2015 (including BIP's public announcement to TSX in relation to the Offer - a copy of that announcement is contained in Attachment 1 of this Bidder's Statement).

1 December 2015	Brookfield Infrastructure to issue CAD$125 million of preferred units
30 November 2015	Kinder Morgan and Brookfield Infrastructure to acquire Myria Holdings Inc.'s majority interest in Natural Gas Pipeline Company of America
25 November 2015	Brookfield Infrastructure provides update on Asciano
12 November 2015	Unaudited interim condensed and consolidated financial statements
9 November 2015	Brookfield Infrastructure executes Implementation Deed in relation to the Takeover Bid with Asciano
5 November 2015	Brookfield Infrastructure acquires a 14.99% interest in Asciano
4 November 2015	Brookfield Infrastructure reports strong 2015 third quarter results
27 October 2015	Brookfield Infrastructure to issue CAD$500 million of medium term notes
17 August 2015	Scheme Implementation Deed
17 August 2015	Brookfield Infrastructure Consortium to acquire Asciano Limited
7 August 2015	Unaudited interim condensed and consolidated financial statements
5 August 2015	Brookfield Infrastructure reports strong 2015 second quarter results
30 June 2015	Brookfield Infrastructure responds to Asciano announcement
8 May 2015	Unaudited interim condensed and consolidated financial statements
5 May 2015	Brookfield Infrastructure reports first quarter 2015 results
28 April 2015	Brookfield Infrastructure announces exercise of underwriters' over-allotment option
20 April 2015	Distribution Reinvestment Plan
8 April 2015	Prospectus Supplement to Prospectus dated May 7, 2013
8 April 2015	Brookfield Infrastructure increases size of equity offering to US$890.0 million
7 April 2015	Brookfield Infrastructure announces US$750.5 million equity offering
17 March 2015	Brookfield Infrastructure completes annual filings
17 March 2015	Form 20-F Annual Report

3.
INFORMATION ON BIP CDIS AND BIP INTERESTS

3. INFORMATION ON BIP CDIS AND BIP INTERESTS

3.1. Current capital structure

As at 31 October 2015, the capital structure of BIP was as follows:

- 162,258,430 BIP Interests were on issue (representing a 99.99% interest in BIP overall). The BIP Interests are owned by members of the public and traded on the NYSE and TSX;
- 5,000,000 Series 1 Preferred Units; and
- BIP has issued a general partnership interest (in the form of one general partner unit) to the BIP GP, which represents less than a 0.01% interest in BIP,
- subject to changes as a result of BIP's distribution reinvestment plan and normal course issuer bids approved by TSX and the further issue, if any, of Class A Preferred Units.

On 1 December 2015, BIP announced it had agreed to issue 5,000,000 Series 3 Preferred Units. The offering of Series 3 Preferred Units closed on 8 December 2015.

3.2. Trading

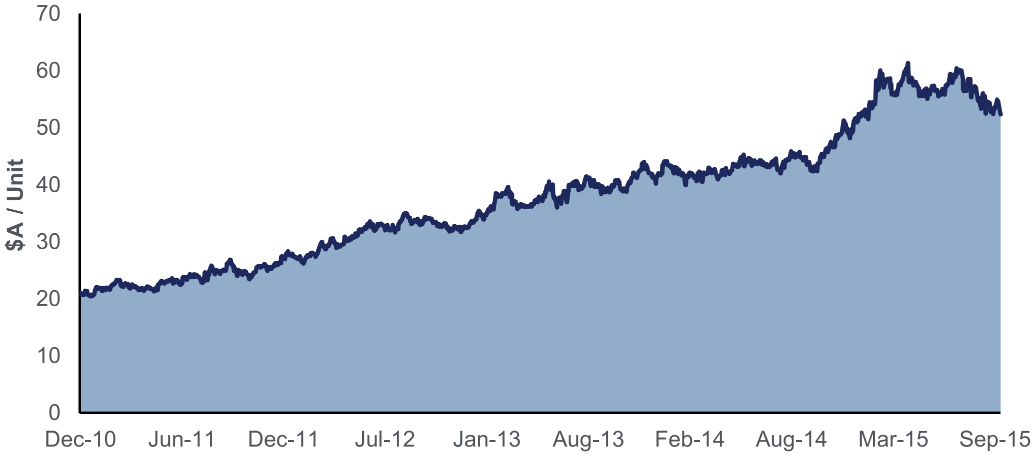
The latest recorded trading price of BIP Interests on the NYSE on 20 November 2015, being the last practicable date before the date of the Original Bidder's Statement was US$41.97.

During the 3 months ended 20 November 2015, being the last practicable date before the date of the Original Bidder's Statement:

- the highest recorded sale price for BIP Interests on the NYSE was US$42.50 on 4 November 2015; and
- the lowest recorded sale price for BIP Interests on the NYSE was US$36.66 on 30 September 2015.

The last recorded trading price of BIP Interests on the NYSE on 4 November 2015, the last day of trading in BIP Interests prior to the announcement of BIP's acquisition in a stake of Asciano was US$41.81. The VWAP for BIP Interests for the 20 trading days immediately prior to the public announcement on 4 November 2015 of BIP's acquisition in a stake of Asciano US$41.40.

The below graphs show the performance of BIP Interests held by the public on the NYSE for the period from 8 December 2010, the date in which Prime Infrastructure Holdings shareholders received their BIP Interests under the Prime Scheme of Arrangement, to 30 September 2015:



3.3. ASX Listing

As part of the Consideration Asciano Shareholders would receive under the Offer, Brookfield Infrastructure will be issuing between approximately 13.3 million BIP Interests (if the Offer results in the Acquirer holding a Relevant Interest of 50.1%) and up to approximately 32.2 million BIP Interests (for all of the outstanding Accepting Shareholder's Shares, inclusive of 1.6 million BIP Interests which may be issued if acceptances under the Offer are received for all Shares the subject of swap arrangements as described in Section 5.2). In order to facilitate liquidity, and at the same time unlock a potential new source of capital in one of Brookfield Infrastructure's key markets, BIP will apply to the ASX to be listed as a foreign exempt listing and for the quotation on the ASX of BIP CDIs.

BIP applied for approval from the ASX to be admitted to the official list as a foreign exempt listing and for the quotation on the ASX on BIP CDIs, within 7 days of the date of the Original Bidder's Statement. ASX foreign exempt listings are available to entities listed on certain overseas exchanges and which meet other eligibility criteria. The key difference between a foreign exempt listing on the ASX and a standard listing is that under a standard listing, the entity must comply with all ASX Listing Rules, unless granted a waiver of any by the ASX.

An entity with a foreign exempt listing on the ASX is expected to comply primarily with the listing rules of its overseas home exchange (Brookfield Infrastructure's home exchange for this purpose is TSX) and is exempt from complying with most of ASX's Listing Rules. Given that a significant portion of its businesses will be located in Australia following the implementation of the Offer, BIP believes an ASX listing will make BIP CDIs an attractive investment opportunity for Australian investors wishing to retain exposure to critical infrastructure assets that make up Brookfield Infrastructure's portfolio. For more information about the differences between a standard listing and a foreign exempt listing, please see Section 3.14.

3.4. Substantial holders in BIP Interests

As at the date of this Bidder's Statement, so far as known to BIP based on publicly available information, there are no substantial holders of BIP Interests except as set out below:

Substantial holder	Number of BIP Interests held	Percentage Interest
Brookfield Asset Management Inc.[48]	67,007,696	29.25%
Partners Limited[49]	69,251,746	30.23%
ClearBridge Investments, LLC	8,685,594	5.35%

3.5. Rights attaching to BIP CDIs

a. Introduction

The rights and liabilities attaching to the BIP Interests underlying the BIP CDIs which will be provided as part of the Consideration under the Offer are set out in the Limited Partnership Agreement and its constituent documents. A summary of the Limited Partnership Agreement is set out in Attachment 3.

b. Overview of rights attaching to BIP Interests

Pursuant to the Offer and as described in Section 12.1 of this Bidder's Statement, Shareholders will have some or all of their Shares transferred in exchange for the Consideration, which may include BIP CDIs representing BIP Interests.

Holders of BIP Interests are not entitled to the withdrawal or return of capital contributions in respect of those BIP Interests, except to the extent, if any, that distributions are made to such holders pursuant to the Limited Partnership Agreement or upon the liquidation of BIP. Except to the extent expressly provided in the Limited Partnership Agreement, a holder of BIP Interests does not have priority over any other holder of BIP Interests, either as to the return of capital contributions or as to profits, losses or distributions.

Holders of BIP Interests will not be granted any pre-emptive or other similar right to acquire additional interests in BIP. In addition, holders of BIP Interests do not have any right to have their BIP Interests redeemed by BIP.

CDIs are CHESS Depositary Instruments, which are financial products quoted on the ASX that are used to enable the securities of foreign companies to be traded on the ASX. CDIs represent an interest in the underlying foreign security and can be traded on the ASX. This allows investors to trade interests in foreign securities by trading the relevant CDIs on the ASX.

See below for more detail in relation to BIP CDIs.

c. BIP CDIs

A CDI (or CHESS Depositary Interest) is a financial product quoted on the ASX. CDIs are used to enable the securities of foreign companies to be traded on the ASX.

In the case of the BIP CDIs available under the Offer, each BIP CDI will represent one BIP Interest and will confer a beneficial interest in that BIP Interest.

48 BAM may be deemed to be the beneficial owner of 67,007,696 BIP Interests that it holds through wholly-owned subsidiaries, constituting approximately 29.25% of the issued and outstanding BIP Interests, assuming that all of the Redeemable Partnership Units are exchanged for BIP Interests pursuant to the Redemption-Exchange Mechanism described in BIP's Annual Report. This amount includes 166,430 BIP Interests beneficially held by BAM.

49 Partners Limited owns all of BAM's Class B Limited Voting Shares and approximately 50% of Partners Value Investments Inc.'s (formerly Partners Value Fund Inc.) common shares. Partners Limited may be deemed to be the beneficial owner of 69,251,746 BIP Interests, constituting approximately 30.23% of the issued and outstanding BIP Interests, assuming that all of the Redeemable Partnership Units are exchanged for BIP Interests pursuant to the Redemption-Exchange Mechanism described BIP's Annual Report. This amount includes 2,218,649 BIP Interests beneficially held by Partners Value Investments Inc. and 166,430 BIP Interests beneficially held by BAM. Partners Limited may be deemed to have the power (together with each of BAM and Partners Value Fund Inc.) to vote or direct the vote of the BIP Interests beneficially owned by it or to dispose of such BIP Interests other than 25,401 BIP Interests with respect to which it has sole voting and investment power.

The BIP Interests to which BIP CDIs relate will be issued by BIP and provided by the Acquirer to a depositary nominee which will hold legal title to those shares on behalf of the holders of the BIP CDIs. It is BIP's current intention to appoint CHESS Depositary Nominees Pty Ltd (**CDN**), a wholly owned subsidiary of ASX Limited, as depositary nominee.

While a CDI is a unit of beneficial ownership in a financial product of a foreign body, the underlying financial product must be registered in the name of a depositary nominee. CDN will be appointed by the Acquirer to hold the legal title to the financial products on behalf of the holders of the CDI, for their benefit.

Currently, CDN is the only depository nominee that has been appointed in relation to CDIs over foreign shares. CDN is a wholly-owned subsidiary of the ASX that was created to fulfil the functions of a depository nominee. It is the holder of an AFS license authorising it to provide custodial or depository services to wholesale and retail clients and it is an approved participant in the clearing and settlement facility operated by ASX settlement. CDN receives no fees from investors for acting as the depository nominee for CDIs.

The ASX Settlement Operating Rules contain provisions governing CDIs and have effect as a contract between CDI holders, the depositary nominee and BIP by virtue of the Corporations Act. These rules facilitate the relationship between the depository nominee and the holders of CDIs, including in respect of the features summarised below.

BIP CDIs will be quoted and traded on the ASX in Australian dollars. They will not be quoted and traded on the NYSE or the TSX.

d. Key features of BIP CDIs

The key features of BIP CDIs are summarised below:

General	Except for certain differences noted in Section 3.5(e) below, the rights attaching to BIP CDIs are economically equivalent to the rights attaching to BIP Interests and BIP will generally be required to treat holders of BIP CDIs as if they were the registered holders of the BIP Interests underlying those BIP CDIs. This means that economic benefits such as distributions will generally flow through to holders of BIP CDIs as if they were the registered holders of the underlying BIP Interests.
1:1 ratio	Each BIP CDI will represent one BIP Interest. The underlying BIP Interest will be held by a depositary nominee, CDN, a wholly owned subsidiary of ASX Limited.
Voting	Holders of BIP CDIs will receive notices of meetings of holders of BIP Interests. As holders of BIP CDIs are not the registered holders of the BIP Interests to which those CDIs relate, they will not be entitled to vote in person at a meeting of holders of BIP Interests. However, the holder of a BIP CDI can direct the depositary nominee to cast votes in a particular manner on their behalf or they can require the depositary nominee to appoint the holder (or a person nominated by the holder) as proxy to exercise any votes attaching to the BIP Interests which underlie the holder's BIP CDIs. If a holder of a BIP CDI wishes to attend and vote in person at a meeting of holders of BIP Interests, the holder must first convert their BIP CDIs into the underlying BIP Interests in sufficient time before the record date for the meeting.
Takeovers	The depositary nominee must not accept a takeover offer or similar control transaction in respect of any BIP Interests it holds on behalf of a holder of BIP CDIs unless the holder of the BIP CDIs has directed the depositary nominee to accept the offer. It is the depositary nominee's responsibility to ensure that the bidder processes those acceptances. BIP Interests can also be converted to BIP CDIs to permit trading on the ASX. Holders wishing to trade on the ASX will need to satisfy themselves that they are able to do so in compliance with applicable laws, including Section 707(3) of the Corporations Act (this section will not restrict trading of BIP CDIs provided under the Offer or which relate to BIP Interests which have been on issue for more than 12 months).
Conversion of BIP CDIs into BIP Interests	Holders of BIP CDIs may at any time convert their BIP CDIs into BIP Interests listed on the NYSE and the TSX by contacting: • BIP's Australian share registry (Computershare Investor Services Pty Limited), if their BIP CDIs are held on the issuer sponsored subregister; or • their broker, if their BIP CDIs are held on the CHESS subregister. Requests for conversion will ordinarily be processed within one to three business days although the time for conversion may take longer. Conversion is achieved by transferring the underlying BIP Interests from the depositary nominee to the holder of the BIP CDI. No trading of the underlying BIP Interests can take place on the NYSE or the TSX until the conversion process has been completed.
Communications from BIP	BIP will communicate directly with holders of BIP CDIs with respect to corporate actions such as distributions, bonus issues and rights issues and will send notices and other documents (e.g. notices of meetings) to holders of BIP CDIs at the same time as they are sent to holders of BIP Interests.

Trading	Following the quotation of BIP CDIs on the ASX, BIP CDIs can be traded on the ASX. They will not be tradeable on the NYSE or the TSX. If a holder of BIP CDIs wishes to trade on the NYSE or the TSX, they must convert the BIP CDIs into the underlying BIP Interests (see above). BIP Interests can also be converted to BIP CDIs to permit trading on the ASX. Holders wishing to trade on the ASX will need to satisfy themselves that they are able to do so in compliance with applicable laws, including Section 707(3) of the Corporations Act (this section will not restrict trading of BIP CDIs issued under the Offer or which relate to BIP Interests which have been on issue for more than 12 months).
Distributions	Distribution record and payment dates will be the same for BIP Interests and BIP CDIs. Any cash distributions will be converted and paid directly to holders of BIP CDIs in Australian dollars by BIP's Australian share registry, Computershare Investor Services Pty Limited.
Evidence of ownership	Asciano Shareholders who receive BIP CDIs under the Offer will receive a holding statement in respect of their BIP CDIs rather than a holding statement or share certificate for the underlying BIP Interests. Revised holding statements will be provided on a periodic basis if there is a change in the number of BIP CDIs held e.g. as a consequence of trading activity. BIP CDIs may be held on the issuer sponsored subregister or on the CHESS subregister. If you currently hold your Shares on the issuer sponsored subregister, you will receive your BIP CDIs on the issuer sponsored subregister. If you currently hold your Shares on the CHESS subregister, you will receive your BIP CDIs on the CHESS subregister.
Existing Asciano Shareholder instructions and information	Existing dividend mandates to bank or building society accounts given by Asciano Shareholders in relation to dividends paid by Asciano, email addresses and instructions given to Asciano in relation to notices and other communications will be applied automatically to Brookfield and the BIP CDIs which Asciano Shareholders receive under the Offer, unless the Asciano Shareholder provides alternative instructions on or prior to the Record Date or once they become a BIP CDI holder.

e. Principal differences between holding BIP CDIs and BIP Interests

The principal difference between holding a BIP CDI and holding a BIP Interest is that the holder of a BIP CDI has an indirect, beneficial interest in the BIP Interest underlying their BIP CDI instead of directly owning that BIP Interest. This means that the holder of the BIP CDI is not the registered holder of the underlying BIP Interest and therefore:

- cannot directly trade the underlying BIP Interest; and
- is not a limited partner of BIP in respect of the underlying BIP Interest.

As noted at Section 3.5(d) above, there are certain differences which Shareholders should consider:

1. Arrangements for voting and attendance at meetings

As a holder of BIP CDIs is not a limited partner of BIP, they cannot attend a meeting of holders of BIP Interests and vote in person as a limited partner. However, as explained above in Section 3.5(d), a holder of a BIP CDI can direct the depositary nominee to cast votes on their behalf or direct the nominee to appoint the holder (or a person nominated by the holder) as proxy.

2. Potentially different treatment of fractional entitlements

The depositary nominee's holding of BIP Interests will be treated as a single holding, rather than as a number of smaller, separate holdings corresponding to the individual interests of holders of BIP CDIs. In the context of bonus issues, rights issues, and other similar corporate actions, this may result in marginal differences between the resulting entitlements of holders of BIP CDIs and the entitlements they would have received if they directly held the BIP Interests underlying their BIP CDIs.

For example, if entitlements under a distribution will be rounded up, the rounding up will only apply to the depositary nominee's aggregate holding of BIP Interests and will not be applied to each of the notional holdings of BIP Interests of the BIP CDI holders. This would lead to a reduced level of rounding up in respect of the BIP Interests underlying the BIP CDIs.

3. BIP CDIs will be quoted on the ASX and BIP Interests will be listed on the NYSE and the TSX

BIP CDIs will be tradeable on the ASX only. This has the advantage that BIP CDIs can be traded during Australian business hours using Australian brokers in prices quoted in Australian dollars.

However, the number of BIP CDIs quoted on the ASX will be less than the number of BIP Interests listed on the TSX and the NYSE.

It is therefore possible that the market for BIP CDIs will be less liquid than the market for BIP Interests on the NYSE and the TSX. This may have the effect of reducing the volume of BIP CDIs that can be bought and sold on the ASX and the speed with which they can be bought and sold. This reduced liquidity may also result in BIP CDIs trading at a discount to BIP Interests on the TSX and the NYSE. However, a holder of BIP CDIs can convert their BIP CDIs into BIP Interests tradeable on the NYSE and TSX at no charge, should the holder wish to access the market in BIP Interests on the NYSE and the TSX.

4. Exercise of shareholder rights

As holders of BIP CDIs are not limited partners of BIP, the rights attaching to BIP Interests which underlie their BIP CDIs must be exercised by the depository nominee. A holder of BIP CDIs may instruct the depositary nominee to exercise those rights on their behalf (or first convert their BIP CDIs to BIP Interests). In contrast, a holder of BIP Interests can directly exercise the rights attaching to their BIP Interests in such manner as they choose.

3.6. Rights attaching to the BIP Interests

a. Meetings of BIP Securityholders

BIP GP may call special meetings of BIP Securityholders at a time and place outside of Canada as determined by BIP GP on a date not less than 10 days nor more than 60 days after the mailing of notice of the meeting. Only BIP Securityholders on the record date set by BIP GP are entitled to notice of any meeting.

BIP Securityholders do not have the ability to call a special meeting.

Any action that may be taken at a meeting of the BIP Securityholders may be taken without a meeting if written consent is solicited by or on behalf of BIP GP and receives approval of not less than the minimum percentage of support necessary to authorise or take such action at a meeting.

Any such consent solicitation may specify that any written consents must be returned to BIP within the time period, which may not be less than 20 days, specified by BIP GP. Only BIP Securityholders on the record date set by BIP GP will be entitled to provide consents with respect to matters as to which a consent right applies.

b. Voting entitlements

BIP Securityholders are not entitled to vote on matters relating to BIP, although the consent of the relevant BIP Securityholders is required in respect of the following matters:

- an amendment to the Limited Partnership Agreement that increases the obligations of any BIP Securityholder;
- an amendment that would have a material adverse effect on the rights or preferences of any type or class of BIP Securityholders in relation to other classes of BIP Securityholders;
- an amendment that reduces the voting percentage required to take any action; and
- any approval by BIP GP which causes BIP to, among other things, sell, exchange or otherwise dispose of all or substantially all of its assets in a single transaction or a series of related transactions, including by way of merger, consolidation or other combination, or approval on BIP's behalf of the sale, exchange or other disposition of all or substantially all of the assets of BIP's Subsidiaries.

Each BIP Interest entitles the holder to one vote for the purposes of any approvals of holders of BIP Interests.

c. Entitlements to distributions

Subject to the rights of holders of Class A Preferred Units to receive cumulative preferential cash distributions in accordance with the terms of the Preferred Units, distributions to BIP Securityholders will be made only as determined by BIP GP in its sole discretion.

However, BIP GP will not be permitted to cause BIP to make a distribution if it does not have sufficient cash available, the distribution would render it insolvent or if, in the opinion of BIP GP, the distribution would leave it with insufficient funds to meet any future or contingent obligations.

In addition, BIP will not be permitted to make a distribution on the BIP Interests unless all accrued distributions have been paid in respect of the Preferred Units and all other interests ranking prior to or on a parity with the Preferred Units with respect to the payment of distributions.

Subject to the terms of any Preferred Units outstanding at the time, any distributions from BIP will be made to the limited partners holding BIP Interests and BIP GP in the ratio of 99.99% and 0.01% respectively. Distributions to holders of Class A Preferred Units in accordance with their terms rank higher in priority than distributions to holders of BIP Interests.

Each holder of BIP Interests or Preferred Units will receive a pro rata share of distributions made to all holders of BIP Interests or Preferred Units, as applicable, in accordance with the proportion of all outstanding units held by such holder.

d. Amendments to the Limited Partnership Agreement

Amendments to the Limited Partnership Agreement may be proposed only by or with the consent of BIP GP. Subject to the terms of the Preferred Units, amendments generally require the approval of a majority of the holders of BIP Interests. However, there are certain amendments that do not require approval by BIP Securityholders, these include:

- a change in the name of BIP, the location of BIP's registered office, or BIP's registered agent;
- the admission, substitution or withdrawal of partners in accordance with the Limited Partnership Agreement;
- a change that BIP GP determines is necessary or appropriate for BIP to qualify or to continue BIP's qualification as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any jurisdiction or to ensure that BIP will not be treated as an association taxable as a corporation or otherwise taxed as an entity for tax purposes;
- an amendment that BIP GP determines to be necessary or appropriate to address certain changes in tax regulations, legislation or interpretation;
- an amendment that is necessary, in the opinion of BIP's counsel, to prevent BIP or BIP GP (or its directors, officers, agents or trustees) from having a material risk of being in any manner subjected to the provisions of the Investment Company Act or similar legislation in other jurisdictions;
- subject to the terms of any Preferred Units, an amendment that BIP GP determines in its sole discretion to be necessary or appropriate for the creation, authorisation or issue of any class or series of BIP Securities or options, rights, warrants or appreciation rights relating to the BIP Securities;
- any amendment expressly permitted in the Limited Partnership Agreement to be made by BIP GP acting alone;
- an amendment effected, necessitated or contemplated by an agreement of merger, consolidation or other combination agreement that has been approved under the terms of the Limited Partnership Agreement;

- any amendment that in the sole discretion of BIP GP is necessary or appropriate to reflect and account for the formation by BIP of, or its investment in any corporation, partnership, joint venture, limited liability company or other entity, as otherwise permitted by the Limited Partnership Agreement;
- a change in BIP's fiscal year and related changes; or
- any other amendments substantially similar to any of the matters described directly above.

In addition, BIP GP may make amendments to the Limited Partnership Agreement without the approval of BIP Securityholders if those amendments, in the discretion of BIP GP:

- do not adversely affect BIP Securityholders considered as a whole (including any particular class of BIP Securities as compared to other classes of interests) in any material respect;
- are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any governmental agency or judicial authority;
- are necessary or appropriate to facilitate the trading of BIP Securities or to comply with any rule, regulation, guideline or requirement of any securities exchange on which BIP Securities are or will be listed for trading;
- are necessary or appropriate for any action taken by BIP GP relating to splits or combinations of BIP Securities under the provisions of the Limited Partnership Agreement; or
- are required to effect the intent expressed in the provisions of the Limited Partnership Agreement or are otherwise contemplated by the Limited Partnership Agreement.

Aside from the above, no amendment shall become effective without the approval of at least 90% of the voting power of the holders of BIP Interests unless BIP obtains an opinion of counsel with respect to tax matters and limited liability.

No amendment may be made that would:

- enlarge the obligations of any BIP Securityholder without its consent, except that any amendment that would have a material adverse effect on the rights or preferences of any class of partnership interest in relation to other classes of partnership interest may be approved by at least a majority of the type or class of partnership interest so affected: or
- enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable by BIP to BIP GP or any of its Affiliates without the consent of BIP GP, which may be given or withheld in its sole discretion.

The provision of the Limited Partnership Agreement preventing the amendments having the effects described directly above can be amended upon the approval of the holders of at least 90% of the BIP Interests.

e. Merger, sale or other disposition of assets

Any merger, consolidation or other combination of BIP requires the prior approval of BIP GP who has no duty or obligation to provide any such approval. The Limited Partnership Agreement generally prohibits BIP GP, without the prior approval of the holders of a majority of BIP Interests, from causing BIP to, among other things, sell, exchange or otherwise dispose of all or substantially all of its assets in a single transaction or a series of related transactions, including by way of merger, consolidation or other combination, or approving on BIP's behalf the sale, exchange or other disposition of all or substantially all of the assets of BIP's subsidiaries.

However, BIP GP in its sole discretion may mortgage, pledge, hypothecate or grant a security interest in all or substantially all of its assets (including for the benefit of persons other than BIP or BIP's subsidiaries) without that approval. BIP GP may also sell all or substantially all of BIP's assets under any forced sale of any or all of BIP's assets pursuant to the foreclosure or other realisation upon those encumbrances without that approval.

If conditions specified in the Limited Partnership Agreement are satisfied, BIP GP may convert or merge BIP into, or convey some or all of BIP's assets to, a newly formed entity if the sole purpose of that merger or conveyance is to effect a mere change in BIP's legal form into another limited liability entity.

f. Terms of issue of BIP Interests

All BIP Interests currently issued and outstanding or which will be issued and outstanding are afforded the same rights. Specifically, holders of BIP Interests are not entitled to the withdrawal or return of capital contributions in respect of BIP Interests, except to the extent, if any, that distributions are made to such holders pursuant to the Limited Partnership Agreement or upon the liquidation of BIP or as otherwise required by applicable law.

Except to the extent expressly provided in the Limited Partnership Agreement, a holder of BIP Interests does not have priority over any other holder of BIP Interests, either as to the return of capital contributions or as to profits, losses or distributions. Holders of BIP Interests will not be granted any pre-emptive or other similar right to acquire additional BIP Interests. In addition, holders of BIP Interests do not have any right to have their BIP Interests redeemed by BIP.

g. Dissent rights

BIP Securityholders are not entitled to dissenters' rights of appraisal (the existence of such rights would allow them to require BIP to purchase their BIP Interests for fair value if they were dissatisfied with a merger) under the Limited Partnership Agreement or the Limited Partnership Act or the Exempted Partnerships Act in the event of a merger or consolidation, a sale of substantially all of BIP's assets or any other transaction or event.

h. Limited Liability

Assuming that a BIP Securityholder does not participate in the control or management of BIP or conduct the affairs of, sign or execute documents for or otherwise bind BIP within the meaning of the Limited Partnership Act and otherwise acts in conformity with the provisions of the Limited Partnership Agreement, such BIP Securityholder's liability under the Limited Partnership Act and the Limited Partnership Agreement will be limited to the amount of capital such BIP Securityholder is obligated to contribute to BIP for its BIP Security plus its share of any undistributed profits and assets, except as described below.

If it were determined, however, that a BIP Securityholder were participating in the control or management of BIP or conducting the affairs of, signing or executing documents for or otherwise binding BIP (or purporting to do any of the foregoing) within the meaning of the Limited Partnership Act or the Exempted Partnerships Act, such BIP Securityholder would be liable as if it were a general partner of BIP in respect of all debts of BIP incurred while that BIP Securityholder was so acting or purporting to act.

Neither the Limited Partnership Agreement nor the Limited Partnership Act specifically provides for legal recourse against BIP GP if a limited partner were to lose limited liability through any fault of BIP GP. While this does not mean that a BIP Securityholder could not seek legal recourse, BIP is not aware of any precedent for such a claim in Bermuda case law.

3.7. Issue of new securities

Under the Limited Partnership Agreement, BIP GP has broad rights to cause BIP to issue additional partnership interests (including new classes of BIP Securities and options, rights, warrants and appreciation rights relating to such interests) for any partnership purpose, at any time and on such terms and conditions as it may determine without the approval of any BIP Securityholders.

However, the holders of Class A Preferred Units must approve the issue of any additional interests which would rank in priority to the Class A Preferred Units with respect to priority in the return of capital contributions or as to profits, losses or distributions by a majority.

Any additional BIP Securities may be issued in one or more classes, or one or more series of classes, with such designations, preferences, rights, powers and duties (which may be senior to existing classes and series of partnership interests) as may be determined by BIP GP in its sole discretion, all without approval of BIP Securityholders.

If and to the extent BIP raises funds by way of the issue of equity or debt securities, or otherwise, pursuant to a public offering, private placement or otherwise, an amount equal to the proceeds will be invested in BILP unless otherwise agreed by BIP and BILP.

3.8. Management of BIP

a. BIP GP Directors

The Limited Partnership Agreement provides for the management and control of BIP by a general partner rather than a board of directors and officers. BIP GP serves as BIP's general partner and has a board of directors.

The structure, practices and committees of BIP GP's board of directors are governed by BIP GP's by-laws.

b. Size, independence and composition of the board of directors

BIP GP's board of directors is currently set at nine directors. The board may consist of between three and eleven directors or such other number of directors as may be determined from time-to-time by a resolution of BIP GP's shareholders (currently Brookfield). At least three directors and at least a majority of the directors holding office must be independent of BIP GP and Brookfield, as determined by the full board of directors using the standards for independence established by the NYSE.

Generally, a director will not be considered independent under the NYSE independence standards if:

- he or she is currently, or has been within the last three years, an employee, or if a member of his or her immediate family is currently, or has been within the last three years, an executive officer of the company;
- he or she is currently an employee or a member of his or her immediate family is currently an executive officer, of another company (or its parent or a Subsidiary) that has made payments to, or received payments from, the company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of US$1 million or 2% of the other company's (or its parent's or a Subsidiary's) consolidated gross revenues;
- the director or a member of his or her immediate family is, or has been within the last three years, employed as an executive officer of another company (or its parent or a Subsidiary) if any of the company's current executive officers at the same time serves or served on the other company's (or its parent's or a Subsidiary's) compensation committee;
- the director or a member of his or her immediate family has received more than US$120,000 in direct compensation from the company during any 12-month period within the last three years (other than director and committee fees and pension or other forms of deferred compensation for prior service that are not contingent on continued service); or
- the director is currently a partner or an employee of the company's auditor or was a partner or an employee of such firm within the last three years and personally worked on the company's audit during that time or a member of his or her immediate family:
  - is currently a partner of such firm;
  - is currently an employee of such firm and personally works on the company's audit; or
  - was a partner or employee of such firm within the last three years and personally worked on the company's audit during that time.

c. Election and removal of BIP GP Directors

Election and removal of BIP GP Directors is solely at the discretion of BIP GP's shareholders (currently Brookfield). BIP Securityholders do not have any rights to remove or appoint BIP GP Directors.

d. Transactions requiring approval by BIP Independent Directors

The BIP Independent Directors have approved a conflicts protocol which addresses the approval and other requirements for transactions in which there is greater potential for a conflict of interest to arise.

These transactions include:

- the dissolution of BIP;
- any material amendment to the Master Services Agreement, the Relationship Agreement, the Limited Partnership Agreement or BILP's limited partnership agreement;
- any material service agreement or other arrangement pursuant to which Brookfield will be paid a fee, or other consideration other than any agreement or arrangement contemplated by the Master Services Agreement;
- acquisitions by BIP from, and dispositions by BIP to, Brookfield;
- determinations regarding the payment of fees under the Master Services Agreement in BIP Interests or in interests in BILP or the deferral of incentive distributions under BILP's limited partnership agreement;
- approval of the protocol governing the allocation of employees between BIP and the Service Provider;
- any other material transaction involving BIP and Brookfield; and
- termination of, or any determinations regarding indemnification under, the Master Services Agreement.

BIP's conflicts protocol requires the transactions described above to be approved by a majority of the BIP Independent Directors. Pursuant to its conflicts protocol, the BIP Independent Directors may grant approvals for any of the transactions described above in the form of general guidelines, policies or procedures in which case no further special approval will be required in connection with a particular transaction or matter permitted by those guidelines, policies or procedures.

e. Release from liability and indemnification of directors and officers

Under the Limited Partnership Agreement, BIP is required to indemnify to the fullest extent permitted by law:

- BIP GP, the Service Provider and any of their respective Affiliates (and their respective officers, directors, agents, shareholders, partners, members and employees), any person who serves on a governing body of BILP, a Holding Entity, operating entity or any other holding vehicle established by BIP and any other person designated by BIP GP as an indemnified person, in each case;
- against all losses, claims, damages, liabilities, costs or expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, incurred by an indemnified person in connection with;
- BIP's investments and activities or by reason of their holding such positions, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the indemnified person's bad faith, fraud or wilful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful.
- In addition, under the Limited Partnership Agreement:
  - the liability of the indemnified persons has been limited to the fullest extent permitted by law, except to the extent that their conduct involves bad faith, fraud or wilful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful; and
  - any matter that is approved by the BIP Independent Directors will not constitute a breach of the Limited Partnership Agreement or any duties stated or implied by law or equity, including fiduciary duties.

f. Transactions involving directors or officers

BIP GP, the Service Provider and their respective partners, members, shareholders, directors, officers, employees and shareholders, referred to as ''interested parties" may become limited partners or beneficially interested in limited partners and may hold, dispose of or otherwise deal with BIP Securities with the same rights they would have if BIP GP was not a party to the Limited Partnership Agreement.

An interested party will not be liable to account either to other interested parties or to BIP, BIP Securityholders or any other persons for any profits or benefits made or derived by or in connection with any such transaction.

The Limited Partnership Agreement permits an interested party:

- to sell investments to, purchase assets from, vest assets in and enter into any contract, arrangement or transaction with BIP, BILP, any of the Holding Entities, any operating entity or any other holding vehicle established by BIP and may be interested in any such contract, transaction or arrangement; and
- shall not be liable to account either to BIP, BILP, any of the Holding Entities, any operating entity or any other holding vehicle established by BIP or any other person in respect of any such contract, transaction or arrangement, or any benefits or profits made or derived therefrom, by virtue only of the relationship between the parties concerned, subject to any approval requirements that are contained in BIP's conflicts protocol.

g. Withdrawal of BIP GP as general partner

BIP GP may withdraw as general partner without first obtaining approval of BIP Securityholders by giving 90 days' notice, and that withdrawal will not constitute a violation of the Limited Partnership Agreement. Upon the withdrawal of BIP GP, the holders of a majority of the voting power of BIP's outstanding units may select a successor to that withdrawing general partner.

If a successor is not elected, or is elected but an opinion of counsel regarding limited liability, tax matters and the Investment Company Act (and similar legislation in other jurisdictions) cannot be obtained, BIP will be dissolved, wound up and liquidated.

The Limited Partnership Agreement also sets out the circumstances under which a successor general partner will have the option to purchase the general partnership interest of the departing general partner.

3.9. Corporate governance

a. Audit committee

The BIP GP Directors are required to establish and maintain at all times an audit committee that operates pursuant to a written charter. The audit committee is required to consist solely of BIP Independent Directors and each member must be financially literate and there will be at least one member designated as an audit committee financial expert.

The audit committee is responsible for assisting with, and advising the BIP GP Directors on, matters relating to:

- BIP's accounting and financial reporting processes;
- the integrity and audits of BIP's financial statements;
- BIP's compliance with legal and regulatory requirements; and
- the qualifications, performance and independence of the independent accountants.

The audit committee is also responsible for engaging BIP's independent accountants, reviewing the plans and results of each audit engagement with BIP's independent accountants, approving professional services provided by BIP's independent accountants, considering the range of audit and non-audit fees charged by BIP's independent accountants and reviewing the adequacy of BIP's internal accounting controls.

The audit committee charter is available on BIP's website at www.brookfieldinfrastructure.com/content/aboutus/governance-2615.html; and upon written request from BIP's Corporate Secretary at 73 Front Street, Hamilton HM 12, Bermuda.

b. Nominating and governance committee

The BIP GP Directors are required to establish and maintain at all times a nominating and governance committee that operates pursuant to a written charter. The nominating and governance committee is required to consist of a majority of BIP Independent Directors.

The nominating and governance committee is responsible for approving the appointment by the sitting BIP GP Directors of a person to the office of director and for recommending a slate of nominees for election as BIP GP Directors by BIP GP's shareholders.

The nominating and governance committee is also responsible for assisting and advising the BIP GP Directors with respect to matters relating to the general operation of the board of directors, BIP's governance, the governance of BIP GP and the performance of its board of directors and individual directors as well as directors' compensation arrangements.

The nominating and governance committee charter is available on BIP's website at www.brookfieldinfrastructure.com/content/aboutus/governance-2615.html; and upon written request from BIP's Corporate Secretary at 73 Front Street, Hamilton HM 12, Bermuda.

3.10. Dissolution of BIP

BIP will terminate upon the earlier of:

a. the date on which all of BIP's assets have been disposed of or otherwise realised by BIP and the proceeds of such disposals or realisations have been distributed to BIP Securityholders;
b. the service of notice by BIP GP, with the special approval of a majority of BIP Independent Directors, that in its opinion the coming into force of any law, regulation or binding authority has or will render illegal or impracticable the continuation of BIP; and
c. at the election of BIP GP, if BIP, as determined by BIP GP, is required to register as an "investment company" under the Investment Company Act or similar legislation in other jurisdictions).

Except in certain limited circumstances (including if withdrawal is effected in compliance with Section 3.8(g), BIP will be dissolved upon the withdrawal of BIP GP as the general partner of BIP.

BIP will be reconstituted and continue without dissolution if within 30 days of the date of dissolution (and so long as a notice of dissolution has not been filed with the Bermuda Monetary Authority), Brookfield executes a transfer deed pursuant to which it becomes the general partner and assumes the rights and undertakes the obligations of the general partner; and BIP receives an opinion of counsel that the admission of Brookfield as general partner will not result in the loss of the limited liability of any limited partner.

Upon the dissolution of BIP, unless BIP is continued as a new limited partnership, the liquidator authorised to wind up BIP's affairs will, acting with all of the powers of BIP GP that the liquidator deems necessary or appropriate in its judgment, liquidate BIP's assets and apply the proceeds of the liquidation first, to discharge BIP's liabilities as provided in the Limited Partnership Agreement and by law second to holders of any Class A Preferred Units in accordance with the terms of such units.

Thereafter the liquidator is to apply any funds to the holders of BIP Interests pro-rata according to the percentages of their respective BIP Interests as of a record date selected by the liquidator.

The liquidator may defer liquidation of BIP's assets for a reasonable period of time or distribute assets to partners in kind if it determines that an immediate sale or distribution of all or some of BIP's assets would be impractical or would cause undue loss to the BIP Securityholders.

3.11. Partnership arrangements of BILP

a. BILP's limited partnership agreement

The rights of the limited partners of BILP are currently governed by the laws of Bermuda and BILP's limited partnership agreement. BILP's limited partnership agreement provides for the management and control of BILP by BIP.

b. Units currently on issue

BILP has four classes of units on issue:

- Special Limited Partner Units;
- Redeemable Partnership Units;
- Managing General Partner Units; and
- BILP Class A Preferred Units.

Holders of units are not entitled to the withdrawal or return of capital contributions in respect of their units, except to the extent, if any, that distributions are made to such holders pursuant to BILP's limited partnership agreement or upon the liquidation of BILP or as otherwise required by applicable law.

Except to the extent expressly provided in BILP's limited partnership agreement, as amended from time to time, and except pursuant to the terms of any BILP Class A Preferred Units outstanding, a holder of units does not have priority over any other holder of units, either as to the return of capital contributions or as to profits, losses or distributions.

The BILP Class A Preferred Units rank senior to the other BILP units with respect to priority in the return of capital contributions or as to profits, losses or distributions.

Each series of BILP Class A Preferred Units ranks on a parity with every other series of the BILP Class A Preferred Units with respect to priority in the return of capital contributions or as to profits, losses or distributions.

c. Rights of BILP's limited partners

BILP's limited partners, in their capacities as such, may not take part in the management or control of the activities and affairs of BILP and do not have any right or authority to act for or to bind BILP or to take part or interfere in the conduct or management of BILP.

Limited partners of BILP are not entitled to vote on matters relating to BILP, although BILP Unitholders are entitled to consent to certain matters (similar to those matters which require BIP Securityholders to consent in relation to the management of BIP as detailed in Section 3.6(b)).

For the purposes of any approval required from BILP Unitholders, if holders of Redeemable Partnership Units are entitled to vote, they will be entitled to one vote per BILP Unit held subject to a maximum number of votes equal to 49% of the total number of BILP Units then issued and outstanding. Each BILP Unit shall entitle its holder to one vote for the purposes of any approvals of BILP Unitholders.

d. Redemption-Exchange Mechanism

At any time, one or more wholly owned subsidiaries of Brookfield Asset Management that hold Redeemable Partnership Units will have the right to require BILP to redeem for cash all or a portion of the Redeemable Partnership Units held by such subsidiary, subject to BIP's right of first refusal, as described below.

Any such redeeming subsidiary may exercise its right of redemption by delivering a notice of redemption to BILP and BIP. After presentation for redemption, such redeeming subsidiary will receive, subject to BIP's right of first refusal, as described below, for each BIP Interest that is presented, cash in an amount equal to the market value of one BIP Interest multiplied by the number of units to be redeemed (as determined by reference to the five day volume weighted average of the trading price of the BIP Interests and subject to certain customary adjustments).

Upon its receipt of the redemption notice, BIP will have a right of first refusal entitling it, at its sole discretion, to elect to acquire all (but not less than all) units described in such notice and presented to BILP for redemption in exchange for BIP Interests on a one for one basis (subject to certain customary adjustments). Upon a redemption for cash, the holder's right to receive distributions with respect to BILP's Units so redeemed will cease.

Brookfield's aggregate limited partnership interest in BIP would be approximately 29.25% if it exercised its redemption right in full and BIP exercised its right of first refusal on BILP's units redeemed (including the approximately 166,430 issued and outstanding units that Brookfield owned as at 31 October 2015).

Brookfield's total percentage interest in BIP would be increased if it participates in BILP's distribution reinvestment plan.

e. Incentive Distributions

BILP Special Partner (the special limited partner of BILP) is entitled to receive incentive distributions from BILP as a result of its ownership of the Special Limited Partner Units.

The incentive distributions are to be calculated in increments based on the amount by which quarterly distributions on the limited partnership units of BILP exceed specified target levels as set forth in BILP's limited partnership agreement.

BILP Special Partner may, at its sole discretion, elect to reinvest incentive distributions in exchange for Redeemable Partnership Units.

To the extent that any Holding Entity or any Operating Entity pays to Brookfield any comparable performance or incentive distribution, the amount of any future incentive distributions will be reduced in an equitable manner to avoid duplication of distributions.

Pursuant to BILP's limited partnership agreement, BILP Special Partner is also entitled to receive a special limited partner distribution from BILP equal to a share of the total distributions of BILP in proportion to BILP Special Partner's special limited partnership interest in BILP which is equal to approximately 0.5% of the total distributions on the units of BILP.

The following incentive distributions have been paid by BILP to the BILP Special Partner:

Relevant period	Amount (US$)
Up to 31 December 2010	Nil
Year ended 31 December 2011	$4 million
Year ended 31 December 2012	$16 million
Year ended 31 December 2013	$31 million
Year ended 31 December 2014	$44 million
Half year ended 30 June 2015	$32 million

f. Other matters

BILP has substantially similar governance arrangements as BIP. In particular, the provisions relating to the amendment of BILP's limited partnership agreement, the dissolution of BILP, the release from liability and indemnification of directors and officers and transactions involving directors or officers are similar to the equivalent provisions in the Limited Partnership Agreement.

BIP may withdraw as managing general partner without first obtaining approval of BIP Securityholders by giving 90 days' notice, and that withdrawal will not constitute a violation of BILP's limited partnership agreement.

Upon the withdrawal of BIP, the holders of a majority of the voting power of Special Limited Partner Units may select a successor to that withdrawing managing general partner.

If a successor is not elected, or is elected but an opinion of counsel regarding limited liability, tax matters and the Investment Company Act (and similar legislation in other jurisdictions) cannot be obtained, BILP will be dissolved, wound up and liquidated.

BILP's limited partnership agreement also sets out the circumstances under which a successor general partner will have the option to purchase the general partnership interest of the departing general partner.

BILP's limited partnership agreement and the Limited Partnership Agreement contain various provisions that modify the fiduciary duties that might otherwise be owed to BIP and BIP Securityholders, including when such conflicts of interest arise.

These modifications are detrimental to BIP Securityholders because they restrict the remedies available for actions that might otherwise constitute a breach of fiduciary duty and permit BIP GP Directors to take into account the interests of third parties, including Brookfield, when resolving conflicts of interest. It is possible that conflicts of interest may be resolved in a manner that is not in the best interests of BIP or the best interests of BIP Securityholders.

3.12. Obligations under the Master Services Agreement

Under the Master Services Agreement, the Service Provider has agreed to provide or arrange for other Service Providers to provide certain management and administration services to BIP and the other Service Recipients. A summary of the key provisions of the Master Services Agreement is set out in Attachment 3.

These services include, but are not limited to: supervising and attending to the day-to-day management, secretarial, accounting, banking, treasury, administrative, liaison, representative, regulatory and reporting functions and obligations, establishing and maintaining books and records, identifying, evaluating and recommending to the Service Recipients acquisitions or dispositions and recommending and, where requested to do so, assisting in the negotiating the terms of such acquisitions or dispositions.

BIP is required to pay, on a quarterly basis, a Base Management Fee equal to 0.3125% (1.25% annually) of the market value of BIP to the Service Provider (as calculated under the Master Services Agreement).

For purposes of calculating the Base Management Fee, the market value of BIP is equal to the aggregate value of all outstanding BIP Interests (assuming full conversion of Brookfield's Redeemable Partnership Units into BIP Interests), Preferred Units and securities of the other Service Recipients that are not held by Brookfield Infrastructure, plus all outstanding third party debt with recourse to a Service Recipient, less all cash held by such entities.

BILP Special Partner will also receive incentive distributions based on the amount by which quarterly distributions on the limited partnership units of BILP exceed specified target levels as set forth in BILP's limited partnership agreement.

To the extent that under any other arrangement Brookfield Infrastructure is obligated to pay a base management fee (directly or indirectly through an equivalent arrangement) to the Service Provider (or an Affiliate) on a portion of Brookfield Infrastructure's capital that is comparable to the Base Management Fee, the Base Management Fee payable for each quarter in respect thereof will be reduced on a dollar for dollar basis by Brookfield Infrastructure's proportionate share of the comparable base management fee (or equivalent amount) under such other arrangement for that quarter.

The Base Management Fee will not be reduced by the amount of any incentive distribution payable by any Service Recipient or Operating Entity to the Service Provider (or any other Affiliate) (for which there is a separate credit mechanism under BILP's limited partnership agreement), or any other fees that are payable by any Operating Entity to Brookfield for financial advisory, operations and maintenance, development, operations management and other services.

BIP and the other Service Recipients are also required to reimburse the Service Provider for any out-of-pocket fees, costs and expenses incurred in the provision of the management and administration services, other than for salaries and other remuneration of the management, personnel or support staff of the Service Recipients who carry out any services or functions for the Service Recipients.

The obligations of Brookfield under the Master Services Agreement and the other arrangements with them are contractual rather than fiduciary in nature. As a result, BIP GP as general partner has sole authority and discretion to enforce the terms of such agreements and to consent to any waiver, modification or amendment of their provisions.

3.13. Arrangements under the Relationship Agreement

Under the Relationship Agreement, Brookfield Asset Management has agreed that BIP serves as the primary (though not exclusive) vehicle through which Brookfield makes future infrastructure related acquisitions that are suitable for BIP's strategy and objectives.

BIP, BILP and the Holding Entities also acknowledge and agree that, subject to providing BIP the opportunity to participate on the basis described above and as detailed in the Relationship Agreement, Brookfield is able to pursue other business activities and provide services to third parties that compete directly or indirectly with BIP. In addition, Brookfield has established or advised, and may continue to establish or advise, other entities that rely on the diligence, skill and business contacts of Brookfield's professionals and the information and acquisition opportunities they generate during the normal course of their activities.

BIP, BILP and the Holding Entities acknowledge and agree that some of these entities may have objectives that overlap with their objectives or may acquire infrastructure assets or businesses that could be considered appropriate acquisitions for them, and that Brookfield may have greater financial incentives to assist those other entities over them.

Accordingly, BIP may be required to compete from time-to-time with Brookfield or other third parties for access to the benefits that BIP expects to realise from BIP's involvement in BIP's business.

3.14. BIP and Asciano comparison

If the Offer is accepted, Asciano Shareholders may receive BIP CDIs as consideration in exchange for their Shares.

The structure of BIP and the rights attaching to BIP CDIs (and the BIP Interests which they represent), are different to the structure of Asciano and the rights attaching to Shares. A comparison of material differences is set out in the below table:

Nature of Entity

Asciano	• Asciano is an Australian public corporation, incorporated under the laws of Australia and listed on the ASX.
BIP	• BIP Interests are limited partnership units in BIP and are listed on the NYSE and TSX under the symbols "BIP" and "BIP.UN", respectively. • Each of BIP and BILP is a Bermudian exempted limited partnership registered under the Limited Partnership Act and the Exempted Partnerships Act. • Both BIP and BILP are governed by limited partnership agreements.

Management

Asciano	• Management of Asciano is conducted by its board of directors.
BIP	• BIP is managed by its general partner, BIP GP. BIP GP is, in turn, managed by its board of directors, which is comprised of a majority of individuals who qualify as independent using the standards for independence established by the NYSE. • BIP GP is a wholly-owned subsidiary of Brookfield.

Appointment and removal of directors, operators and managers

Asciano	• Asciano Shareholders have the right, by majority vote, to appoint directors to and remove directors from the Asciano Board.
BIP	• At least a majority of the BIP GP Directors must be independent using the standards for independence established by the NYSE. • Transactions involving a conflict of interest with Brookfield require approval by a majority of BIP Independent Directors. In addition, BIP's audit committee consists entirely of BIP Independent Directors and its nominating and governance committee consists of a majority of BIP Independent Directors. • Holders of BIP Interests do not have the right to: - appoint directors to or remove directors from the board of BIP GP; or - remove BIP GP as general partner of BIP. • BIP GP Directors are appointed by Brookfield. • In relation to a change in the general partner or the Service Provider, Brookfield may sell its holding in BIP GP or Service Provider, without the approval of holders of BIP Interests. BIP GP may also sell its general partnership interest in BIP to a Third Party without the consent of the holders of BIP Interests.

Securityholder matters

Asciano	• Under the Corporations Act, ASX Listing Rules and the constitution of Asciano, certain matters must be put to Asciano Shareholders. • These matters include: - certain issuances of Shares (including certain issues to a related party or that are above the 15% per annum limit specified in ASX Listing Rule 7.1); - certain related party dealings; - appointment of directors; - amendments to the Asciano constitution; and - most reorganisations of capital (including capital returns by Asciano, certain buy-backs and schemes of arrangement such as the Scheme). • Under Australian law, Asciano Shareholders, holding at least 5% of the votes that may be cast in a general meeting or at least 100 holders who are entitled to vote at the meeting may, by written notice, propose a resolution for consideration by members.
BIP	• Generally BIP GP has absolute discretion in relation to the management of BIP. • This discretion is subject to the obligation to seek the consent of the relevant BIP Securityholders for a number of matters including (amongst other things): - an amendment to the Limited Partnership Agreement that would increase the obligations of any BIP Securityholder; - an amendment that would have a material adverse effect on the rights or preferences of any class of outstanding BIP Securityholders in relation to other classes of BIP Securityholders; - an amendment that reduces the voting percentage required to take any action; and - any approval by BIP GP which causes BIP to, among other things, sell, exchange or otherwise dispose of all or substantially all of its assets in a single transaction or a series of related transactions, including by way of merger, consolidation or other combination, or approval on BIP's behalf of the sale, exchange or other disposition of all or substantially all of the assets of BIP's subsidiaries. • The holders of BIP Interests do not have the right to call meetings of BIP. • Amendments to the Limited Partnership Agreement may be proposed only with the consent of BIP GP. If BIP GP consents to the proposed amendment, the amendment is effective upon its approval by BIP GP, or in the event that consent of the relevant BIP Securityholders is required (as noted above), upon the consent vote or approval of the amendment by such BIP Securityholders. • Under the securities rules applicable to BIP in Canada, as well as the rules of the TSX, subject to exemptions that may be available, securityholder approval is required for certain transactions, including: - issuances of a number of BIP Interests equal to at least 25% of the outstanding BIP Interests (after giving effect to the exchange of the outstanding Redeemable Partnership Units) on a non-diluted basis (or 10% in the case of an issuance to a related party); and - certain related party dealings.

Fiduciary duties

Asciano	• The Asciano Directors bear a number of duties under the Corporations Act and general law to Asciano Shareholders. • These duties include duties to: act in good faith in the interests of Asciano Shareholders; act for a proper purpose; not fetter their discretion; exercise care, skill and diligence; avoid conflicts of interest; not misuse their position to their advantage; and not misappropriate company property.

BIP	• The BIP GP Directors have a general duty to act in the best interest of BIP GP under the Bermuda Companies Act 1981. In addition, pursuant to the Limited Partnership Act, BIP GP is liable for the debts and obligations of BIP. • To the extent that BIP GP owes any such fiduciary duties to BIP or its Securityholders, these duties have been modified pursuant to the Limited Partnership Agreement and BILP's limited partnership agreement as a matter of contract law. • This modification of the fiduciary duties that might otherwise be owed to BIP and the BIP Securityholders may be detrimental to BIP Securityholders because it restricts the remedies available for actions that might otherwise constitute a breach of fiduciary duty and permits conflicts of interest to be resolved in a manner that may not in all cases be in the best interest of BIP or the best interests of BIP Securityholders. BIP believes it is necessary to modify the fiduciary duties that might otherwise be owed to BIP and the BIP Securityholders due to BIP's organisational and ownership structure and the potential conflicts of interest created thereby. These modifications are predicated on the principle that, without modifying those duties, the ability of BIP GP to attract and retain experienced and capable directors and to take actions that BIP considers necessary for the carrying out of its business strategy, would be unduly limited due to concern about potential liability. • Under the Limited Partnership Agreement, the liability of BIP GP and its Affiliates is limited (to the extent permitted by law) to conduct involving bad faith, fraud or wilful misconduct or, in the case of a criminal matter, action that was known to be unlawful.

Protection of minority holders/oppression remedy

Asciano	• Under the Corporations Act, any shareholder of Asciano can bring an action in cases of conduct which is contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholder(s) whether in their capacity as shareholder or in any other capacity. Former shareholders can also bring an action if it relates to circumstances in which they ceased to be a shareholder. • Under Australian law, a statutory derivative action may also be instituted by a shareholder, former shareholder or person entitled to be registered as a shareholder of Asciano. In all cases, leave of the court is required. Such leave will be granted if the court is satisfied that: - it is probable that Asciano will not itself bring the proceedings or properly take responsibility for them or for the steps in them; - the applicant is acting in good faith; - it is in the best interests of the company that the applicant be granted leave; - if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and - either at least 14 days before making the application, the applicant gave written notice to Asciano of the intention to apply for leave and the reasons for applying or it is otherwise appropriate to grant leave. • Under Australian law, where it is proposed to give a financial benefit to a related party, Asciano must, except in certain circumstances, seek the approval of its securityholders. There is an exemption in circumstances in which the terms of the transaction would have been reasonable had the parties been dealing at arms-length.
BIP	• Under Bermuda law, there are no minority securityholder protection nor oppression remedies available to BIP Securityholders. • A number of transactions involving Brookfield may constitute a related party transaction which in some situations requires minority holder approval and/or valuation for transactions. These transactions include (amongst others): - the dissolution of BIP; - any material amendment to the Master Services Agreement, the Limited Partnership Agreement or BILP's limited partnership agreement; - any material service agreement or other arrangement pursuant to which Brookfield will be paid a fee, or other consideration other than any agreement or arrangement contemplated by the Master Services Agreement; - acquisitions by BIP from, and dispositions by BIP to, Brookfield; - any other transaction involving Brookfield; and - termination of, or any determinations regarding indemnification under, the Master Services Agreement. • An exemption from such requirements is available when the fair market value of the transaction is not more than 25% of the market capitalisation of BIP (on a fully diluted basis, assuming the Redeemable Partnership Units are converted to BIP Interests).

Anti-Dilution

Asciano	• Under the ASX Listing Rules, Asciano cannot, without the consent of Asciano Shareholders, issue "equity securities" that are (or are convertible into) more than 15% of its issued capital over any 12 month period. • There are some limited exceptions to this rule such as issues under a rights issue (including to an underwriter).
BIP	• BIP requires approval of holders of BIP Interests for public company acquisitions that result in the issuance of 25% or more of the issued and outstanding BIP Interests (after giving effect to the exchange of the outstanding Redeemable Partnership Units) on a non-diluted basis. • Subject to the rights of the holders of Class A Preferred Units to approve issuances of additional partnership interests ranking senior to the Class A Preferred Units with respect to priority in the return of capital contributions or as to profits, losses or distributions by a majority and subject to the foregoing. • Under the Limited Partnership Agreement, BIP GP has broad rights to issue additional partnership interests on behalf of BIP and may cause BIP to issue additional partnership interests (including new classes of partnership interests and options, rights, warrants and appreciation rights relating to such interests) for any partnership purpose, at any time and on such terms and conditions as it may determine without the approval of holders of BIP Interests. • Any additional partnership interests may be issued in one or more classes, or one or more series of classes, with such designations, preferences, rights, powers and duties (which may be senior to existing classes and series of partnership interests) as may be determined by BIP GP in its sole discretion, all without approval of holders of BIP Interests. • BIP intends to consider offering BIP CDIs concurrently with future offerings of BIP Interests, subject to any applicable laws and provided that it is practicable and in the interests of BIP Securityholders as a whole to do so.

Takeovers and mergers

Asciano	• Australian law places restrictions on persons acquiring interests in voting Shares where, as a result of the acquisition, that person's or someone else's voting power increases from 20% or below to more than 20%, or from a starting point that is above 20% but below 90%. • Generally, such acquisitions cannot be made unless the person does not acquire more than 3% of the voting Shares in any 6 month period, the acquisition is made with shareholder approval, the acquisition occurs under a scheme of arrangement (similar to the Scheme) or the acquisition is made under a takeover bid made in accordance with Australian law. • Takeover bids must treat all shareholders alike and must not involve any collateral benefits. Various restrictions about conditional offers exist and there are also substantial restrictions concerning the withdrawal or suspension of offers.

BIP

- If U.S. holders own more than 10% of the BIP Interests, tender offer rules under applicable securities laws in the United States would be applicable to a takeover bid. Under these rules, bidders must, among other things, provide certain mandated disclosures, the offer must be open to all holders of the class of securities subject to the offer and the offeror must pay the same price for all securities purchased pursuant to the offer. These rules also provide for mandated time periods and withdrawal rights.
- Canadian law places restrictions on a person acquiring BIP Interests where, as a result of the acquisition (together with BIP Interests currently held), the person will hold in aggregate 20% or more of the outstanding BIP Interests, subject to any available exemptions.
- Exemptions include acquisitions in the market of no more than 5% of the BIP Interests over a 6 month period, acquisitions made pursuant to private agreements with a limited number of sellers for no more than a specified premium to market price and acquisitions as part of statutory arrangements.
- Under the Limited Partnership Agreement, holders of BIP Interests are not entitled to vote on matters relating to BIP, such as acquisitions, dispositions or financing, or to participate in the management or control of BIP. As a result, unlike holders of common stock of a corporation, holders of BIP Interests are not able to influence BIP's direction, including its policies and procedures, or to cause a change in its management, even if they are dissatisfied with BIP's performance.
- Consequently, holders of BIP Interests may be deprived of an opportunity to receive a premium for their BIP Interests in the future through a sale of BIP and the trading price of BIP Interests may be adversely affected by the absence or a reduction of a takeover premium in the trading price.
- The control of BIP GP may be transferred to a third party without consent of BIP Securityholders.
- BIP Securityholders do not have the right to remove the BIP GP as general partner, to cause BIP GP to withdraw from BIP, to cause a new general partner to be admitted to BIP, to appoint new directors to BIP GP's board of directors, to remove existing BIP GP Directors from BIP GP's board of directors or to prevent a change of control of BIP GP.
- The circumstances in which BIP can terminate the Master Services Agreement (and thereby change its management) are limited. In addition, because BIP GP is an affiliate of Brookfield, it may be unwilling to terminate the Master Services Agreement.

ASX listing

Asciano

- Asciano has a standard listing on the ASX currently. Under a standard listing, the entity must comply with all ASX Listing Rules, unless granted a waiver of any by the ASX.

BIP

- BIP applied to ASX for admission to the official list of the ASX as a foreign exempt listing and for the quotation of BIP CDIs on the ASX within 7 days of the date of the Original Bidder's Statement. An entity with a foreign exempt listing on the ASX is expected to comply primarily with the listing rules of its overseas home exchange (Brookfield Infrastructure's home exchange for this purpose is TSX) and is exempt from complying with most of the ASX's Listing Rules. However, an entity with a foreign exempt listing on the ASX must comply with the following requirements:
  - it must immediately provide to the ASX for public release (and in English) all of the information it provides to its overseas home exchange that is or is to be made public;
  - it must continue to comply with the listing rules of its home exchange;
  - it must comply with certain ASX Listing Rules relating to transfers and registers of securities;
  - it must comply with certain ASX Listing Rules relating to procedural and administrative matters including the way announcements are lodged, trading halts, suspensions and removal and the application of the ASX Listing Rules; and
  - other additional ASX Listing Rules with which the ASX may (at its discretion) require the foreign exempt entity to comply.
- Some of the key ASX Listing Rules which an entity is not required to comply with under a foreign exempt listing include:
  - the ASX Listing Rules relating to changes in capital, such as the requirement for an entity to seek shareholder approval for an issue in excess of 15% of its issued capital;
  - the continuous disclosure obligations;
  - the periodic reporting obligations, including the form and content of financial reporting (although the financial reporting obligations of a registered foreign company under the Corporations Act will continue to apply);
  - the requirement to prepare a corporate governance statement that reports against the recommendations set by the ASX Corporate Governance Council;
  - the ASX Listing Rules relating to transactions with persons in a position of influence, including the requirement to obtain shareholder approval before disposing of a substantial asset to a related party;
  - the requirements relating to significant changes in the nature or scale of the entity; and
  - the timetables prescribed by the ASX Listing Rules for corporate actions such as the payment of distributions, rights issues or reconstructions.

4.
INFORMATION ON ASCIANO AND ASCIANO GROUP

4. INFORMATION ON ASCIANO AND ASCIANO GROUP

4.1. Overview of Asciano

Asciano is one of Australia's largest national rail freight and port operators. Asciano's strategic objective is to be Australia's leading provider of critical logistics services within essential infrastructure based supply chains.

Asciano occupies all major segments of the import/export and domestic supply chains to offer a diverse freight mix service offering.

For the year ended 30 June 2015, Asciano reported sales revenue of approximately A$3.8 billion, EBITDA of approximately A$1.1 billion and underlying NPAT after minority interests of approximately A$415 million.[50]

4.2. Directors and key management

a. As at the date of this Bidder's Statement, there are 8 directors of Asciano. The directors of Asciano are as follows:

Name	Position
Malcolm Broomhead	Chairman and Independent Non-Executive Director
John Mullen	CEO and Managing Director
Chris Barlow	Independent Non-Executive Director
Robert Edgar	Independent Non-Executive Director
Peter George	Independent Non-Executive Director
Shirley In't Veld	Independent Non-Executive Director
Geoff Kleemann	Independent Non-Executive Director
Ralph Waters	Independent Non-Executive Director

b. As at the date of this Bidder's Statement, the senior leadership team includes those in key management positions in the table below:

Name	Position
John Mullen	CEO and Managing Director
Roger Burrows	Chief Financial Officer
Alexandra Badenoch	Director, Human Resources, Corporate Affairs and Customer
Saul Cannon	Director, Strategy and Business Development
David Irwin	Director, Pacific National
Murray Vitlich	Director, Patrick
Lyndall Stoyles	Group General Counsel and Company Secretary

4.3. History, structure and ownership of Asciano Group

a. History

Asciano was first listed on the ASX on 6 June 2007, however its history goes back much further than that. Asciano, or TNT Australia rail as it was then, was incorporated in 1996. In 1997, Toll bought the operating rights to the Port of Geelong and acquired TNT Australia rail in the process. In 2007, Toll restructured into two ASX listed companies, Toll and Asciano. In the following years, Asciano developed its capacity to deliver end-to-end supply chain solutions. In 2008, Asciano signed a significant coal haulage contract with Rio Tinto Coal Australia and Xstrata Coal.

50 Pre material items of A$55.1 million post tax.

In 2012, Asciano bought out the remaining 50% of C 3 Limited, a provider of forestry services and port capabilities throughout Australia and New Zealand. Asciano also acquired an additional 20% in Port of Geelong, increasing its investment to 50%. In 2013, Asciano expanded its services when it acquired Newcastle based integrated logistics solutions provider, Mountain Industries. Most recently, in 2014, Asciano merged Pacific National Rail and Pacific National Coal into one division. Presently, Asciano is Australia's only integrated rail, ports, stevedoring and landside logistics business.

b. Structure

Asciano is managed and controlled by a board of directors (see Section 4.2(a)) and a senior leadership team, comprising those in key management positions (see Section 4.2(b)). The CEO confers with the board of directors on strategy and delegates authority amongst the senior leadership team. The senior leadership team's role is to implement the board's strategy through the management of Asciano's operations. The Asciano Board is accountable to the Asciano Shareholders, who are the owners of Asciano.

c. Ownership

The substantial shareholders of Asciano as at 1 December 2015, the last practicable trading day prior to the date of this Bidder's Statement and the Relevant Interests they have notified to ASX, are as follows:

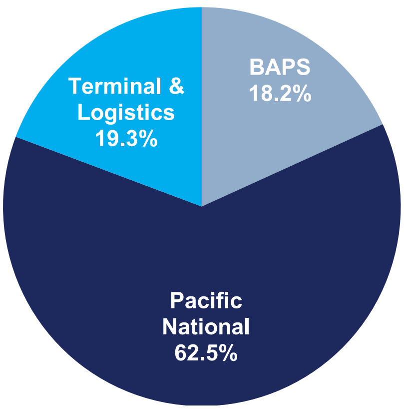
Name	Number of Shares	% of Shares outstanding
Qube Holdings Limited, Global Infrastructure Management Participation, LLC and GIM Participation Fund Holding GP, Limited	194,979,591	19.99%
GIC Pte Ltd, GIC Special Investments Pte Ltd, Buckland Investment Pte Ltd, Devonshire Investment Pte Ltd, GIC (Ventures) Pte Ltd and GIC Infra Holdings Pte Ltd and their associates	190,832,856	19.56%
bcIMC and bcIMC Group entities	188,543,574	19.33%
Brookfield Infrastructure Partners L.P., Nitro Corporation Pty Ltd, each of the entities that comprise Brookfield Infrastructure Fund II, BIG Holdings LP and each other member of BAM Group entities	188,543,574	19.33%
UBS Group AG and its related bodies corporate	88,423,912	9.07%

4.4. Principal activities of Asciano

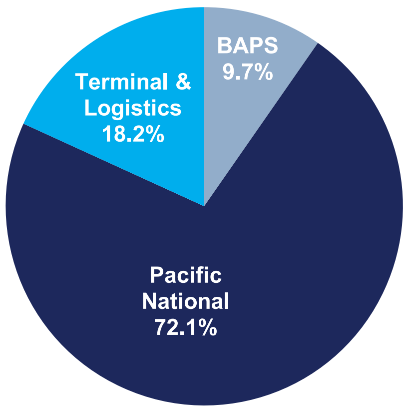
Asciano's activities are divided into three reportable segments: Pacific National, Terminals & Logistics and Bulk & Automotive Port Services (BAPS).

*Table 15: Terminals & Logistics and Bulk & Automotive Port Services (**BAPS**)*

FY15 Revenue Split by Division[51]



FY15 EBITDA Split by Division[52]



A brief description of each is provided below.

a. Pacific National

Pacific National consists of two broad business activities, National Intermodal freight haulage and Bulk Haulage.

The National Intermodal freight haulage business provides interstate containerised freight services, interstate break bulk freight (steel), regional freight rail services in Queensland and hook and pull services for passenger trains. Pacific National is the largest provider of long haul intermodal rail services in Australia with a 70% market share.

The Bulk Haulage business hauls a range of bulk goods around Australia by rail including coal, grain for domestic and export markets, minerals, concentrate and construction materials.

51 Excludes corporate costs.

52 Excludes corporate costs.

b. Terminals & Logistics

Terminals & Logistics is one of two major competitors in the Australian market.

It holds lease concessions and provides container stevedoring services in the four largest container ports in Australia, being East Swanson Dock in Melbourne, Port Botany in Sydney, Fisherman Islands in Brisbane and Fremantle in Western Australia.

The division also provides an integrated logistics service that provides the interface between the shipping port and the beneficial freight owner in a joint venture with ACFS Port Logistics Pty Ltd.

c. Bulk & Automotive Port Services

Bulk & Automotive Port Services specialises in the management of bulk ports and supporting infrastructure and the provision of port related logistics at over 40 sites across Australia and New Zealand.

It also operates an integrated service for the transportation, processing and storage of motor vehicles from the port to the beneficial freight owner.

4.5. Financial information on the Asciano Group

a. Basis of presentation of historical financial information

The historical financial information below relates to Asciano on a standalone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts for Asciano for the financial periods described below, which include the notes to the accounts, can be found in Asciano's annual reports for those periods.

The reports for those periods have been prepared in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations adopted by the Australian Accounting Standards Board, and the Corporations Act. The consolidated financial statements of Asciano comply with the IFRS and the interpretations adopted by the International Accounting Standards Board.

Readers should note that Asciano simplified and refreshed the format of its financial statements for the financial year ended 30 June 2015 which included some minor classification changes for certain assets and liabilities. The comparative for the financial year ended 30 June 2014 (included in the financial statements for the financial year ended 30 June 2015) was also amended for consistency. Asciano has also amended the financial statements included for the financial year ended 30 June 2013 in this Bidder's Statement to ensure consistency with the simplified and refreshed format. The amendments were not material in nature.

b. Historical financial information on the Asciano Group

1. Asciano Consolidated Statement of Profit or Loss

The audited historical consolidated statement of profit or loss for the year ended 30 June 2013, 2014 and 2015 is summarised in Table 1.

Table 16: Historical Asciano income statements

Consolidated Statement of Profit or Loss (A$m)	2013	2014	2015
Revenue from services rendered	3,688.2	3,926.1	3,795.4
Other income	56.6	68.5	43.7
Share of net profit of joint ventures	17.3	14.9	15.8
Operating expenses excluding depreciation and amortisation:			
Employee benefits	(1,189.7)	(1,324.3)	(1,255.7)
Rail access	(426.6)	(449.3)	(441.5)
Fuel, oil and power	(377.8)	(418.2)	(323.9)
Repairs and maintenance	(318.1)	(315.8)	(281.8)
Lease and hire	(192.8)	(200.6)	(194.6)
Insurance	(60.1)	(53.2)	(43.8)
Other	(219.3)	(256.7)	(241.7)
Profit before depreciation, amortisation, net finance costs and tax	**977.7**	**991.4**	**1,071.9**
Depreciation	(265.9)	(360.8)	(312.5)
Amortisation	(44.8)	(46.6)	(47.9)
Profit before net finance costs and tax	**667.0**	**584.0**	**711.5**
Net interest income / (expense)	(208.2)	(189.5)	(185.5)
Other financing expenses	(4.1)	(14.3)	(12.2)
Credit value adjustment and fair value movements of unhedged derivatives	12.6	(21.5)	(6.8)
Net finance expense	(199.7)	(225.3)	(204.5)
Profit before tax	**467.3**	**358.7**	**507.0**
Tax expense	(130.5)	(101.7)	(146.2)
Profit after tax	**336.8**	**257.0**	**360.8**
Attributable to:			
Owners of Asciano Limited	334.4	254.4	359.6
Non-controlling interests	2.4	2.6	1.2
Total	**336.8**	**257.0**	**360.8**
Earnings per Parent share			
Basic – cents	34.3	26.1	36.9
Diluted – cents	34.2	26.1	36.8

2. Asciano Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position as at 30 June 2013, 2014 and 2015 is presented in Table 3.

Table 17: Consolidated balance sheet as at 30 June 2015

Consolidated Statement of Financial Position (A$m)	2013	2014	2015
Current assets			
Cash and cash equivalents	29.7	167.3	127.3
Trade and other receivables	392.4	429.2	444.6
Prepayments and other assets	30.9	25.7	23.7
Inventories	29.3	33.3	41.4
Derivative financial assets	12.5	4.1	114.2
Assets held for sale	-	-	51.7
Total current assets	**494.8**	**659.6**	**802.9**
Non-current assets			
Property, plant and equipment	3,926.4	4,306.7	4,465.3
Intangible assets	2,793.8	2,810.3	2,796.2
Equity accounted investments	28.4	30.9	30.4
Loans to joint ventures	53.0	56.2	56.2
Trade and other receivables	2.4	1.9	1.4
Prepayments and other assets	6.2	3.9	1.4
Inventories	40.5	31.6	38.8
Derivative financial assets	231.0	165.9	613.5
Net deferred tax assets	72.0	109.2	70.6
Total non-current assets	**7,153.7**	**7,516.6**	**8,073.8**
Total assets	**7,648.5**	**8,176.2**	**8,876.7**
Current liabilities			
Trade payables	129.5	152.8	151.3
Other payables and accrued expenses	264.1	311.6	258.6
Provisions	42.1	74.4	52.4
Employee benefits	193.7	201.8	192.4
Loans and borrowings	0.6	0.6	519.5
Derivative financial liabilities	29.1	61.4	40.3
Current tax liabilities	52.1	10.4	30.7
Liabilities held for sale	-	-	14.1
Total current liabilities	**711.2**	**813.0**	**1,259.3**
Non-current liabilities			
Other payables and accrued expenses	13.2	15.3	14.9
Provisions	76.5	65.4	62.5
Employee benefits	135.7	138.5	92.1
Loans and borrowings	3,070.3	3,370.0	3,426.5
Derivative financial liabilities	19.3	57.8	52.9
Total non-current liabilities	**3,315.0**	**3,647.0**	**3,648.9**
Total liabilities	**4,026.2**	**4,460.0**	**4,908.2**
Net assets	**3,622.3**	**3,716.2**	**3,968.5**
Equity			
Contributed equity	8,606.1	8,609.3	8,604.5
Reserves	(4,703.5)	(4,721.2)	(4,342.0)
Accumulated losses	(295.1)	(189.3)	(312.6)
Equity attributable to owners of Asciano Limited	**3,607.5**	**3,698.8**	**3,949.9**
Non-controlling interests	14.8	17.4	18.6
Total equity	**3,622.3**	**3,716.2**	**3,968.5**

c. Update on material changes to Asciano financial performance and financial position

Since the full year reporting date of 30 June 2015 there have been a number of material changes to Asciano. These are listed below:

- On 10 April 2015, Asciano announced that it was forming a new joint venture (held on a 50/50 basis) with ACFS Port Logistics Pty Ltd (**ACFS**) bringing together the metropolitan logistics businesses of both companies. The joint venture commenced on 1 August 2015. The joint venture with ACFS will be equity accounted in the financial year ending 30 June 2016. This is expected to result in a decline in the reported revenue of the Terminals & Logistics segment compared to the prior comparable period. The impact on EBITDA and EBIT is not expected to be material.
- On 27 July 2015, Asciano announced the appointment of Mr Murray Vitlich to the role of Director, Patrick following the resignation of Alistair Field from the role of Director, Patrick Terminals & Logistics. The company has taken the opportunity to review its current management structure and will integrate the leadership of two Patrick segments: Terminals & Logistics and Bulk & Automotive Port Services.
- On 17 August 2015, Asciano entered into a commitment in relation to a A$500 million bridge facility with Goldman Sachs. The bridge facility has a tenor of six months from drawdown. The bridge facility is for general corporate purposes as well as to fund a part of the Special Dividend.
- On 18 August 2015, Asciano announced that it had entered into a Scheme Implementation Deed, under which it is proposed that the Acquirer will acquire 100% of the issued capital of Asciano for the Consideration.
- On 9 November 2015, Asciano announced that it has amended and restated the Implementation Deed with BIP to allow for the Acquirer (or another entity nominated by BIP) to make the Offer.

4.6. Publicly available information about Asciano

Asciano is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Asciano is subject to the listing rules of the ASX which require continuous disclosure of any information Asciano has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

The ASX maintains files containing publicly disclosed information about all listed companies. The Asciano file is available for inspection at the ASX during normal business hours.

In addition, Asciano is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Asciano may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Asciano is available in electronic form from: www.asciano.com.au.

4.7. Announcement by Asciano in relation to the Offer

On 9 November 2015, Asciano made a public announcement to the ASX in relation to the Offer. A copy of that announcement is contained in Attachment 1 of this Bidder’s Statement.

5.
INFORMATION ON ASCIANO'S SECURITIES

5 INFORMATION ON ASCIANO'S SECURITIES

5.1. Asciano's issued securities

According to documents provided by Asciano to the ASX, as at the date of this Bidder's Statement:

- Asciano's issued securities consisted of 975,385,664 Shares; and
- 3,777,842 Asciano Rights are currently outstanding under Asciano's long and short term incentive plans.

Under the terms of the Implementation Deed, the Asciano Directors may exercise their discretions under Asciano's long and short-term incentive plans to vest certain Asciano Rights and to waive any vesting conditions. The maximum number of Asciano Rights which the Asciano Directors may vest and/or in respect of which restrictions on exercise may be waived on or prior to the end of the Offer Period is 2,936,637 (the **Permitted Asciano Rights**).

5.2. Interests in Asciano securities

As at the date of this Bidder's Statement:

- the Acquirer's voting power in Asciano was 19.33%. In addition, the Acquirer is aware that GIC Pte Ltd, being an Associate of GIC Special Investments Pte Ltd, Buckland Investment Pte Ltd and Devonshire Investment Pte Ltd, who are each Associates of BIP and the Acquirer, holds a Relevant Interest in relation to a further 2,767,251 Shares, representing voting power of 0.28% in Asciano; and
- the Acquirer had a Relevant Interest in 188,065,605 Shares (inclusive of the Shares the subject of the swap arrangements described below).

As at the date of the Offer:

- the Acquirer's voting power in Asciano was 19.33% (and see above in relation to GIC Pte Ltd's further voting power); and
- the Acquirer had a Relevant Interest in 188,065,605 Shares (inclusive of the Shares the subject of the swap arrangements described below).

The Acquirer's updated substantial holder notice dated 19 November 2015, disclosed an economic interest in a notional 4.3% of the Shares, under the terms of two cash settled swap transactions. Those transactions have been varied to give the Acquirer the option (subject to a FIRB approval condition) to require physical settlement of the transactions, by delivery of Shares, with the result that the Acquirer now has a Relevant Interest, rather than only an economic interest, in 41,855,294 Shares. This position was reflected in the Acquirer's updated substantial holder notice dated 24 November 2015. The Acquirer has confirmed that its swap counterparties currently have Relevant Interests in sufficient Shares to settle the swap by the physical settlement option. These Shares are now therefore included in the above details of the Acquirer's Relevant Interest.

5.3. Dealings in Shares

a. Previous 4 months

Neither the Acquirer nor any associate of the Acquirer has provided, or agreed to provide, consideration for Shares under any purchase or agreement during the 4 months before the date of this Bidder's Statement, except as described below.

1. Shares

Holder of Relevant Interest	Date of dealing	Description of dealing
Acquirer	5 November 2015	Purchased 146,210,311 Shares at a price of $8.80 each.
Acquirer	5 November 2015	Counterparty to two cash settled share swaps with Citigroup Global Market Australia Pty Limited and Macquarie Bank Limited which together relate to a notional 41,855,294 Shares. The initial price under the share swaps is $8.80 per Share. On 23 November 2015 the cash settled share swaps described above were amended to provide a physical settlement option (subject to a FIRB approval condition).

5.4. Recent share price performance of Asciano

The latest recorded sale price of Shares on the ASX before 5 November 2015, the date on which that BIP announced that a BIP controlled entity would make a takeover offer for Asciano if BIP could agree a bid implementation agreement with Asciano, was A$8.24 as at close of trading on the ASX on 4 November 2015.

The latest recorded sale price of Shares on the ASX before 9 November 2015, the date on which BIP and Asciano each announced details of the Offer following entry into the Implementation Deed, was $8.95 as at close of trading on the ASX on 6 November 2015.

The latest recorded sale price of Shares on the ASX before the date on which the Original Bidder's Statement was lodged with ASIC was $8.92.

The following chart shows the last sale price of Shares on the ASX in the 12 months prior to the Announcement Date.

Table 18: Share price performance – Asciano

5.5. No pre-Offer benefits

During the period of 4 months before the date of this Bidder's Statement, neither the Acquirer nor any Associate of the Acquirer gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- accept the Offer; or
- dispose of Shares,

and which is not offered to all holders of Shares under the Offer.

5.6. No escalation agreements

Neither the Acquirer nor any Associate of the Acquirer has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

6.
SOURCES OF CONSIDERATION

6 SOURCES OF CONSIDERATION

6.1. Total consideration

The Consideration for the Offer comprises:

- Cash of $6.9439 (reduced to account for the cash value of any Special Dividend paid) per Share; and
- 0.0387 BIP CDIs per Share.

If acceptances are received for all Shares on issue as at the date of this Bidder's Statement (other than those Shares held by the Acquirer), and all Shares arising from exercise of Permitted Asciano Rights, the maximum:

- amount of cash that the Acquirer would be required to pay under the Offer would be A$5,778,102,447; and
- number of BIP CDIs which would be issued by BIP and provided by the Acquirer under the Offer is approximately 32,202,734.

assuming that no Special Dividend is paid and all holders of Permitted Asciano Rights exercised those rights and are issued Shares.

6.2. Sources of consideration

a. Overview

BIP has the capacity to issue the maximum number of BIP Interests underlying the BIP CDIs which the Acquirer may be required to provide as Consideration. BIP Securityholder approval is not required for the issue of BIP Interests underlying the BIP CDIs required to be provided as Consideration.

The Acquirer intends to fund the cash component of the Consideration with a combination of debt and equity. The total amount of equity funding and debt funding available to the Acquirer is sufficient to pay the maximum total cash component of the Consideration.

The Offer is not subject to any financing conditions.

b. Equity Funding

The Acquirer is the beneficiary of legally binding commitment letters from Affiliates of BIP, BIF, the GIC Investor and bcIMC under which those parties agree to provide funding (or procure the provision of funding from other sources) to the Acquirer for the Acquirer to meet its obligations to pay the cash component of the Consideration and transaction expenses (**Equity Funding**). In aggregate, the Equity Funding exceeds A$7 billion and is expected to be provided by each of BIP, BIF, the GIC Investor and bcIMC pro rata to its equity commitment. The Equity Funding is subject to the following conditions being satisfied or waived:

- satisfaction of the minimum acceptance condition;
- satisfaction or waiver of all other Conditions to the Takeover Bid;
- Brookfield and/or Brookfield Infrastructure providing at least 70% of the equity portion of the Consideration; and
- all conditions precedent to drawdown of the Acquisition Facilities being satisfied or waived (except for any condition relating to the provision of the Equity Funding); and
- other customary or immaterial conditions.

BIP's contribution to the Equity Funding will be sourced from a combination of the proceeds of the Existing BIP Corporate Revolving Credit Facilities and the BAM Private Placement along with existing funds.

c. Acquisition Facility

The Acquirer, as borrower, has entered into a senior secured syndicated facility agreement with, amongst others, Australia and New Zealand Banking Group Limited, Barclays Bank PLC, Australia Branch, Citibank N.A., Sydney Branch, Deutsche Bank AG, Sydney Branch and The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch (each as an "**Original Lender**" and mandated lead arranger, underwriter and bookrunner).

Under the Acquisition Facility, the Acquirer has commitments of $1.9 billion available to it for the purpose of payment of the cash component of the Consideration. These commitments are available in two tranches of $950 million each.

Subject to provision of a copy of the Bidder's Statement to the Original Lenders in the form dispatched to you, the facilities have been made available to the Acquirer on a "certain funds" basis up to a date not later than 31 May 2016 (or such other later date as may be agreed between the Acquirer and all of the lenders).

During the certain funds period:

- the lenders agree that any duly completed funding request for the purpose of completing the Takeover Bid or making other payments due as a part of completion of the Takeover Bid will be complied with; and
- any rights which exist in favour of the lenders to cancel a facility or to rescind or terminate the Acquisition Facility (or related finance documents), or to accelerate repayment of a facility, or to enforce any security interest or to exercise any right of set-off or counterclaim in relation to any drawing to be made on financial close, will not be exercised,

provided that as at the time of the request and on the requested funding date:

- certain conditions precedent to drawing, described below, have been satisfied or waived;
- no "Major Representation" is untrue or misleading in any material respect. The "Major Representations" are certain customary representations and warranties regarding the Acquirer and the guarantor. These include representations regarding status, due authority, binding obligations (in respect of finance documents and takeover documents), no insolvency event having occurred and no breach of anti-money laundering or similar legislation);
- no "Major Default" is subsisting or would be caused by the drawdown of the facilities. The "Major Defaults" are certain customary events of default regarding the Acquirer and the guarantor. These include non-payment under finance documents, occurrence of an insolvency event, finance documents being void, voidable, illegal or unenforceable and breach of certain customary undertakings under the finance documents (including a negative pledge and restrictions on financial indebtedness, making financial accommodation available, guarantees, disposals, distributions or amendments to takeover documents which would be adverse to the rights or interests of the lenders in any material respect); and
- no circumstances which would make it unlawful for the lenders to provide the facilities are subsisting.

The conditions which will not have been satisfied at the date of the Offer and which will need to be satisfied or waived for drawing are:

- satisfaction of the minimum acceptance condition;
- no undertaking is given to or condition imposed by the ACCC binding on a member of the Asciano Group or which requires disposal of assets of any member of the Asciano Group without the consent of the Original Lenders;
- satisfaction or waiver of all other Conditions to the Takeover Bid (with no waiver of any Condition which would be adverse to the rights or interests of the finance parties in any material respect without the consent of the Original Lenders);
- the Offer must be unconditional;
- provision of the relevant equity portion of the Consideration (by way of cash and BIP Securities); and
- other customary conditions (including provision of a funds flow statement, evidence that Asciano is not subject to insolvency proceedings and payment of fees and costs) and conditions satisfaction of which is within the Acquirer's control.

As at the date of this Bidder's Statement, the Acquirer is not aware of:

- any circumstance which would prevent the satisfaction of the conditions precedent to drawing the facilities, and is confident that they will be satisfied, in time to allow payment in full of the debt funded component of the aggregate Consideration as and when due under the terms of the Offer;
- any circumstance which would lead to a "Major Representation" being untrue or misleading in any material respect;
- the occurrence of any "Major Default" or any circumstance which would lead to a "Major Default" subsisting or being caused by the drawdown of the Acquisition Facility; or
- any circumstance which would make it unlawful for the lenders to provide the facilities.

d. Exchange rate movements

The funds available to the Acquirer under the Equity Funding and the Acquisition Facility are denominated in AUD. The funds available to BIP under the Existing BIP Corporate Revolving Credit Facilities and the BAM Private Placement are denominated in USD. At the AUD/USD exchange rate current at 20 November 2015, the funds available are in excess of the amount required. This would remain the case even if there were a significant adverse movement in the AUD/USD exchange rate during the Offer Period.

7.
BIDDER’S INTENTIONS IN RELATION TO ASCIANO

7. BIDDER'S INTENTIONS IN RELATION TO ASCIANO

7.1. Introduction

The Acquirer is a special purpose vehicle established for the purpose of undertaking the Transactions. Accordingly, the intentions of the Acquirer are the same as the intentions of Brookfield Infrastructure.

The intentions of the Acquirer are set out in this section of the Bidder's Statement. Those intentions have been formed on the basis of facts and information concerning Asciano, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by the Acquirer in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and accordingly may vary as new information becomes available or circumstances change.

This section contemplates three scenarios:

- a scenario where Asciano is wholly-owned by the Acquirer, following the Offer (**100% Acquisition Scenario**);
- a scenario where the Acquirer has a Relevant Interest in 50.1% of Shares following the Offer (**50.1% Acquisition Scenario**); and
- a scenario where the Acquirer has a Relevant Interest in less than 50.1% of Shares following the Offer.

It is possible that following the Offer, the Acquirer will have a Relevant Interest between 50.1% and 100%, and in that circumstance, the intentions and actions of the Acquirer may be adjusted accordingly.

7.2. Overview and rationale for the Offer

a. Introduction

The Offer aims to create a leading global infrastructure company with significant growth potential. In the 100% Acquisition Scenario, the Combined Group's strategy will be to continue to grow through a combination of investments in its existing business and acquisitions. Brookfield Infrastructure sees multiple opportunities to invest in upgrades and expansions of its existing asset base in order to meet the growth in demand from its customers.

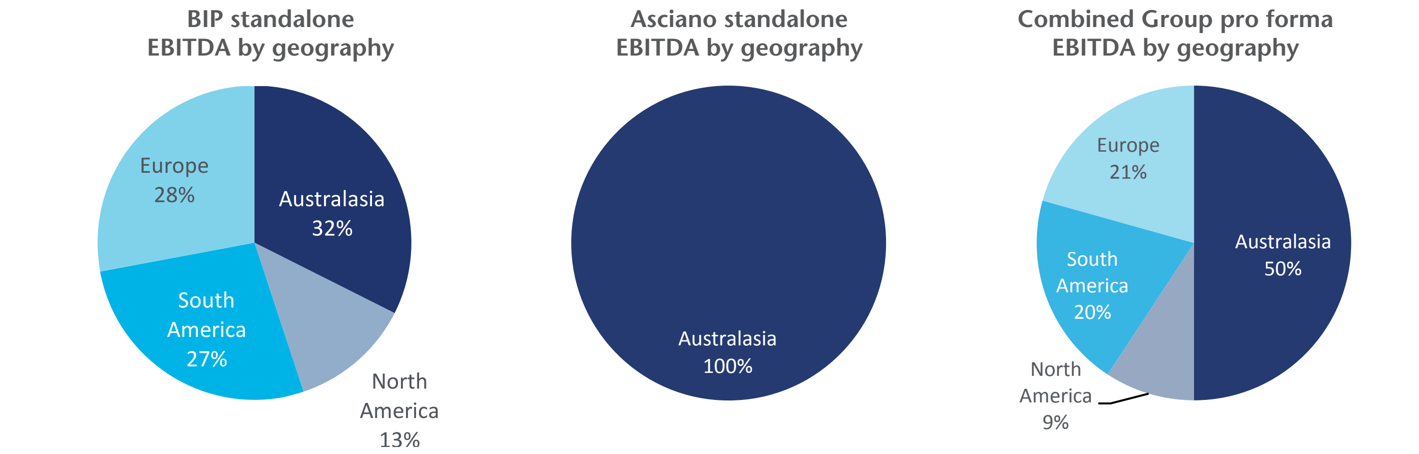
By investing in those types of projects that have attractive risk-adjusted returns on capital, BIP believes it can increase value to BIP Securityholders.

b. Enhanced geography and asset type diversification

1. 100% Acquisition Scenario

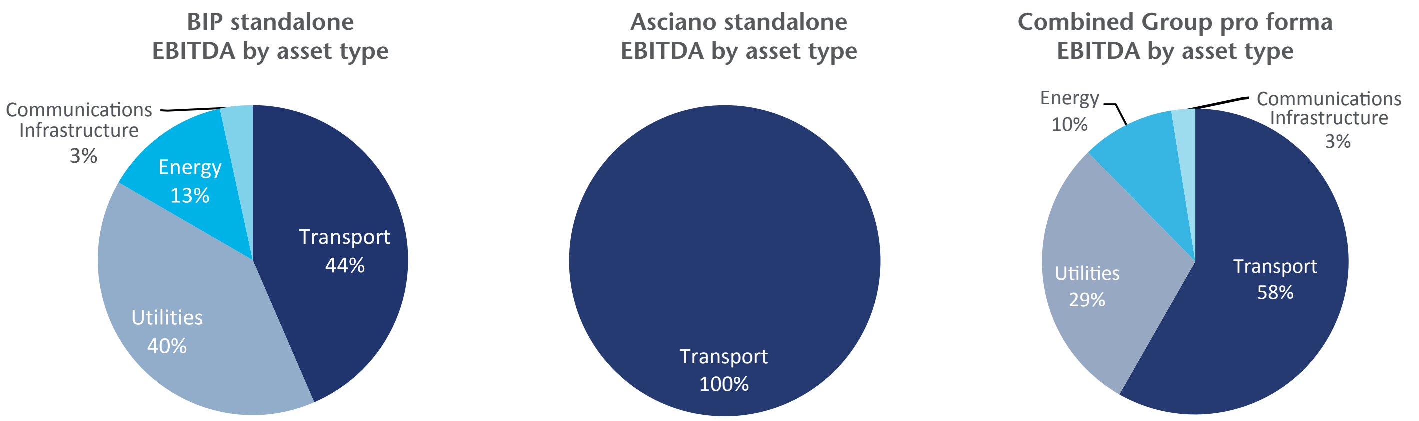
Under a 100% Acquisition Scenario, the Combined Group will have greater geographic diversification, with approximately half of earnings (50% of EBITDA) to come from Australasia followed by Europe (21% of EBITDA), South America (20% of EBITDA) and North America (9% of EBITDA).

Table 19: 100% Acquisition Scenario BIP, Asciano and Combined Group EBITDA by geography[53]



In the 100% Acquisition Scenario, the Combined Group will operate in four different infrastructure related asset classes including transport (railroads, toll roads and ports) (58% of EBITDA), utilities (regulated terminal, electricity transmission assets and regulated distribution assets) (29% of EBITDA), energy (energy transmission, distribution and storage assets) (10% of EBITDA) and communications infrastructure (communication tower operations) (3% of EBITDA).

Table 20: 100% Acquisition Scenario BIP, Asciano and Combined Group EBITDA by asset type[54]



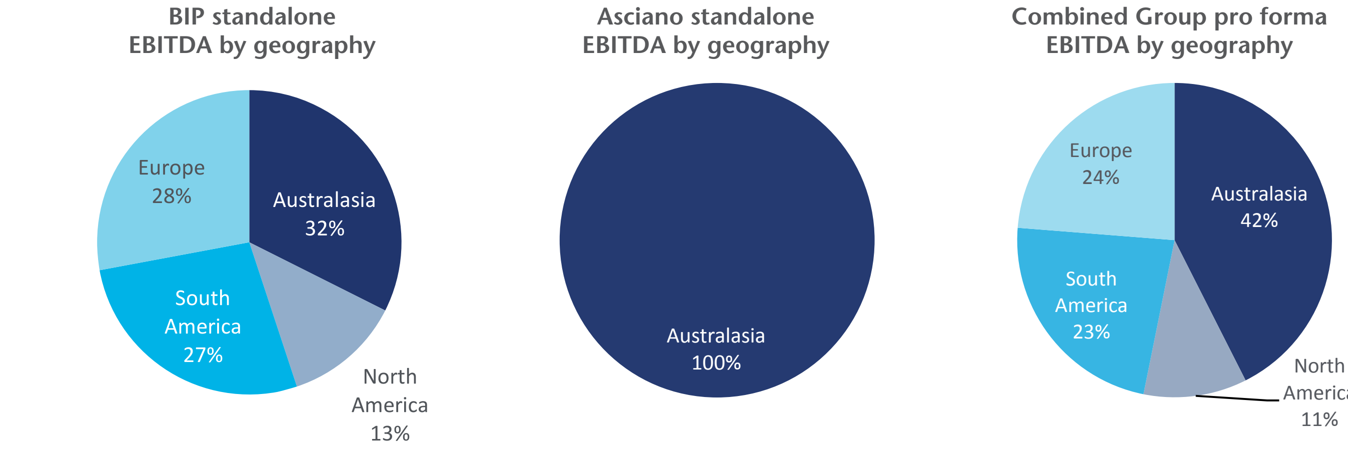
2. 50.1% Acquisition Scenario

Under the 50.1% Acquisition Scenario, the Combined Group will have greater geographic diversification, with the majority of earnings (42% of EBITDA) to come from Australasia followed by Europe (24% of EBITDA), South America (23% of EBITDA) and North America (11% of EBITDA).

53 Pro forma EBITDA by geography for Combined Group based on Brookfield Infrastructure reported EBITDA for the six month period ending 30 June 2015, excluding corporate/other items. Asciano also based on EBITDA for the six months ended 30 June 2015 and converted at the average AUD/USD exchange rate over the same period of 0.7823. Excludes Brookfield Infrastructure's corporate and overheads and only includes Brookfield Infrastructure's proportionate share.

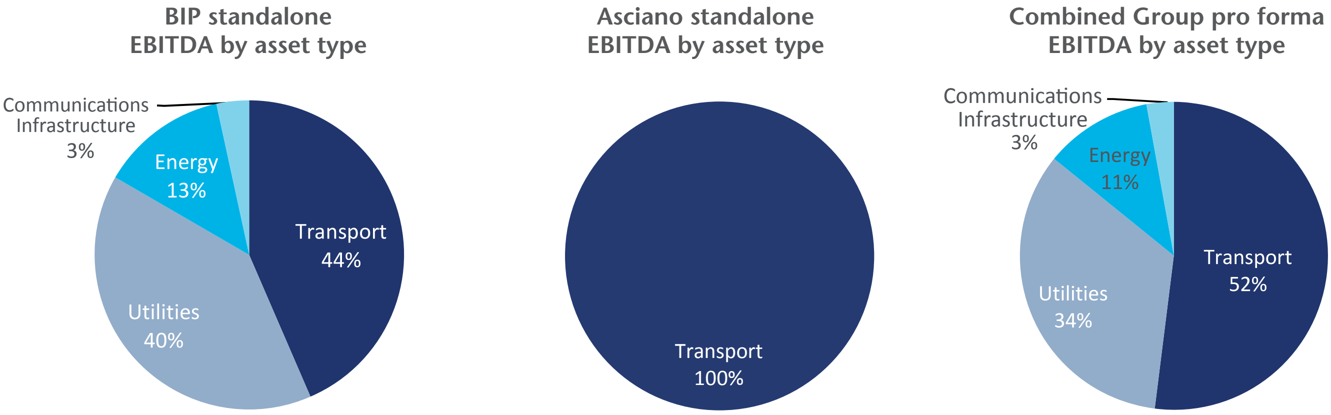
54 Pro forma EBITDA by asset type for Combined Group based on Brookfield Infrastructure reported EBITDA for the six month period ending 30 June 2015, excluding corporate/other items. Asciano also based on EBITDA for the six months ended 30 June 2015 and converted at the average AUD/USD exchange rate over the same period of 0.7823. Excludes Brookfield Infrastructure's corporate and overheads and only includes Brookfield Infrastructure's proportionate share. Transport includes rail haulage, stevedoring and other logistical activities.

Table 21: 50.1% Acquisition Scenario BIP, Asciano and Combined Group Adjusted EBITDA by geography[55]



Under the 50.1% Acquisition Scenario, the Combined Group will operate in four different infrastructure related asset classes including transport (railroads, toll roads and ports) (52% of EBITDA), utilities (regulated terminal, electricity transmission assets and regulated distribution assets) (34% of EBITDA), energy (energy transmission, distribution and storage assets) (11% of EBITDA) and communications infrastructure (communication tower operations) (3% of EBITDA).

Table 22: 50.1% Acquisition Scenario BIP, Asciano and Combined Group EBITDA by asset type[56]



c. Creation of a global ports and rails platform

Under a 100% Acquisition Scenario, Brookfield proposes to manage Asciano's high-quality assets with those within its existing transport segment.

The combined ports portfolio would reflect a continuation of Asciano's stated strategy to join a global port platform. Together, the port assets provide the foundation of a global port platform, with the potential to provide a global solution to shipping customers across multiple geographies. Brookfield believes there are opportunities to drive value in the combined port portfolio of assets by leveraging Asciano's leading experience in container terminal automation and Brookfield Infrastructure's extensive business development expertise.

Asciano's leading above rail operations together with Brookfield Infrastructure's Australian and Brazilian logistics businesses would create an international rail logistics platform. Brookfield Infrastructure also believes there would be opportunities to drive value in the combined global rail portfolio including leveraging Pacific National technology and best practices to improve efficiency of Brookfield Infrastructure's Brazilian rail assets.

Table 23: Key Assets of the Combined Group

Australia	North America	South America	Europe
• Ports* • Above rail* • Regulated coal terminal • Rail network • District energy systems	• Ports • District energy systems • Gas storage facilities • Natural gas transmission systems • Regulated electricity transmission	• Toll roads • Ports • Rail network • Regulated electricity transmission and distribution systems	• Ports • Regulated gas and energy distribution • Natural gas distribution • Tower infrastructure operations

* Key asset additions from Asciano

55 Pro forma EBITDA by geography for Combined Group based on Brookfield Infrastructure reported EBITDA for the six month period ending 30 June 2015, excluding corporate/other items. Asciano also based on EBITDA for the six months ended 30 June 2015 and converted at the average AUD/USD exchange rate over the same period of 0.7823. Excludes Brookfield Infrastructure's corporate and overheads and only includes Brookfield Infrastructure's proportionate share.

56 Pro forma EBITDA by asset type for Combined Group based on Brookfield Infrastructure reported EBITDA for the six month period ending 30 June 2015, excluding corporate/other items. Asciano also based on EBITDA for the six months ended 30 June 2015 and converted at the average AUD/USD exchange rate over the same period of 0.7823. Excludes Brookfield Infrastructure's corporate and overheads and only includes Brookfield Infrastructure's proportionate share. Transport includes rail haulage, stevedoring and other logistical activities.

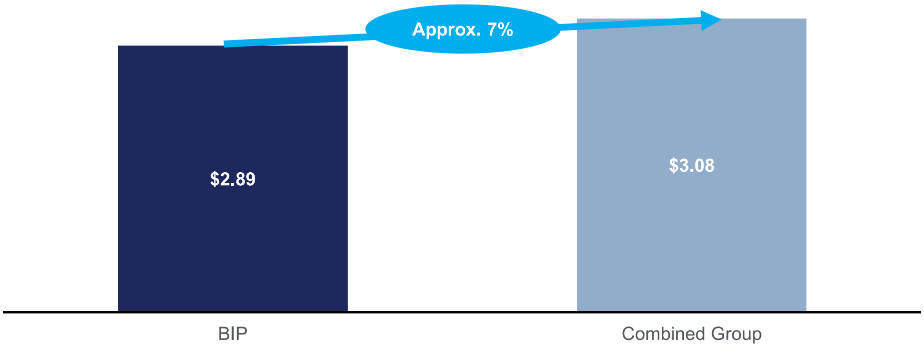
d. Increased access to capital

Under the 100% Acquisition Scenario, the Combined Group would have increased access to capital due to a greater market capitalisation and an enlarged asset base. These would provide the Combined Group with increased financial flexibility to pursue growth opportunities.

e. Positive financial impact under the 100% Acquisition Scenario

Under the 100% Acquisition Scenario, Brookfield Infrastructure expects this investment to be immediately accretive to overall results given the high cash generative nature of the assets being acquired. Its current expectation is an increase in AFFO per BIP Interest of 7% based on the company's historical results, adjusted for normalised sustaining capital expenditure levels.

Table 24: AFFO/BIP Interest accretion in USD[57] – 100% Acquisition Scenario



A summary of the indicative accretion analysis is provided below:

Transaction should be immediately accretive to BIP's FFO/unit and AFFO/unit

(US$ millions)	BIP	Asciano	Combined Group (1)	
2015 Annualised FFO (2)	$ 825	-	$ 825	
Estimated Contribution from Asciano	-	274	274	
Estimated potential cost savings, net of fees	-	15	15	55.7%
Pro-forma 2015 FFO	$ 825	$ 289	$ 1,114	
Estimated maintenance capex (3)	(160)	(120)	(280)	
Pro-forma 2015 AFFO	$ 665	$ 169	$ 834	55.7%
Units outstanding	230	40 (4)	270	
AFFO per unit	$ 2.89		$ 3.08	
AFFO/unit accretion			7%	

Asciano Impact	US$m
FY'15 EBITDA (7)	$ 822
Taxes and Other (7)	(79)
Financing Costs (7)	
Existing Debt	(153)
Acquisition Debt (5)	(98)
Pro-forma Asciano FFO	$ 492
Maintenance Capex (6)	(216)
Pro-forma Asciano AFFO	$ 276

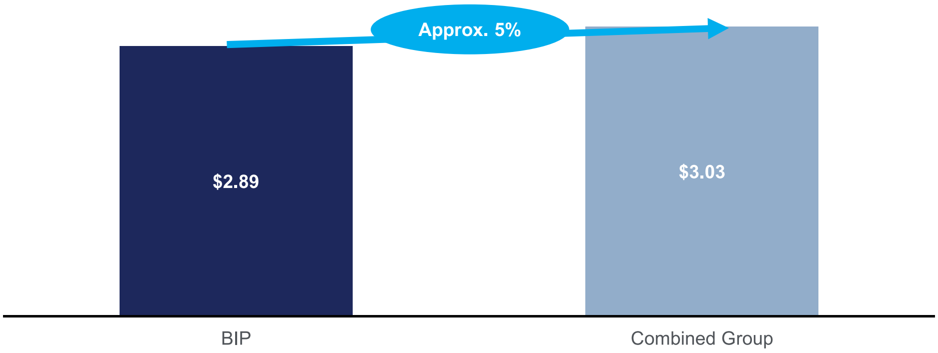
(1) Combined Group refers to BIP + Asciano, Asciano figures based on proportionate share of FY2015 results.
(2) Annualised FFO based on nine months ended 30 September 2015 actuals and full year impact of TDF.
(3) Median range of sustaining capital expenditure targets.
(4) Includes units issued as consideration to Asciano shareholders and private placement and assuming that the Asciano shares already owned by Brookfield Infrastructure were funded in a manner consistent with the Standard Consideration under the Scheme based on the NYSE closing price at 20 November 2015 of US$41.45.
(5) Based on negotiated terms with syndicate of lenders committed to facility.
(6) Based on guidance provided to market.
(7) Based on estimates.

f. Positive financial impact under the 50.1% Acquisition Scenario

Under a 50.1% Acquisition Scenario, Brookfield Infrastructure expects this investment to be immediately accretive to results given the high cash generative nature of the assets being acquired. Its current expectation is an increase in AFFO per BIP Interest of 5% based on the company's historical results, adjusted for normalised sustaining capital expenditure levels.

57 Accretion under the 100% Acquisition Scenario in USD based on Brookfield Infrastructure's annualised nine month CY15 results and 55.7% of Asciano's financial year ended 30 June 2015 pro forma estimate, using an exchange rate of AUD/USD 0.7195.

Table 25: AFFO/BIP Interest accretion in USD[58] – 50.1% Acquisition Scenario



A summary of the indicative accretion analysis is provided below:

Transaction should be immediately accretive to BIP's FFO/unit and AFFO/unit

(US$ millions)	BIP	Asciano	Combined Group [1]
2015 Annualised FFO [2]	$ 825	-	$ 825
Estimated Contribution from Asciano	-	137	137
Estimated potential cost savings, net of fees	-	8	8
Pro-forma 2015 FFO	$ 825	$ 145	$ 970
Estimated maintenance capex [3]	(160)	(60)	(220)
Pro-forma 2015 AFFO	$ 665	$ 85	$ 750
Units outstanding	230	17 [4]	247
AFFO per unit	$ 2.89		$ 3.03
AFFO/unit accretion			5%

27.9% [8]

27.9%

Asciano Impact	US$m
FY'15 EBITDA [7]	$ 822
Taxes and Other [7]	(79)
Financing Costs [7]	
Existing Debt	(153)
Acquisition Debt [5]	(49)
Pro-forma Asciano FFO	$ 541
Maintenance Capex [6]	(216)
Pro-forma Asciano AFFO	$ 325

(1) Combined Group refers to BIP + Asciano, Asciano figures based on proportionate share of FY2015 results.
(2) Annualised FFO based on nine months ended 30 September 2015 actuals and full year impact of TDF.
(3) Median range of sustaining capital expenditure targets.
(4) Includes units issued as consideration to Asciano shareholders and private placement.
(5) Based on negotiated terms with syndicate of lenders committed to facility.
(6) Based on guidance provided to market.
(7) Based on estimates.
(8) Calculated based on 27.9% of Pro forma Asciano FFO before acquisition debt financing costs less 55.7% of acquisition debt financing costs.

7.3. Strong Australian presence

In a 100% Acquisition Scenario, Brookfield will materially increase the scale of its already significant operating platform in Australia. Brookfield has successfully grown this Australian platform both organically and through its ability to execute sophisticated, large-scale transactions.

Brookfield Infrastructure also believes there will be significant benefits delivered by the transaction, including:

- Brookfield Infrastructure will utilise its sophisticated asset management and infrastructure expertise to continue to optimise the operations of Asciano's port and rail businesses, taking advantage of shared expertise and other synergies with Brookfield's existing businesses where possible, thereby enhancing the efficiency of some of Australia's most critical infrastructure;
- as a stable, well-capitalised, long-term owner and operator of infrastructure with an already significant portfolio of real estate and infrastructure assets in Australia, Brookfield is well positioned to continue to maintain operational and financial stability for the business;
- Brookfield Infrastructure will maintain a strong local presence by ensuring that senior management of Asciano remain based in Australia; and
- Brookfield Infrastructure is committed to being a long term investor in Australia and it will be supportive of growth opportunities within the Asciano business, including the expansion of existing assets and the development of new infrastructure, which will assist in driving growth in the broader Australian economy. This will build upon Asciano's significant investment in technology and business improvement over the past 5 years.

58 Accretion under the minimum acceptance level under the Offer of the Takeover Bid in USD based on Brookfield Infrastructure's annualised nine month CY15 results and 27% of Asciano's financial year ended 30 June 2015 pro forma estimate, using an exchange rate of AUD/USD 0.7195.

7.4. Intentions for Asciano as a wholly owned controlled entity

This Section 7.4 describes the Acquirer's intentions if the Acquirer and its Associates acquire a Relevant Interest in 90% or more of the Shares under the Offer, and the Acquirer so becomes entitled to proceed to compulsory acquisition of outstanding Shares in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, the Acquirer's current intentions are as follows:

a. Corporate matters

Brookfield Infrastructure intends to:

- proceed with compulsory acquisition of the outstanding Shares in accordance with the provisions of Part 6A.1 of the Corporations Act;
- thereupon arrange for Asciano to be removed from the official list of the ASX; and
- replace the members of the Asciano Board with the nominees of the Acquirer. Replacement board members have not yet been identified by the Acquirer and their identity will depend on the circumstances at the relevant time. However, it is expected that the majority of the replacement board members will be members of the Brookfield Infrastructure management team.

b. Brookfield Infrastructure

Management of Brookfield Infrastructure is not expected to be materially affected by the Transaction. Following the Transaction, Brookfield Infrastructure's existing management arrangements and the members of Brookfield Infrastructure management currently carrying out such management activities in respect of Brookfield Infrastructure are not expected to change in any material respect.

Brookfield is entitled to appoint the directors of BIP GP, subject to the requirement that at least a majority of the directors of BIP GP must be independent, using the standard for independence established by the NYSE (see Section 3.8(b)). Brookfield periodically reviews the composition and efficacy of boards of directors among its subsidiary entities; however, no changes are expected to be made to the BIP GP Directors prior to completion of the Transaction. Profiles for each of the existing BIP GP Directors are set out in Section 2.4(a).

In a 100% Acquisition Scenario, as Asciano will become part of the Combined Group and cease to be listed on the ASX, its current corporate governance arrangements will cease to apply (although, as set out in Section 3.4, BIP will seek a foreign exempt listing on ASX). There will not be any significant changes to the corporate governance practices of the Combined Group from those set out in Section 3.9, which Brookfield Infrastructure believes reflect governance and risk management appropriate to its organisational structure and business.

c. General operational review

After the end of the Offer Period, Brookfield Infrastructure intends to conduct an immediate, broad based review of Asciano's operations on both a strategic and financial level to evaluate Asciano's performance, profitability and prospects.

In the course of this review, the Acquirer intends to focus on a number of key specific areas including (but not limited to):

- cost structures within the different businesses and opportunities for optimisation;
- business development initiatives and opportunities for expansion and revenue growth; and
- ways in which the broader global platform of Brookfield Infrastructure can be utilised to benefit the Asciano business.

d. Impact on Employees

Brookfield manages Brookfield Infrastructure through the Master Services Agreement (see Section 3.12). Following the Transaction, Brookfield will manage the Combined Group under the Master Services Agreement. To do so, Brookfield intends to integrate the majority of Asciano's staff within its platform. Any changes implemented within the Asciano Group will be effected in a manner designed to ensure that disruption to Asciano's operations is minimal.

e. Distribution Policy of BIP

As set out in Section 2.3(a), BIP's 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, debt repayments and general corporate requirements and BIP believes a payout of 60% to 70% of FFO is appropriate.

Subject to compliance with applicable laws, debt covenants (if any), and maintenance of reserves (including, among other things, taking into account any credit ratings considerations) and payment of expenses, all distributable cash within Asciano will be distributed to the Acquirer, and then from the Acquirer on a quarterly basis.

f. Managing the Asciano Group's debt profile

Brookfield Infrastructure intends to manage the Asciano Group's financial structure to maintain liquidity within its business and to support effective access to debt capital markets.

7.5. Intentions for Asciano as a part owned controlled entity

This Section 7.5 describes the Acquirer's intentions if Asciano becomes a controlled entity of the Acquirer, but the Acquirer is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, the Acquirer's current intentions are as follows:

- unless specifically set out below, to seek to implement the intentions set out in Section 7.4 to the extent possible;
- to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act if it becomes entitled to do so, for example, as a result of acquisitions of Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act;

- to seek to replace some or all of the members of the Asciano Board with nominees of Brookfield Infrastructure (subject to any requirement to have independent directors applicable from time to time);
- in respect of dividends and funding, to exercise its influence and, where available, its legal rights to have Asciano pay distributions that are sustainable on a long-term basis while retaining sufficient liquidity within operations to fund recurring growth capital expenditures, debt repayments and general corporate requirements – in this circumstance the Acquirer believes a payout of 60% to 70% of funds from operations is appropriate;
- to agree information and disclosure protocols with the Asciano Board for the purpose of facilitating BIP's financial results preparation and reporting and the governance arrangements described in Section 2.1(g); and
- subject to meeting the ASX's requirements, to cause Asciano to apply to the ASX for removal from the official list.

7.6. Intentions for Asciano if not controlled by the Acquirer

The Acquirer reserves its right to declare the Offer free from the minimum acceptance Condition (or any other Condition) to the Offer. However, it has made no decision as to whether it will do so.

This Section 7.6 describes the Acquirer's intentions if it were to declare the Offer free of the minimum acceptance Condition or if the Offer were to terminate without any Shares being acquired, with the result that Asciano does not become a controlled entity of the Acquirer.

In that circumstance:

- the Acquirer does not expect to be in a position to give effect to the intentions set out in Sections 7.4 or 7.5 of this Bidder's Statement; and
- the Acquirer's current intention is to continue to hold any stake in Asciano with a view to maximising returns for BIP Securityholders over the long term (this may result in the Acquirer acquiring additional shares, to the extent permitted by law).

7.7. Other intentions

Subject to the matters described above, in this Section 7.7 and elsewhere in this Bidder's Statement and, in particular, the completion of the strategic review of Asciano's operations (and the effect of any structural undertaking, if given - see Section 9.5(a)), it is the intention of the Acquirer, on the basis of the facts and information concerning Asciano that are known to it and the existing circumstances affecting the assets and operations of Asciano at the date of this Bidder's Statement, that:

- the business of Asciano will be conducted in the same manner as at the date of this Bidder's Statement; and
- there will be no redeployment of the fixed assets of Asciano.

7.8. Limitation on intentions

The ability of the Acquirer to implement the intentions set out in this Section, will be subject to the legal obligations of Asciano Directors to have regard to the interests of Asciano and all Asciano Shareholders, and the requirements of the Corporations Act and the ASX Listing Rules, including without limitation, in relation to transactions between related parties.

8. EFFECT OF THE OFFER ON THE ACQUIRER AND PROFILE OF THE COMBINED GROUP

8 EFFECT OF THE OFFER ON THE ACQUIRER AND PROFILE OF THE COMBINED GROUP

8.1 Corporate activities and strategy

The profile of the Combined Group will vary significantly depending on the number of acceptances received under the Offer. The Acquirer expects the corporate activities and strategy of the Combined Group in a 100% Acquisition Scenario to broadly align with the rationale for the Offer set out in Section 7.2.

8.2 Pro forma consolidated financial statements for BIP

a. Basis of presentation of pro forma financial information

The BIP Pro Forma Financial Information has been prepared to illustrate to Asciano Shareholders:

- the unaudited pro forma statement of operating results of BIP for the year ended 31 December 2014 and the half year ended 30 June 2015; and
- the unaudited pro forma statement of financial position of BIP as at 30 June 2015.

The BIP Pro Forma Financial Information has been restated to reflect the impact of materially significant transactions that have occurred subsequent to 30 June 2015, on the 31 December 2014 and 30 June 2015 financial information. The resulting BIP Pro Forma Financial Information remains the same under the 100% Acquisition Scenario or the 50.1% Acquisition Scenario.

The BIP Pro Forma Financial Information should be read in conjunction with the Investigating Accountant's Report set out in Attachment 2 and the other information set out in this Bidder's Statement.

b. Sources of information

The BIP pro forma financial information has been derived from the BIP historical financial information (see Section 2.5).

c. BIP Pro Forma Financial Information

1. Pro forma consolidated statements of operating results

The following table sets out the pro forma statement of operating results of BIP in its functional currency (USD).

100% Acquisition Scenario or 50.1% Acquisition Scenario[59]	BIP Historical financials Half Year Ended 30 June 2015 (per Section 2.5) US (m)	BIP pro forma adjustments Half Year Ended 30 June 2015 US (m)	BIP Pro forma financials Half Year Ended 30 June 2015 US (m)
Revenues	932	(9)	923
Direct operating costs	(400)	3	(397)
General and administrative expenses	(69)	-	(69)
Interest expense	(183)	(4)	(187)
Share of earnings from investments in associates	37	-	37
Mark-to-market on hedging items	58	-	58
Other (expenses) income	9	-	9
Income before income tax, depreciation and amortisation expense ("operating results")	384	(10)	374

59 Under the 100% Acquisition Scenario or the minimum acceptance level in relation to the Offer of the 50.1% Acquisition Scenario, BIP's operating results remain the same.

100% Acquisition Scenario or 50.1% Acquisition Scenario[60]	BIP Historical financials Year Ended 31 December 2014 (per Section 2.5) US (m)	BIP pro forma adjustments Year Ended 31 December 2014 US (m)	BIP Pro forma financials Year Ended 31 December 2014 US (m)
Revenues	1,924	(25)	1,899
Direct operating costs	(846)	6	(840)
General and administrative expenses	(115)	-	(115)
Interest expense	(362)	(7)	(369)
Share of earnings from investments in Associates	58	-	58
Mark-to-market on hedging items	38	-	38
Other (expenses) income	(1)	4	3
Income before income tax, depreciation and amortisation expense ("operating results")	696	(22)	674

2. Pro forma consolidated statements of financial position

100% Acquisition Scenario or 50.1% Acquisition Scenario[61]	BIP Historical financials as at 30 June 2015 (per Section 2.5) US (m)	BIP Pro forma adjustments as at 30 June 2015 US (m)	BIP Pro forma financials as at 30 June 2015 US (m)
Assets			
Cash and cash equivalents	652	(435)	217
Financial assets	427	(40)	387
Accounts receivable and other	350	231	581
Inventory	18	-	18
Assets classified as held for sale	568	(257)	311
Current assets	2,015	(501)	1,514
Property, plant and equipment	7,882	-	7,882
Intangible assets	3,483	-	3,483
Investments in associates	2,716	-	2,716
Investment properties	163	-	163
Financial assets	521	1,167	1,688
Other assets	78	-	78
Deferred income tax asset	94	-	94
Inventory	-	-	-
Total Assets	16,952	666	17,618
Liabilities and capital Liabilities			
Accounts payable and other	534	-	534
Non-recourse borrowings	320	-	320
Financial liabilities	200	-	200
Liabilities directly associated with assets classified as held for sale	195	(195)	-
Current tax liability	-	-	-
Current liabilities	1,249	(195)	1,054
Corporate borrowings	683	378	1,061
Non-recourse borrowings	5,695	-	5,695

60 Under the 100% Acquisition Scenario or the minimum acceptance level in relation to the Offer of the 50.1% Acquisition Scenario, BIP's operating results remain the same.

61 Under the 100% Acquisition Scenario or the minimum acceptance level in relation to the Offer of the 50.1% Acquisition Scenario, BIP's financial position remains the same.

100% Acquisition Scenario or 50.1% Acquisition Scenario[61]	BIP Historical financials as at 30 June 2015 (per Section 2.5) US (m)	BIP Pro forma adjustments as at 30 June 2015 US (m)	BIP Pro forma financials as at 30 June 2015 US (m)
Financial liabilities	457	-	457
Other liabilities	543	-	543
Deferred income tax liability	1,394	-	1,394
Preferred shares	20	-	20
Total liabilities	10,041	183	10,224
Capital			
Limited partners	3,864	10	3,874
General partner	22	-	22
Non-controlling interest attributable to:			
Redeemable Partnership Units held by Brookfield	1,519	4	1,523
Interest of others in operating subsidiaries	1,410	469	1,879
Preferred unitholders	96	-	96
Total partnership capital	6,911	483	7,394
Total liabilities and capital	16,952	666	17,618

3. Pro forma adjustments

The adjustments that have been made in the presentation of BIP's pro forma statement of operating results and the pro forma statement of financial position for the year ended 31 December 2014 and half year ended 30 June 2015 are made to adjust historic results for materially significant items that have occurred subsequent to 30 June 2015. These adjustments are explained below:

- In the third quarter of 2015, BIP sold its 23% interest in its New England electricity transmission operation to a third party. After settling debt and transaction costs, BIP received net proceeds of US$28 million based on its 23% interest in the business. Included in the BIP Pro Forma Financial Information, is a pro forma adjustment, comprising of an increase in cash and cash equivalents, as well as the removal of the net assets of the operation. Additionally, included in the statement of operating results is a pro forma adjustment to remove the revenue and expenses of the operation.
- On 5 November 2015, BIP acquired 146,210,311 Asciano Shares representing a 14.99% direct interest. Concurrently with the acquisition of the 14.99% direct interest, BIP entered into the swap arrangements described in Section 5.2 over 4.3% of Asciano Shares. Total consideration paid for the direct and indirect interest in Asciano, was US$1.167 billion.
- On 30 October 2015, BIP issued CAD$500 million of medium term notes in two tranches; CAD$125 million of 3 year notes maturing 30 October 2018 with a coupon of 3.034% and CAD$375 million of 5 year notes maturing 30 October 2020 with a coupon of 3.538%. The 3 year and 5 year medium term notes were swapped into US dollars (US$378 million combined) on a matched maturity basis, at an all-in rate of 3.32% and 3.95% (3.79% combined), respectively. Included in the BIP Pro Forma Financial Information is a pro forma adjustment to interest expense for the year ended 31 December 2014 and the half year ended 30 June 2015 of US$14 million and US$7 million, respectively.

8.3 Pro forma consolidated financial statements for Asciano

a. Basis of presentation of this financial information

The Asciano Pro Forma Financial Information has been prepared to illustrate to Asciano Shareholders:

- the unaudited pro forma statement of operating results of Asciano for the 12 months ended 31 December 2014 and half year ended 30 June 2015; and
- the unaudited pro forma statement of financial position of Asciano as at 30 June 2015.

The Asciano Pro Forma Financial Information has been restated to reflect a reporting period from 1 January to 31 December (as opposed to a 30 June year-end) and to represent an income before income tax, depreciation and amortisation expense presentation format as used by BIP. This format has been adopted as it is not possible to estimate depreciation, amortisation expense and taxation, for the Combined Group, due to the reasons set out in the pro forma adjustments to the statement of operating results in Section 8.3(c).

The resulting Asciano Pro Forma Financial Information remains the same under the 100% Acquisition Scenario or the 50.1% Acquisition Scenario.

61 Under the 100% Acquisition Scenario or the minimum acceptance level in relation to the Offer of the 50.1% Acquisition Scenario, BIP's financial position remains the same.

b. Sources of information

The Asciano Pro Forma Financial Information has been derived from the Asciano historical financial information in Section 4.4 and 4.5 of the Scheme Booklet.

Below is a bridge of income before income tax, depreciation and amortisation expense as noted in the Asciano reported financials to the revised reporting period.

EBITDA Bridge
100% Acquisition Scenario and 50.1% Acquisition Scenario[62]

Bridge income before income tax, depreciation and amortisation expense	Year Ended 30 June 2015 AUD (m)	Restated Year Ended 31 December 2014 AUD (m)	Restated Half Year Ended 30 June 2015 AUD (m)
Income before income tax, depreciation and amortisation expense per Asciano Reported Results			
1 January 2015 – 30 June 2015			
– EBITDA	524	-	524
– Interest	(98)	-	(98)
1 July 2014 – 31 December 2014			
– EBITDA	548	548	-
– Interest	(107)	(107)	-
FY15 Full Year Results As Reported (EBITDA)	1,072	548	524
FY15 Full Year Results As Reported (Interest)	(205)	(107)	(98)
1 January 2014 – 30 June 2014			
– EBITDA	452	452	-
– Interest	(119)	(119)	-
1 July 2013 - 31 December 2013			
– EBITDA	539	-	-
– Interest	(106)	-	-
FY14 Full Year Results As Reported (EBITDA)	991	452	-
FY14 Full Year Results As Reported (Interest)	(225)	(119)	-
Income before income tax, depreciation and amortisation expense	-	**774**	**426**

62 Under the 100% Acquisition Scenario or 50.1% Acquisition Scenario the EBITDA bridge amounts remain the same, in respect of Asciano.

c. Asciano Pro Forma Financial Information

1. Pro forma consolidated statement of operating results

The following table sets out the pro forma statement of operating results of Asciano. A convenience translation to U.S. dollars is also provided using an average exchange rate of AUD/USD 0.9023 for the year ended 31 December 2014 and 0.7823 for the half year ended 30 June 2015, to translate the pro forma operating results into the functional currency of BIP.

100% Acquisition Scenario or 50.1% Acquisition Scenario[63]	Asciano Restated Historical financials Half Year Ended 30 June 2015 (per Section 4.5) AUD (m)	Asciano pro forma adjustments Half Year Ended 30 June 2015 AUD (m)	Asciano pro forma financials Half Year Ended 30 June 2015 AUD (m)	Asciano pro forma financials Half Year Ended 30 June 2015 US (m)
Revenues	1,862	-	1,862	1,456
Direct operating costs	(1,376)	54	(1,322)	(1,034)
General and administrative expenses	-	-	-	-
Interest expense	(98)	-	(98)	(76)
Share of earnings from investments in associates	8	-	8	6
Mark-to-market on hedging items	-	-	-	-
Other (expenses) income	30	-	30	24
Income before income tax, depreciation and amortisation expense ("operating results")	**426**	**54**	**480**	**376**

100% Acquisition Scenario or 50.1% Acquisition Scenario	Asciano Restated Historical financials Year Ended 31 December 2014 (per Section 4.5) AUD (m)	Asciano pro forma adjustments Year Ended 31 December 2014 AUD (m)	Asciano pro forma financials Year Ended 31 December 2014 AUD (m)	Asciano pro forma financials Year Ended 31 December 2014 US (m)
Revenues	3,885	-	3,885	3,505
Direct operating costs	(2,949)	76	(2,873)	(2,592)
General and administrative expenses	-	-	-	-
Interest expense	(226)	-	(226)	(204)
Share of earnings from investments in Associates	14	-	14	13
Mark-to-market on hedging items	-	-	-	-
Other (expenses) income	50	-	50	45
Income before income tax, depreciation and amortisation expense ("operating results")	**774**	**76**	**850**	**767**

2. Pro forma adjustments

The adjustments that have been made in the presentation of the pro forma statement of operating results are made to adjust historic results for material items as defined in the relevant Asciano Financial Reports for the year ended 31 December 2014 and half year ended 30 June 2015 of A$76 million and A$54 million (excluding depreciation, amortisation and tax), respectively.

63 Under the 100% Acquisition Scenario or 50.1% Acquisition Scenario the Asciano operating results remain the same.

3. Pro forma consolidated statement of financial position

The following table sets out the pro forma statement of financial position of Asciano. A translation to US dollars is also provided using an exchange rate of AUD/USD 0.7049[64] as at 9 November 2015, to translate the statement of financial position into the functional currency of BIP.

No pro forma adjustments have been reflected in respect to the statement of financial position for the Asciano Pro Forma Financial Information.

100% Acquisition Scenario or 50.1% Acquisition Scenario[65]	Asciano Restated Historical financials as at 30 June 2015 (per Section 4.5) AUD (m)	Asciano Pro forma financials as at 30 June 2015 US (m)
Assets		
Cash and cash equivalents	127	90
Financial assets	114	80
Accounts receivable and other	468	330
Inventory	42	29
Assets classified as held for sale	52	36
Current assets	**803**	**565**
Property, plant and equipment	4,465	3,148
Intangible assets	2,796	1,971
Investments in Associates	30	21
Financial assets	614	432
Other assets	59	42
Deferred income tax asset	71	50
Inventory	39	27
Total assets	**8,877**	**6,256**
Liabilities and capital Liabilities		
Accounts payable and other	655	462
Non-recourse borrowings	519	366
Financial liabilities	40	28
Liabilities directly associated with assets classified as held for sale	14	10
Current tax liability	31	22
Current liabilities	**1,259**	**888**
Non-recourse borrowings	3,427	2,415
Financial liabilities	53	37
Other liabilities	169	119
Total liabilities	**4,908**	**3,459**
Capital		
Contributed equity	8,605	6,066
Reserves	(4,342)	(3,061)
Accumulated losses	(313)	(221)
Non-controlling interests	19	13
Total capital	**3,969**	**2,797**
Total liabilities and capital	**8,877**	**6,256**

64 The implied foreign exchange rate represents the rate presented as part of the Takeover Bid details when announced on 9 November 2015. It was deemed that this rate most accurately reflected the current financial position. This foreign exchange rate will ultimately differ to the final foreign exchange rate, subject to exchange rate movements between now and completion of the transaction.

65 Under the 100% Acquisition Scenario or 50.1% Acquisition Scenario the Asciano financial position remains the same.

8.4 Pro forma historical financial information for the Combined Group

a. Introduction

This Section 8.4 contains the Combined Group Pro Forma Financial Information comprising:

- the unaudited pro forma combined statement of operating results for the year ended 31 December 2014 and the half year ended 30 June 2015; and
- the unaudited pro forma combined statement of financial position as at 30 June 2015.

(Collectively, the **Combined Group Pro Forma Financial Information**.)

b. Basis of preparation

The Combined Group Pro Forma Financial Information has been prepared to illustrate to Asciano Shareholders:

- the unaudited pro forma combined statement of operating results of Asciano and BIP for the year ended 31 December 2014 and half year ended 30 June 2015; and
- the unaudited pro forma combined statement of financial position of Asciano and BIP as at 30 June 2015.

The Combined Group Pro Forma Financial Information should be read in conjunction with the Investigating Accountant's Report set out in Attachment 2 and the other information set out in this Bidder's Statement.

As a result of the Scheme (dated 18 August 2015) and the Takeover Bid (dated 9 November 2015), the Combined Group Pro Forma Information has been prepared under 2 scenarios:

- the 100% Acquisition Scenario under which the Acquirer acquires 100.0% of the Shares; or
- the 50.1% Acquisition Scenario under which the Acquirer acquires 50.1% of the Shares (including any Shares it currently holds).

Under both scenarios, BIP attains control of Asciano in accordance with the requirements of IFRS and will consolidate Asciano from the date that this control becomes effective.

The implementation of the Takeover Bid in the 100% Acquisition Scenario and the 50.1% Acquisition Scenario will be accounted for by BIP under IFRS using the purchase method of accounting.

The Combined Group Pro Forma Financial Information has been derived from:

- the BIP Pro Forma Financial Information (Section 8.2);
- the Asciano Pro Forma Financial Information (Section 8.3); and
- the pro forma adjustments set out in this Section 8.4.

c. Combined Group Pro Forma Financial Information

1. Statement of operating results

a. 100% Acquisition Scenario

The following table sets out the pro forma statement of operating results of the Combined Group under the 100% Acquisition Scenario. The information has been presented in US dollars, as this is the reporting currency of the Combined Group. A convenience translation to Australian dollars is also provided using an average exchange rate of AUD/USD 0.9023 for the year ended 31 December 2014 and 0.7823 for the half year ended 30 June 2015.

The pro forma financial information has been presented as an "income before income tax, depreciation and amortisation" format as used by BIP. This format has been adopted as it is not possible to estimate depreciation, amortisation and taxation due to the reasons set out in the pro forma adjustments to the statement of operating results below.

100% Acquisition Scenario	BIP pro forma financials Half Year Ended 30 June 2015 (per Section 8.2) US (m)	Asciano pro forma financials Half Year Ended 30 June 2015 (per Section 8.3) US (m)	100% Transaction related pro forma adjustments Pro forma US (m)	Pro forma (post Transaction) Half Year ended 30 June 2015 Combined US (m)	Pro forma (post Transaction) Half Year ended 30 June 2015 Combined AUD (m)
Revenues	923	1,456	-	2,379	3,041
Direct operating costs	(397)	(1,034)	-	(1,431)	(1,829)
General and administrative expenses	(69)	-	(17)	(86)	(109)
Interest expense	(187)	(76)	(50)	(313)	(400)
Share of earnings from investments in Associates	37	6	-	43	55
Mark-to-market on hedging items	58	-	-	58	74
Other (expenses) income	9	24	-	33	42
Income before income tax, depreciation and amortisation expense ("operating results")	374	376	(67)	683	874
Attributable to:					
Limited partners	150	151	(27)	274	351
General partner	32	1	-	33	42
Non-controlling interest attributable to:			-	-	
Redeemable Partnership Units held by Brookfield	60	57	(10)	107	138
Interests of others in operating subsidiaries	131	167	(30)	268	342
Preferred unitholders	1	-	-	1	1
Total	374	376	(67)	683	874

100% Acquisition Scenario	BIP pro forma financials Year Ended 31 December 2014 (per Section 8.2) US (m)	Asciano pro forma financials Year Ended 31 December 2014 (per Section 8.3) US (m)	100% Transaction related pro forma adjustments Pro forma US (m)	Pro forma (post Transaction) Year Ended 31 December 2014 Combined US (m)	Pro forma (post Transaction) Year Ended 31 December 2014 Combined AUD (m)
Revenues	1,899	3,505	-	5,404	5,989
Direct operating costs	(840)	(2,592)	-	(3,432)	(3,803)
General and administrative expenses	(115)	-	(34)	(149)	(165)
Interest expense	(369)	(204)	(114)	(687)	(762)
Share of earnings from investments in associates	58	13	-	71	79
Mark-to-market on hedging items	38	-	-	38	42
Other (expenses) income	3	45	-	48	53
Income before income tax, depreciation and amortisation expense ("operating results")	674	767	(148)	1,293	1,433
Attributable to:					
Limited partners	315	309	(60)	564	625
General partner	46	2	-	48	53
Non-controlling interest attributable to:			-	-	-
Redeemable Partnership Units held by Brookfield	126	116	(22)	220	244
Interests of others in operating subsidiaries	187	340	(66)	461	511
Preferred unitholders	-	-	-	-	-
Total	674	767	(148)	1,293	1,433

b. 50.1% Acquisition Scenario

The following table sets out the pro forma statement of operating results of the Combined Group in relation to the 50.1% Acquisition Scenario. The information has been presented in US dollars, as this is the reporting currency of the Combined Group. A convenience translation to Australian dollars is also provided using an average exchange rate of AUD/USD 0.9023 for the year ended 31 December 2014 and 0.7823 for the half year ended 30 June 2015.

The pro forma financial information has been presented as an "income before income tax, depreciation and amortisation" format as used by BIP. This format has been adopted as it is not possible to estimate depreciation, amortisation and taxation due to the reasons set out in the pro forma adjustments to the statement of operating results below.

In the tables below, the allocation of operating results under the 50.1% Acquisition Scenario to controlling and non-controlling interests is made at the Combined Group pro forma statement of operating results level.

50.1% Acquisition Scenario	BIP pro forma financials Half Year Ended 30 June 2015 (per Section 8.2) US (m)	Asciano pro forma financials Half Year Ended 30 June 2015 (per Section 8.3) US (m)	50.1% Transaction related pro forma adjustments Pro forma US (m)	Pro forma (post Transaction) Half Year ended 30 June 2015	
				Combined US (m)	Combined AUD (m)
Revenues	923	1,456	-	2,379	3,041
Direct operating costs	(397)	(1,034)	-	(1,431)	(1,829)
General and administrative expenses	(69)	-	(8)	(77)	(98)
Interest expense	(187)	(76)	(31)	(294)	(377)
Share of earnings from investments in Associates	37	6	-	43	55
Mark-to-market on hedging items	58	-	-	58	74
Other (expenses) income	9	24	-	33	42
Income before income tax, depreciation and amortisation expense ("operating results")	374	376	(39)	711	908
Attributable to[66]:					
Limited partners				205	260
General partner				32	41
Non-controlling interest attributable to:				-	-
Redeemable Partnership Units held by Brookfield				83	106
Interests of others in operating subsidiaries				390	500
Preferred unitholders				1	1
Total				711	908

66 The allocation of operating results under the 50.1% Acquisition Scenario to controlling and non-controlling interests is made at the Combined Group Pro Forma Statement of operating results level.

50.1% Acquisition Scenario	BIP pro forma financials Year Ended 31 December 2014 (per Section 8.2) US (m)	Asciano pro forma financials Year Ended 31 December 2014 (per Section 8.3) US (m)	50.1% Transaction related pro forma adjustments Pro forma US (m)	Pro forma (post Transaction) Year Ended 31 December 2014 Combined US (m)	Combined AUD (m)
Revenues	1,899	3,505	-	5,404	5,989
Direct operating costs	(840)	(2,592)	-	(3,432)	(3,804)
General and administrative expenses	(115)	-	(17)	(132)	(146)
Interest expense	(369)	(204)	(73)	(646)	(716)
Share of earnings from investments in Associates	58	13	-	71	79
Mark-to-market on hedging items	38	-	-	38	42
Other (expenses) income	3	45	-	48	53
Income before income tax, depreciation and amortisation expense ("operating results")	674	767	(90)	1,351	1,497
Attributable to[67]:					
Limited partners				425	471
General partner				47	52
Non-controlling interest attributable to:				-	-
Redeemable Partnership Units held by Brookfield				171	190
Interests of others in operating subsidiaries				708	784
Preferred unitholders				-	-
Total				1,351	1,497

2. Pro forma adjustments (statement of operating results)

The following describes the adjustments that have been made in the presentation of the Combined Group's pro forma statement of operating results under 100% Acquisition Scenario or the 50.1% Acquisition Scenario.

Pro forma adjustments have been made as follows:

- Adjusted general and administrative expenses to reflect the impact of the implementation of the Offer on BIP's Base Management Fees had the 100% Acquisition Scenario been implemented on 1 January 2014. Assuming the Offer is implemented, management fees of US$34 million and US$17 million are adjusted for the year and half year ended 31 December 2014 and 30 June 2015, respectively. The basis of these adjustments assumes on 1 January 2014, US$1,266 million or 30.6 million BIP Interests underlying BIP CDIs were issued by BIP and provided by the Acquirer under the 100% Acquisition Scenario (assuming no BIP CDIs are issued in respect of any Shares the subject of the swap arrangements described in Section 5.2) and US$250 million or 5.8 million Redeemable Partnership Units were issued to Brookfield, US$445 million of recourse debt was drawn under the Existing BIP Corporate Revolving Credit Facilities, the Acquirer utilises the A$1.9 billion (US $1.3 billion) Acquisition Facility to support the acquisition of Asciano, and the remainder of the 100% Acquisition Scenario funded via US$755 million of corporate cash and financial assets and US$90 million of cash on hand at Asciano. It is estimated the impact of the US$445 million credit facility draw on interest expense for the year ended 31 December 2014 and the half year ended 30 June 2015 would be US$5 million and US$3 million respectively. It is also estimated that the A$1.9 billion (US$1.3 billion) additional debt would result in an increase in the interest expense for the year ended 31 December 2014 and the half year ended 30 June 2015 of US$109 million (A$120 million) and US$47 million (A$60 million) respectively. The amounts disclosed above are inclusive of the US$1.167 billion paid for the acquisition of 146,210,311 Shares, representing a 14.99% direct interest and the 4.3% indirect interest under the swap arrangements described in Section 5.2, on 5 November 2015.

67 The allocation of operating results under the 50.1% Acquisition Scenario to controlling and non-controlling interests is made at the Combined Group Pro Forma Statement of operating results level.

- Adjusted general and administrative expenses to reflect the impact of the implementation of the 50.1% Acquisition Scenario on BIP's Base Management Fees had the 50.1% Acquisition Scenario been implemented on 1 January 2014. Assuming the 50.1% Acquisition Scenario is implemented, management fees of US$17 million and US$8 million are adjusted for the year and half year ended 31 December 2014 and 30 June 2015, respectively. The basis of these adjustments assumes on 1 January 2014, US$484 million or 11.7 million BIP Interests underlying BIP CDIs were issued by BIP and provided by the Acquirer under the 50.1% Acquisition Scenario (assuming no BIP CDIs are issued in respect of any Shares the subject of the swap arrangements described in Section 5.2) and US$250 million or 5.8 million Redeemable Partnership Units were issued to Brookfield and the remainder of the 50.1% Acquisition Scenario funded via US$627 million of corporate cash and financial assets, US$18 million of cash on hand at Asciano, and the Acquirer utilises A$950 million (US$670 million) of the Acquisition Facility to support the acquisition of Asciano. It is estimated the impact of the A$950 million (US$670 million) of additional debt would result in an increase in the interest expense for the year ended 31 December 2014 and the half year ended 30 June 2015 of US$54 million (A$60 million) and US$23 million (A$30 million) respectively. The amounts disclosed above are inclusive of the US$1.167 billion paid for the acquisition of 146,210,311 Shares, representing a 14.99% direct interest and the 4.3% indirect interest under the swap arrangements described in Section 5.2, on 5 November 2015.
- Adjusted interest expense to reflect the A$363 million Asciano credit facility draw to be used to fund the A$0.90 Special Dividend to Asciano Shareholders, had the 50.1% Acquisition Scenario been implemented on 1 January 2014. It is estimated that this would result in an increase to the Combined Group interest expense for the year ended 31 December 2014 and the half year ended 30 June 2015 of US$19 million (A$21 million) and US$8 million (A$10 million) respectively. The funding for the payment of the $0.90 Special Dividend to Accepting Shareholders, is included in the Combined Group non-recourse borrowings.

3. Impact of depreciation, amortisation and income tax

- Historical depreciation and amortisation for the year ended 31 December 2014 and half year ended 30 June 2015 was approximately US$380 million and US$196 million respectively for BIP, and US$370 million and US$147 million respectively for Asciano (in aggregate US$750 million for the year ended 30 December 2014 and US$343 million for the half year ended 30 June 2015). These amounts reflect the depreciation and amortisation based on historical values in the financial statements for those entities.
- No pro forma adjustments have been made for the additional depreciation, amortisation and income tax arising from the difference in fair value of assets acquired and historical carrying value.

a. Depreciation

The accounting policy of BIP is to record property, plant and equipment at fair value and to assess fair value on a regular basis under the revaluation method available as a policy choice under IFRS. Revaluation increments or decrements are recorded in the revaluation reserve (other comprehensive income) or in the income statement, depending on whether they are reversing a previously recorded increment or decrement.

Accordingly, it is not possible to estimate the incremental depreciation expense that would have been recorded by BIP with respect to Asciano's assets for the year ended 31 December 2014 and the half year ended 30 June 2015 as the fair value of those assets at each point in time (being 1 January 2014 and 1 January 2015) is unable to be determined and accordingly, the depreciation expense associated with Asciano's assets for the relevant historic periods has not been able to be determined.

b. Amortisation

The purchase price accounting for the acquisition gives rise to the recognition of intangible assets and has been determined on a preliminary basis by the BIP GP Directors who have undertaken a preliminary fair value assessment of the carrying value of Asciano's net assets. Such an assessment requires judgement. Until finalising the acquisition, an allocation of the intangible assets amount to individual identifiable intangible assets and goodwill, and identifying their respective useful lives is unable to be determined. As such, it is not possible to estimate the amortisation expense that would have been recorded by BIP with respect to intangible assets arising on the acquisition of Asciano for the year ended 31 December 2014 and the half year ended 30 June 2015.

c. Tax

Due to the above noted comments on depreciation, amortisation and interest expense, the Combined Group income tax expense is not able to be determined.

4. Statement of financial position

a. 100% Acquisition Scenario

The following table sets out the unaudited pro forma combined statement of financial position of the Combined Group under the 100% Acquisition Scenario. The information has been presented in U.S. dollars, as this is the reporting currency of the Combined Group. A convenience translation to Australian dollars is also provided using an exchange rate of AUD/USD 0.7049 as at 9 November, 2015.[68]

68 The implied foreign exchange rate represents the rate presented as part of the Takeover Bid details when announced on 9 November 2015. This foreign exchange rate will ultimately differ from the final foreign exchange rate, subject to exchange rate movements between now and completion of the Takeover Bid.

100% Acquisition Scenario	BIP pro forma financials as at 30 June 2015 (per Section 8.2) US (m)	Asciano Pro forma financials as at 30 June 2015 (per Section 8.3) US (m)	100% Transaction related Pro-forma adjustments Pro forma US (m)	Pro forma (post Transaction) as at 30 June 2015 Combined	
				Combined US (m)	Combined AUD (m)
Assets					
Cash and cash equivalents	217	90	237	544	772
Financial assets	387	80	(201)	266	377
Accounts receivable and other	581	330	(231)	680	965
Inventory	18	29	-	47	67
Assets classified as held for sale	311	36	-	347	492
Current assets	1,514	565	(195)	1,884	2,673
Property, plant and equipment	7,882	3,148	795	11,825	16,775
Intangible assets	3,483	1,971	2,864	8,318	11,800
Investments in associates	2,716	21	-	2,737	3,883
Investment properties	163	-	-	163	231
Financial assets	1,688	432	(1,167)	953	1,352
Other assets	78	42	-	120	170
Deferred income tax asset	94	50	-	144	204
Inventory	-	27	-	27	38
Total assets	17,618	6,256	2,297	26,171	37,126
Liabilities and Partnership Capital Liabilities					
Accounts payable and other	534	462	76	1,072	1,521
Non-recourse borrowings	320	366	11	697	989
Financial liabilities	200	28	-	228	323
Liabilities directly associated with assets classified as held for sale	-	10	-	10	14
Current tax liability	-	22	-	22	31
Current liabilities	1,054	888	87	2,029	2,878
Recourse borrowings	1,061	-	445	1,506	2,136
Non-recourse borrowings	5,695	2,415	1,393	9,503	13,481
Financial liabilities	457	37	-	494	701
Other liabilities	543	119	-	662	939
Deferred income tax liability	1,394	-	-	1,394	1,978
Preferred shares	20	-	-	20	28
Total liabilities	10,224	3,459	1,925	15,608	22,141

100% Acquisition Scenario	BIP pro forma financials as at 30 June 2015 (per Section 8.2) US (m)	Asciano Pro forma financials as at 30 June 2015 (per Section 8.3) US (m)	100% Transaction related Pro-forma adjustments Pro forma US (m)	Pro forma (post Transaction) as at 30 June 2015 Combined	
				Combined US (m)	Combined AUD (m)
Partnership capital/equity					
Limited partners	3,874	-	1,158	5,032	7,139
Non-controlling interest attributable to:					
Redeemable Partnership LP Units held by Brookfield	1,523	-	343	1,866	2,647
Interest of others in operating subsidiaries	1,879	-	1,668	3,547	5,032
Non-controlling interest	-	13	(13)	-	-
General partner	22	-	-	22	31
Preferred unitholders	96	-	-	96	136
Contributed equity	-	6,066	(6,066)	-	-
Reserves	-	(3,061)	3,061	-	-
Accumulated losses	-	(221)	221	-	-
Total partnership capital/equity	7,394	2,797	372	10,563	14,985
Total liabilities and partnership capital/equity	17,618	6,256	2,297	26,171	37,126

b. 50.1% Acquisition Scenario

The following table sets out the unaudited pro forma combined statement of financial position of the Combined Group under the 50.1% Acquisition Scenario. The information has been presented in US dollars, as this is the reporting currency of the Combined Group. A convenience translation to Australian dollars is also provided using an exchange rate of AUD/USD 0.7049 as at 9 November 2015.[69]

50.1% Acquisition Scenario	BIP pro forma financials as at 30 June 2015 (per Section 8.2) US (m)	Asciano Pro forma financials as at 30 June 2015 (per Section 8.3) US (m)	50.1% Transaction related Pro-forma adjustments Pro forma US (m)	Pro forma (post Transaction) as at 30 June 2015 Combined	
				Combined US (m)	Combined AUD (m)
Assets					
Cash and cash equivalents	217	90	232	539	765
Financial assets	387	80	(73)	394	559
Accounts receivable and other	581	330	(231)	680	965
Inventory	18	29	-	47	67
Assets classified as held for sale	311	36	-	347	492
Current assets	1,514	565	(72)	2,007	2,848
Property, plant and equipment	7,882	3,148	795	11,825	16,775
Intangible assets	3,483	1,971	3,101	8,555	12,135
Investments in associates	2,716	21	-	2,737	3,883
Investment properties	163	-	-	163	231
Financial assets	1,688	432	(1,167)	953	1,352
Other assets	78	42	-	120	170
Deferred income tax asset	94	50	-	144	204
Inventory	-	27	-	27	38
Total assets	17,618	6,256	2,657	26,531	37,636

69 The implied foreign exchange rate represents the rate presented as part of the Takeover Bid details when announced on 9 November 2015. This foreign exchange rate will ultimately differ from the final foreign exchange rate, subject to exchange rate movements between now and completion of the Takeover Bid.

50.1% Acquisition Scenario	BIP pro forma financials as at 30 June 2015 (per Section 8.2) US (m)	Asciano Pro forma financials as at 30 June 2015 (per Section 8.3) US (m)	50.1% Transaction related Pro-forma adjustments Pro forma US (m)	Pro forma (post Transaction) as at 30 June 2015 Combined	
				Combined US (m)	Combined AUD (m)
Liabilities and Partnership Capital Liabilities					
Accounts payable and other	534	462	76	1,072	1,521
Non-recourse borrowings	320	366	11	697	989
Financial liabilities	200	28	-	228	323
Liabilities directly associated with assets classified as held for sale	-	10	-	10	14
Current tax liability	-	22	-	22	31
Current liabilities	1,054	888	87	2,029	2,878
Recourse borrowings	1,061	-	-	1,061	1,505
Non-recourse borrowings	5,695	2,415	979	9,089	12,894
Financial liabilities	457	37	-	494	701
Other liabilities	543	119	-	662	939
Deferred income tax liability	1,394	-	238	1,632	2,315
Preferred shares	20	-	-	20	28
Total liabilities	10,224	3,459	1,304	14,987	21,260
Partnership capital/equity					
Limited partners	3,874	-	486	4,360	6,185
Non-controlling interest attributable to:					
Redeemable Partnership LP Units held by Brookfield	1,523	-	226	1,749	2,481
Interest of others in operating subsidiaries	1,887	-	3,438	5,317	7,543
Non-controlling interest	-	13	(13)	-	-
General partner	22	-	-	22	31
Preferred unitholders	96	-	-	96	136
Contributed equity	-	6,066	(6,066)	-	-
Reserves	-	(3,061)	3,061	-	-
Accumulated losses	-	(221)	221	-	-
Total partnership capital/equity	7,394	2,797	1,353	11,544	16,376
Total liabilities and partnership capital/equity	17,618	6,256	2,657	26,531	37,636

5. Pro forma adjustments (statement of financial position)

The following describes the adjustments that have been made in the presentation of the pro forma statement of financial position under the 100% Acquisition Scenario and the 50.1% Acquisition Scenario.

a. 100% Acquisition Scenario

The pro forma statement of financial position presents the financial position of BIP under the 100% Acquisition Scenario, resulting in BIP acquiring a 55.7% equity interest in Asciano. It is assumed that under the 100% Acquisition Scenario, BIP will assume control of Asciano and consolidate Asciano from the date that control is obtained. A minority interest of 44.3% associated with the interest acquired by BIF, the GIC Investor and bcIMC is also reflected.

On 5 November 2015, BIP acquired 146,210,311 Asciano Shares. Concurrently with the acquisition of the 14.99% direct interest, BIP entered into the swap arrangements described in Section 5.2 over 4.3% of Asciano Shares. Total consideration paid for the 14.99% direct interest and the 4.3% indirect interest, was US$1.167 billion and was funded with cash and contributions by non-controlling interests.

Included in the Combined Group pro forma statement of financial position is a pro forma adjustment to retained earnings, recognising the revaluation of BIP's 14.99% investment in Shares and the 4.3% swap arrangements described in Section 5.2 on gaining control of Asciano.

Under the terms of the Offer, Asciano Shareholders will receive for each Share held:

- A$6.9439 in cash (reduced by the cash value of any Special Divided paid); and
- 0.0387 BIP CDIs.

BIP will issue approximately 30.6 million BIP Interests underlying BIP CDIs under the Offer (assuming no BIP CDIs are issued in respect of any Shares the subject of the swap arrangements described in Section 5.2). A corresponding number of Managing General Partner Units in BILP (to the number of BIP Interests underlying BIP CDIs issued under the 100% Acquisition Scenario) will be issued to BIP.

As BIP will participate in the offering of new Managing General Partner Units at a percentage greater than its ownership interest in BILP prior to the Offer, this will result in an increase from approximately 70.5% to 72.4% in BIP's ownership interest in BILP without resulting in a loss of control. The difference between the proportionate amount by which the non-controlling interest in BILP will be increased and the proceeds of the BIP Interests will result in a US$97 million apportionment between the non-controlling interest in BILP and BIP Interests.

BIP has entered into an agreement whereby Brookfield will subscribe for up to approximately 5.8 million Redeemable Partnership Units in BILP for aggregate proceeds of up to US$250 million at a price of US$43.20 per BIP Interest. All of the proceeds of the placement will be used to fund part of the cash portion of Brookfield Infrastructure's commitment under the 100% Acquisition Scenario. Completion of the placement is contingent upon the Offer becoming unconditional.

The Acquirer has secured the benefit of the Acquisition Facility to support the acquisition of 100% of Asciano. If the Offer is successful, the facilities will be recourse only to the Acquirer's investment in Asciano.

For the purposes of this Combined Group Pro Forma Financial Information, it has been assumed that, under the 100% Acquisition Scenario:

- the Acquisition Facility will be fully utilised in the 100% Acquisition Scenario
- US$445 million of recourse debt will be drawn under the Existing BIP Corporate Revolving Credit Facilities; and
- the remaining cash consideration required by BIP of approximately US$845 million is to be funded via cash and financial assets on hand of BIP and Asciano as at the Implementation Date.

Fees that are directly attributable to the Offer, including fees payable to advisors, have been accrued. No deferred tax benefit has been recognised in the pro forma combined statement of financial position.

If the Takeover Bid proceeds, the value of the equity recognised will be based on the BIP Interests price at the date that control is obtained. Any change in the value of equity will result in a corresponding adjustment to the purchase price accounting for the acquisition in accordance with IFRS.

b. Impact of 50.1% Acquisition Scenario

The pro forma statement of financial position presents the financial position of BIP under the 50.1% Acquisition Scenario. It is assumed that the 50.1% Acquisition Scenario will result in BIP assuming control of Asciano and consolidating Asciano from the date that control is obtained. A minority interest of 72.09% of Asciano is associated with the remaining Asciano Shareholders and the interest acquired by BIF, the GIC Investor and bcIMC.

On 5 November 2015, BIP acquired 146,210,311 Asciano Shares. Concurrently with the acquisition of the 14.99% direct interest in Asciano, BIP entered into the swap arrangements described in Section 5.2 over 4.3% of Asciano Shares. Total consideration paid for the 14.99% direct interest and the 4.3% indirect interest was US$1.167 billion and was funded with cash and contributions by non-controlling interests.

Included in the Combined Group pro forma statement of financial position is a pro forma adjustment to retained earnings, recognising the revaluation of BIP's 14.99% investment in Shares and the 4.3% swap arrangements described in Section 5.2 on gaining control of Asciano.

Under the terms of the Offer, Asciano Shareholders will receive for each Share held:

- A$6.9439 in cash (reduced by the cash value of any Special Dividend paid); and
- 0.0387 BIP CDIs.

BIP will issue approximately 11.7 million BIP Interests underlying BIP CDIs under the Offer (assuming no BIP CDIs are issued in respect of any Shares the subject of the swap arrangements described in Section 5.2). A corresponding number of Managing General Partner Units in BILP (to the number of BIP Interests underlying BIP CDIs issued under the 50.1% Acquisition Scenario will be issued to BIP.

As BIP will participate in the offering of new Managing General Partner Units at a percentage lower than its ownership interest in BILP prior to the 50.1% Acquisition Scenario, this will result in an decrease from approximately 70.5% to 70.2% in BIP's ownership interest in BILP without resulting in a loss of control. The difference between the proportionate amount by which the non-controlling interest in BILP will be decreased and the proceeds of the BIP Interests will result in a US$19 million apportionment between the BIP Interests and non-controlling interest in BILP.

BIP has entered into an agreement whereby Brookfield will subscribe for up to approximately 5.8 million Redeemable Partnership Units in BILP for aggregate proceeds of up to US$250 million at a price of US$43.20 per BIP Interest. All of the proceeds of the placement will be used to fund part of the cash portion of Brookfield Infrastructure's commitment under the 50.1% Acquisition Scenario. Completion of the placement is contingent upon the Offer becoming unconditional.

The Acquirer has secured the benefit of the Acquisition Facility to support the acquisition of 50.1% of Asciano. If the Offer is successful, the facilities will be recourse only to the Acquirer's investment in Asciano.

For the purposes of this Combined Group Pro Forma Financial Information, it has been assumed that, under the 50.1% Acquisition Scenario:

- A$950 million of the Acquisition Facility will be utilised;
- no debt will be drawn under the Existing BIP Corporate Revolving Credit Facilities; and
- the remaining cash consideration required by BIP of approximately US$645 million is to be funded via cash and financial assets on hand of BIP and Asciano as at the Implementation Date.

Fees that are directly attributable to the Offer, including fees payable to advisors, have been accrued. No deferred tax benefit has been recognised in the pro forma combined statement of financial position.

If the Takeover Bid proceeds, the value of the equity recognised will be based on the BIP Interests price at the date that control is obtained. Any change in the value of equity will result in a corresponding adjustment to the purchase price accounting for the acquisition in accordance with IFRS.

c. Acquisition and consolidation of Asciano

The acquisition of Asciano under the 100% Acquisition Scenario or 50.1% Acquisition Scenario will be accounted for under the purchase method of accounting applicable under IFRS. BIP will complete an assessment of the appropriate purchase price allocation following the 100% Acquisition Scenario or the 50.1% Acquisition Scenario. For the purposes of this Combined Group Pro Forma Financial Information, BIP has made a preliminary assessment of its view of the fair value of the assets, liabilities and contingent liabilities acquired against the carrying values of property, plant and equipment, intangibles, goodwill and deferred taxes acquired.

However, the provisional purchase price accounting will not be performed until implementation of the 100% Acquisition Scenario or the 50.1% Acquisition Scenario. For the purposes of the Offer, a preliminary purchase price allocation has been undertaken. The provisional and final accounting for the acquisition may vary materially from this preliminary assessment.

d. Property, plant and equipment

The accounting policy of BIP is to record property, plant and equipment at fair value and to assess fair value on a regular basis. For the purposes of the pro forma financial information, BIP has made a preliminary assessment of its view of the fair value of Asciano's property, plant and equipment assets for the statement of financial position as at 30 June 2015.

Under the 50.1% Acquisition Scenario, a pro forma adjustment to deferred tax liability has been recognised as a result of pro forma adjustments made to the fair value of property, plant and equipment on consolidation. The deferred tax liability arises as a consequence of the tax cost base of the acquired assets remaining unchanged following the acquisition of BIP's controlling interest in Asciano.

e. Intangible assets

The purchase price accounting for the Offer has been determined on a preliminary basis and the pro forma adjustments made to reflect the estimated financial effect of fair value accounting for the acquisition are illustrative only. BIP has used an estimate of fair value allocation for total intangibles based on information available to management of BIP. Intangible assets may include goodwill, as well as separately identifiable intangible assets (and deferred tax consequences on the recognition of these) such as customer contracts and relationships, IT development and software costs, brand names and future track access rights.

It is not possible to estimate the fair value of these individual components of intangibles, nor the tax consequences of such amounts. If deferred tax was calculated on the full amount of the 50.1% Acquisition Scenario or the 100% Acquisition Scenario related pro forma adjustment in respect of intangible assets (assuming such amount represents a temporary difference), a deferred tax liability and corresponding intangible asset of 28-30% of the intangible asset amount would be recognised. The actual deferred tax liability amount and corresponding intangible asset to be recognised will be based on the final accounting for the Offer.

IFRS which are consistent with Australian Accounting Standards require a full allocation of fair value acquired. BIP will undertake a formal valuation of the acquired assets subsequent to the date the acquisition completes. Accordingly, the formal valuation may give rise to material differences in values allocated to property, plant and equipment and intangible assets and may also give rise to fair value being allocated to other statement of financial position line items including goodwill. The final accounting for the acquisition may vary materially from this preliminary assessment.

f. Borrowings

The debt currently held by Asciano as at 30 June 2015 has been included at fair value as part of the pro forma adjustments.

The following pro forma adjustments have been made to reflect utilisation of existing debt facilities to fund the Offer:

- Utilisation of A$1.9 billion in respect to the 100% Acquisition Scenario, or A$950 million in respect to the 50.1% Acquisition Scenario, of the A$1.9 billion Acquisition Facility for funding a portion of the cash consideration;
- US$445 million of recourse debt drawn under the Existing BIP Corporate Revolving Credit Facilities to fund cash consideration required under the 100% Acquisition Scenario. No draw will be required in respect to the 50.1% Acquisition Scenario; and
- A$363 million (US$256 million) of debt drawn under existing Asciano facilities to fund the payment of a A$0.90 Special Dividend. A portion of the dividend paid was funded from existing cash reserves in Asciano. The funding for the payment of the A$0.90 Special Dividend to Accepting Shareholders, is included in the Combined Group non-recourse borrowings.

8.5 Forecast financial information for the Combined Group

Brookfield Infrastructure has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information for the Combined Group in addition to the distribution guidance given. The BIP GP Directors have concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for providing forecasts that would be sufficiently reliable as required by applicable Australian law, policy and market practice.

The financial performance of the Combined Group in any period will be influenced by various factors that will be outside of the control of the BIP GP and the BIP GP Directors and that cannot, at this time, be predicted with a high level of confidence.

In addition, Brookfield Infrastructure does not have an established practice of issuing financial forecasts given the potential impact of the considerations above, nor are financial forecasts required by Canadian, United States or Bermuda law.

8.6. Capital structure of the Combined Group

a. Overview

Brookfield Infrastructure's capital structure, as described in Section 3.1, will change if the Offer is successful. In particular, the number of BIP Interests currently on issue will change, both as a result of the issue of BIP Interests underlying the BIP CDIs to be provided to Accepting Shareholders and the BAM Private Placement. BIP's sole material asset will remain its Managing General Partner Units in BILP but BIP's percentage interest is expected to increase from its current level.

b. Impact of the issue of BIP CDIs for provision to Shareholders

The exact number of BIP CDIs to be issued by BIP and provided by the Acquirer to Shareholders, if the Offer is accepted, will depend on the number of acceptances received, the number of rights under Asciano's long and short term incentive plans exercised prior to implementation of the arrangements in the Implementation Deed. However, assuming acquisition of 100% of Asciano by the Acquirer, BIP expects to issue approximately 32.2 million BIP CDIs. A corresponding number of Managing General Partner Units in BILP will be issued to BIP.

The remaining equity interest in BILP will continue to be held by Brookfield through an approximate 0.40% Special Limited Partner Unit interest and an approximate 27.25% Redeemable Partnership Unit interest (following the issue of additional Redeemable Partnership Units pursuant to the BAM Private Placement described below).

c. BAM Private Placement

BIP has entered into an agreement under which BAM will subscribe for up to approximately 5.8 million Redeemable Partnership Units for aggregate proceeds of up to US$250 million at a price of US$43.20 per Redeemable Partnership Unit (the **BAM Private Placement**). Completion of the BAM Private Placement is contingent upon the Offer becoming unconditional or the Scheme becoming unconditional, as applicable. All of the proceeds of the BAM Private Placement will be used to fund part of the cash component of the Consideration (see Section 6.2) or the consideration under the Scheme, as applicable.

d. BIP's capital structure if the Offer is successful

If the Offer is accepted and the Acquirer successfully acquires 100% of Asciano, BAM is expected to hold approximately 28% of the 267 million BIP Interests on issue, on a fully-exchanged basis.

8.7. The Combined Group's financing

Following the Transaction, the Combined Group's external net debt will consist of:

- a series of bilateral revolving facilities on substantially the same terms;
- a new syndicated corporate facility;
- four or more series of medium-term notes;
- an Australian Acquisition Facility; and
- non-recourse holding company and asset-level financings.

External debt within the consolidated group structure, on a pro forma, proportionally consolidated basis in a 100% Acquisition Scenario, will be US$9,281 million.

External debt within the consolidated group structure, on a pro forma, proportionally consolidated basis in a 50.1% Acquisition Scenario, will be US$7,683 million.

a. Existing BIP Corporate Revolving Credit Facilities

Brookfield Infrastructure has US$1.425 billion senior unsecured revolving credit facilities pursuant to a series of bilateral facilities. Such facilities are used for working capital and general corporate purposes including acquisitions and investments. The US$1.425 billion is available on a revolving basis for the full term of the facilities. Drawings under the facilities are subject to satisfaction of certain conditions precedent to drawing having been satisfied or waived, including all representations and warranties remaining true, no default having occurred and compliance with certain financial ratios.

All amounts outstanding under these facilities are repayable on 30 June 2020. All obligations of Brookfield Infrastructure under the facilities are guaranteed by BIP. Loans under these facilities accrue interest at a floating rate based on LIBOR plus 1.20%. Brookfield Infrastructure is required to pay an unused commitment fee under the facilities of 18 basis points per annum. As at 30 September 2015, there were no draws on the credit facilities and US$103 million of letters of credit were issued.

b. New BIP Corporate Credit Facility

A separate US$1 billion syndicated facility was entered into with an administration agent and a group of lenders all of whom are lenders under the Existing BIP Corporate Revolving Credit Facilities. The US$1 billion facility is available on a non-revolving basis for the purpose of:

- making direct/indirect investments in the Acquirer, such funds to be exclusively used by the Acquirer for payment of the cash component of the consideration payable under the Scheme (if applicable) and to pay fees and expenses associated therewith; and
- using the proceeds for the direct/indirect purchase of Shares from Brookfield Asset Management or its Affiliates.

The New BIP Corporate Credit Facility bears substantially the same terms as the Existing BIP Corporate Revolving Credit Facilities, except that:

- it matures one year following initial draw down;
- it may only be used to fund consideration payable under the Scheme but not the Takeover Bid;
- draws are available in US$ only (and not in any other currency or by way of letter of credit or bankers' acceptances);
- following the initial drawdown there may be a further 3 subsequent drawdowns;
- undrawn commitments will terminate on the earlier of: (a) 17 March 2016, if the initial drawdown is not made; (b) following the fourth drawdown; (c) on termination of the Scheme or the Deed Poll relating to the Scheme; or (d) any other occurrence which makes it impossible to complete the Scheme;
- mandatory repayments are required following any: (a) incurrence of indebtedness by a borrower or guarantor party to the New BIP Corporate Credit Facility, or of any of the Fincos (as defined below), excluding any indebtedness under the Existing BIP Corporate Revolving Credit Facilities and any indebtedness incurred to repay any outstanding indebtedness at the maturity thereof; (b) any public offering of debt securities by any subsidiary of BIP (other than the Acquirer and any subsidiary of the Acquirer) that is a holding company without significant operations or assets; and (c) any public offering by any borrower or guarantor party to the New BIP Corporate Credit Facility or any of their subsidiaries of any of their equity securities or the right to obtain any of their equity securities (excluding: (i) any issuance of such equity securities to their Affiliates without offering such equity securities publicly; and (ii) the issuance of any equity securities in connection with the Scheme); and
- drawings under the facility are subject to satisfaction of certain administrative conditions relating to the Scheme, including, amongst others, that the Scheme has been approved at the Second Court Hearing, all material government and regulatory approvals have been obtained to complete the transaction and that no Asciano Material Adverse Change (as defined in the Scheme Implementation Deed) has occurred.

c. BIP's medium term notes

From time to time BIP raises funds under a shelf prospectus that qualifies the issuance of debt securities issued by the Fincos. An indenture dated as of 10 October 2012 between BIP's wholly-owned subsidiaries, Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Limited and Brookfield Infrastructure Finance Pty Ltd (collectively, the Fincos), and Computershare Trust Company of Canada (the Trustee), as supplemented and amended from time to time (the Indenture) provides for one or more series of unsecured debentures or notes of the Fincos (the Finco Bonds). On 10 October 2012, the Fincos issued CAD$400 million aggregate principal amount of 3.455% Medium Term Notes, Series 1, due 10 October 2017 under the Indenture. On 11 March 2015, the Fincos issued CAD$450 million aggregate principal amount of 3.452% Medium Term Notes, Series 2, due 11 March 2022 under the Indenture. On 30 October 2015, the Fincos issued CAD$375 million aggregate principal amount of 3.538% Medium Term Notes, Series 3 due 30 October 2020, and CAD$125 million aggregate principal amount of 3.034% Medium Term Notes, Series 4, due 30 October 2018, under the Indenture. The Finco Bonds are fully and unconditionally guaranteed as to payment of principal, premium (if any) and interest by BIP and other related entities.

d. Acquisition Facility

The Acquirer has entered into arrangements for an acquisition facility in connection with the Offer. Details of this facility are set out in Section 6.2(c).

e. Holding Entity and Operating Entity debt

Brookfield Infrastructure manages its debt exposure by financing its operations at the Holding Entity and Operating Entity levels on a non-recourse basis with prudent levels of debt, ensuring a diversity of funding sources as well as laddering its maturity profile to minimise refinance risk. Brookfield Infrastructure also borrows in the currency where the asset operates, where possible, in order to hedge its currency risk. The Acquisition Facility described above in Section 6.2(c) forms part of this Holding Entity debt.

f. Maturity profile

The table below provides a summary of the pro forma debt maturities for each asset and corporate group on a pro forma, proportionally consolidated basis assuming successful implementation of the 100% Acquisition Scenario.[70]

Combined Group Debt Profile
Brookfield Infrastructure Partners L.P.
$US, millions (100% Acquisition Scenario)

	Average Maturity	2015	2016	2017	2018	2019	After	Total
Recourse borrowings								
Corporate	4	-	-	297	95	-	1,067	1,459
Non-recourse borrowings								
Utilities	10	1	247	5	5	41	2,392	2,691
Transport	7	202	283	164	910	92	2,590	4,241
Energy	7	12	15	510	-	145	383	1,065
Telecom	5	-	-	-	105	189	141	435
Total non-recourse borrowings	8	215	545	679	1,020	467	5,506	8,432
Total borrowings	7	215	545	976	1,115	467	6,573	9,891
Total cash retained in the business								
Utilities								51
Transport								181
Energy								47
Telecom								33
Corporate and other								298
Cash total								610
Net debt								
Utilities								2,640
Transport								4,060
Energy								1,018
Telecom								402
Corporate and other								1,161
Total Net Debt								9,281

70 BIP pro-rata share of Asciano layered onto Transport under the 100% Acquisition Scenario. Cash retained in business – after adjusting for BAM Private Placement, BIP Interests underlying BIP CDIs and Existing BIP Corporate Revolving Credit Facility.

The table below provides a summary of the pro forma debt maturities for each asset and corporate group on a pro forma, proportionally consolidated basis under the 50.1% Acquisition Scenario.[71]

Combined Group Debt Profile
Brookfield Infrastructure Partners L.P.
$US, millions (50.1% Acquisition Scenario)

	Average Maturity	2015	2016	2017	2018	2019	After	Total
Recourse borrowings								
Corporate	4	-	-	297	95	-	621	1,013
Non-recourse borrowings								
Utilities	10	1	247	5	5	41	2,392	2,691
Transport	8	116	224	164	394	158	2,247	3,303
Energy	7	12	15	510	-	145	383	1,065
Telecom	5	-	-	-	105	189	141	435
Total non-recourse borrowings	8	129	486	679	504	533	5,163	7,494
Total borrowings	8	129	486	976	599	533	5,784	8,507
Total cash retained in the business								
Utilities								51
Transport								196
Energy								47
Telecom								33
Corporate and other								497
Cash total								824
Net debt								
Utilities								2,640
Transport								3,107
Energy								1,018
Telecom								402
Corporate and other								516
Total Net Debt								7,683

71 BIP pro-rata share of Asciano layered onto Transport under the minimum acceptance level for the Offer of the Takeover Bid. Cash retained in business – after adjusting for BAM Private Placement, BIP Interests underlying BIP CDIs and Existing BIP Corporate Revolving Credit Facility.

9.
RISK FACTORS

RISK FACTORS

9.1 Introduction

If the Offer becomes unconditional, Asciano Shareholders who accept the Offer will become BIP Securityholders, and the Acquirer will acquire an interest in Asciano. In that event, Asciano Shareholders will continue to be indirectly exposed to the risks associated with having an interest in Asciano's assets and general economic, share market and industry risks. There are also additional risks relating to the Offer and the Combined Group, to which Asciano Shareholders will be exposed through their holding of BIP CDIs.

In considering the Offer you should be aware that there are a number of risk factors, both general and specific associated with the Offer.

9.2 Specific risk factors relating to the business and operations of BIP

a. Leverage and indebtedness

BILP and many of the Holding Entities and Operating Entities have entered into credit facilities or have incurred other forms of debt, including for the purposes of acquisitions and investments as well as for general corporate purposes. The total quantum of exposure to debt within Brookfield Infrastructure is significant, and it may become more highly leveraged in the future. Some facilities are fully drawn, while some have amounts of principal which are undrawn.

Highly leveraged assets are inherently more sensitive to declines in revenues, increases in expenses and interest rates, and adverse economic, market and industry developments. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would otherwise be the case if money had not been borrowed. As a result, the risk of loss associated with a leveraged company, all other things being equal, is generally greater than for companies with comparatively less debt. In addition, the use of indebtedness in connection with an acquisition may give rise to negative tax consequences to certain investors. Leverage may also result in a requirement for short term liquidity, which may force the sale of assets at times of low demand and/or prices for such assets. This may mean that Brookfield Infrastructure is unable to realise fair value for the assets in a sale.

Brookfield Infrastructure's credit facilities also contain covenants applicable to the relevant borrower and events of default. Covenants can relate to matters including limitations on financial indebtedness, dividends, investments, or minimum amounts for interest coverage, EBITDA, cash flow or net worth. If an event of default occurs, or minimum covenant requirements are not satisfied, this can result in a requirement to immediately repay any drawn amounts or the imposition of other restrictions including a prohibition on the payment of distributions to equity.

Brookfield Infrastructure's credit facilities or other debt or debt like instruments may or may not be rated. Should such debt or debt like instruments be rated, a credit downgrade may have an adverse impact on the cost of such debt.

b. Reliance on other Brookfield entities to pay distributions

BIP is a holding entity and currently it relies on BILP and, indirectly, the Holding Entities and Brookfield Infrastructure's Operating Entities to provide Brookfield Infrastructure with the funds necessary to pay distributions and meet Brookfield Infrastructure's financial obligations. BILP, the Holding Entities and Brookfield Infrastructure's Operating Entities are legally distinct from BIP and some of them are or may become restricted in their ability to pay dividends and distributions or otherwise make funds available to BIP pursuant to local law, regulatory requirements and their contractual agreements, including agreements governing their financing arrangements, such as BILP's credit facilities and other indebtedness incurred by the Holding Entities and Operating Entities.

Any other entities through which Brookfield Infrastructure may conduct operations in the future will also be legally distinct from BIP and may be similarly restricted in their ability to pay dividends and distributions or otherwise make funds available to BIP under certain conditions. BILP, the Holding Entities and Brookfield Infrastructure's Operating Entities will generally be required to service their debt obligations before making distributions to BIP or their parent entities, as applicable, thereby reducing the amount of its cash flow available to pay distributions, fund working capital and satisfy other needs.

BIP anticipates that the only distributions that it will receive in respect of its managing general partnership interests in BILP will consist of amounts that are intended to assist BIP in making distributions to holders of BIP Interests in accordance with its distribution policy and to allow BIP to pay expenses as they become due.

While BIP plans to review its distributions to its holders of BIP Interests periodically, there is no guarantee that it will be able to increase, or even maintain the level of distributions that are paid. Historically, as a result of this review, BIP decided to increase distributions in February 2011, February 2012, February 2013, February 2014 and February 2015, respectively. However, such historical increases in distribution payments may not be reflective of any future increases in distribution payments which will be subject to review by the board of directors of BIP GP taking into account prevailing circumstances at the relevant time. Although BIP intends to make distributions on the BIP Interests in accordance with its distribution policy, BIP is not required to pay distributions and may not be able to increase or even maintain the level of distributions on the BIP Interests that are made in the future.

c. Acquisition and growth opportunities

Brookfield Infrastructure's acquisition strategy is dependent to a significant extent on the ability of Brookfield to identify acquisition opportunities that are suitable for Brookfield Infrastructure. Brookfield established Brookfield Infrastructure to own and operate certain infrastructure assets on a global basis. However, Brookfield has no obligation to source acquisition opportunities for Brookfield Infrastructure. In addition, Brookfield has not agreed to commit to Brookfield Infrastructure any minimum level of dedicated resources for the pursuit of infrastructure related acquisitions.

There are a number of factors which could materially and adversely impact the extent to which suitable acquisition opportunities are made available from Brookfield, for example:

- there is no accepted industry standard for what constitutes an infrastructure asset. For example, Brookfield may consider certain assets that have both real estate related characteristics and infrastructure related characteristics to be real estate and not infrastructure;
- it is an integral part of Brookfield's (and Brookfield Infrastructure's) strategy to pursue the acquisition of infrastructure assets through consortium arrangements with institutional investors, strategic partners or financial sponsors and to form partnerships to pursue such acquisitions on a specialised or global basis. Although Brookfield has agreed with Brookfield Infrastructure that it will not enter any such arrangements that are suitable for Brookfield Infrastructure without giving Brookfield Infrastructure an opportunity to participate in them, there is no minimum level of participation to which Brookfield Infrastructure will be entitled;
- the same professionals within Brookfield's organisation that are involved in acquisitions that are suitable for Brookfield Infrastructure are responsible for the consortiums and partnerships referred to above, as well as having other responsibilities within Brookfield's broader asset management business. Limits on the availability of such individuals will likewise result in a limitation on the availability of acquisition opportunities for Brookfield Infrastructure;
- Brookfield will only recommend acquisition opportunities that it believes are suitable for Brookfield Infrastructure. Brookfield Infrastructure's focus is on assets where it believes that Brookfield Infrastructure's operations oriented approach can be deployed to create value. Accordingly, opportunities where Brookfield cannot play an active role in influencing the underlying operating company or managing the underlying assets may not be suitable for Brookfield Infrastructure, even though they may be attractive from a purely financial perspective. Legal, regulatory, tax and other commercial considerations will likewise be an important consideration in determining whether an opportunity is suitable and will limit Brookfield Infrastructure's ability to participate in these more passive investments and may limit Brookfield Infrastructure's ability to have more than 50% of Brookfield Infrastructure's assets concentrated in a single jurisdiction; and
- in addition to structural limitations, the question of whether a particular acquisition is suitable is highly subjective and is dependent on a number of factors including Brookfield Infrastructure's liquidity position at the time, the risk profile of the opportunity, its fit with the balance of Brookfield Infrastructure's then current operations and other factors. If Brookfield determines that an opportunity is not suitable for Brookfield Infrastructure, it may still pursue such opportunity on its own behalf, or on behalf of a Brookfield sponsored partnership or consortium.

In making these determinations, Brookfield may be influenced by factors that result in a misalignment or conflict of interest. These conflicts are set out in more detail below at 9.2(n).

In addition, Brookfield Infrastructure operates in a highly competitive market for acquisition opportunities. Brookfield Infrastructure faces competition for acquisitions primarily from investment funds, operating companies acting as strategic buyers, construction companies, commercial and investment banks, and commercial finance companies. Many of these competitors are substantially larger and have considerably greater financial, technical and marketing resources than are available to Brookfield Infrastructure. Some of these competitors may also have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of acquisitions and to offer terms that Brookfield Infrastructure is unable or unwilling to match. Due to the capital intensive nature of infrastructure acquisitions, in order to finance acquisitions Brookfield Infrastructure will need to compete for equity capital from institutional investors and other equity providers, including Brookfield, and its ability to consummate acquisitions will be dependent on such capital continuing to be available.

Increases in interest rates could also make it more difficult to consummate acquisitions because Brookfield Infrastructure's competitors may have a lower cost of capital which may enable them to bid higher prices for assets. In addition, because of Brookfield Infrastructure's affiliation with Brookfield, there is a higher risk that when Brookfield Infrastructure participates with Brookfield and others in joint ventures, partnerships and consortiums on acquisitions it may become subject to antitrust or competition laws that it would not be subject to if Brookfield Infrastructure was acting alone. These factors may create competitive disadvantages for Brookfield Infrastructure with respect to acquisition opportunities.

The competitive pressures Brookfield Infrastructure faces may have a material adverse effect on its business, financial condition and results of operations. Brookfield may not be able to identify and make acquisitions on Brookfield Infrastructure's behalf that are consistent with its objectives or that generate attractive returns for holders of BIP Interests. Brookfield Infrastructure may lose acquisition opportunities in the future if it does not match prices, structures and terms offered by competitors, if it is unable to access sources of equity or obtain indebtedness at attractive rates or if it becomes subject to antitrust or competition laws. Alternatively, Brookfield Infrastructure may experience decreased rates of return and increased risks of loss if it matches prices, structures and terms offered by competitors.

d. Transaction risk

The completion of new acquisitions can have the effect of significantly increasing the scale and scope of Brookfield Infrastructure's operations, including operations in new geographic areas and industry segments, and the Service Provider may have difficulty managing these additional operations.

Future acquisitions will likely involve some or all of the following risks, which could materially and adversely affect Brookfield Infrastructure's business, financial condition or results of operations: the difficulty of integrating the acquired operations and personnel into its current operations; potential disruption of its current operations; diversion of resources, including Brookfield's time and attention; the difficulty of managing the growth of a larger organisation; the risk of entering markets in which Brookfield Infrastructure has little experience; the risk of becoming involved in labour, commercial or regulatory disputes or litigation related to the new enterprise; risk of environmental or other liabilities associated with the acquired business; and the risk of a change of control resulting from an acquisition triggering rights of third parties or government agencies under contracts with, or authorisations held by the operating business being acquired.

Whilst it is Brookfield Infrastructure's practice to conduct extensive due diligence investigations into businesses being acquired, it is possible that due diligence may fail to uncover all material risks in the business being acquired, or to identify a change of control trigger in a material contract or authorisation, or that a contractual counterparty or government agency may take a different view on the interpretation of such a provision to that taken by Brookfield Infrastructure, thereby resulting in a dispute.

e. Joint ventures, partnerships and consortiums

Brookfield has structured some of Brookfield Infrastructure's current operations as joint ventures, partnerships and consortium arrangements. An integral part of the strategy is to participate with institutional investors in Brookfield sponsored or co-sponsored consortiums for single asset acquisitions and as a partner in or alongside Brookfield sponsored or co-sponsored partnerships that target acquisitions that suit its profile. These arrangements are driven by the magnitude of capital required to complete acquisitions of infrastructure assets and other industry-wide trends that the BIP GP believes will continue. Such arrangements involve risks not present where a third party is not involved, including the possibility that partners or co-venturers might become bankrupt or otherwise fail to fund their share of required capital contributions. Additionally, partners or co-venturers might at any time have economic or other business interests or goals different from Brookfield Infrastructure and Brookfield.

Joint ventures, partnerships and consortium investments may provide for a reduced level of influence over an acquired company because governance rights are shared with others. Accordingly, decisions relating to the underlying operations, including decisions relating to the management and operation and the timing and nature of any exit, could be made by a majority vote of the investors or by separate agreements that are reached with respect to individual decisions.

In addition, such operations may be subject to the risk that the company may make business, financial or management decisions with which Brookfield Infrastructure does not agree or the management of the company may take risks or otherwise act in a manner that does not serve Brookfield Infrastructure's interests. Because Brookfield Infrastructure may have a reduced level of influence over such operations, Brookfield Infrastructure may not be able to realise some or all of the benefits that it believes will be created from Brookfield's involvement. If any of the foregoing were to occur, the financial condition and results of operations could suffer as a result.

In addition, because some of Brookfield Infrastructure's current operations are structured as joint ventures, partnerships or consortium arrangements, the sale or transfer of interests in some of its operations are subject to rights of first refusal or first offer, tag along rights or drag along rights and some agreements provide for buy sell or similar arrangements. For example, some of Brookfield Infrastructure's investments are subject to a shareholder agreement which allows for the sale of the assets without Brookfield Infrastructure's consent. Such rights may be triggered at a time when Brookfield Infrastructure may not want them to be exercised and such rights may inhibit Brookfield Infrastructure's ability to sell its interest in an entity within the desired time frame or on any other desired basis.

f. Foreign currency risk

A significant portion of Brookfield Infrastructure's current operations are in countries where the U.S. dollar is not the functional currency. These operations pay distributions in currencies other than the U.S. dollar, which Brookfield Infrastructure must convert to U.S. dollars prior to making distributions, and certain of Brookfield Infrastructure's operations have revenues denominated in currencies different from Brookfield Infrastructure's expense structure, thus exposing Brookfield Infrastructure to currency risk. Fluctuations in currency exchange rates could reduce the value of cash flows generated by Brookfield Infrastructure's Operating Entities or could make it more expensive for Brookfield Infrastructure's customers to purchase Brookfield Infrastructure's services and consequently reduce the demand for Brookfield Infrastructure's services. In addition, a significant depreciation in the value of such foreign currencies may have a material adverse effect on Brookfield Infrastructure's business, financial condition and results of operations.

g. Regulation under the Investment Company Act (and similar legislation in other jurisdictions)

The Investment Company Act and the rules thereunder (and similar legislation in other jurisdictions) provide certain protections to investors and impose certain restrictions on companies that are required to be regulated as investment companies. Amongst other things, such rules limit or prohibit transactions with Affiliates, impose limitations on the issue of debt and equity securities and impose certain governance requirements.

Brookfield Infrastructure has not been and does not intend to become regulated as an investment company under the legislation and Brookfield Infrastructure intends to conduct its activities so it will not be deemed to be an investment company under the Investment Company Act (and similar legislation in other jurisdictions). In order to ensure that it is not deemed to be an investment company, Brookfield Infrastructure may be required to restrict materially or limit the scope of its operations or plans, or limit the types of acquisitions that it may make and may need to modify the organisational structure or dispose of assets of which it would not otherwise dispose.

If anything were to happen which could potentially cause Brookfield Infrastructure to be deemed an investment company under the Investment Company Act, it would be impracticable for it to operate as intended. Agreements and arrangements between and among Brookfield Infrastructure and Brookfield would be impaired, the type and amount of acquisitions that Brookfield Infrastructure would be able to make as a principal would be limited and the business, financial condition and results of operations could be materially adversely affected.

Accordingly, Brookfield Infrastructure would be required to take extraordinary steps to address the situation, such as the amendment or termination of the Master Services Agreement, restructuring Brookfield Infrastructure and the Holding Entities, amendment of the Limited Partnership Agreement or the termination of Brookfield Infrastructure, any of which could materially adversely affect the value of BIP Interests. In addition, if Brookfield Infrastructure were deemed to be an investment company under the Investment Company Act, it would be taxable as a corporation for U.S. federal income tax purposes, and such treatment could materially adversely affect the value of BIP Interests.

h. Risks associated with a separation of economic interest from control

Brookfield is the sole shareholder of BIP GP and, as a result of such ownership of BIP GP, Brookfield is able to control the appointment and removal of BIP GP's directors and, accordingly, exercises substantial influence over BIP. In turn, BIP often has a majority controlling interest or a significant influence in BIP's investments. Even though Brookfield currently has an effective economic interest in BIP's business of approximately 29.25% as a result of ownership of BIP Interests and the Redeemable Partnership Units, over time Brookfield may reduce this economic interest while still maintaining its controlling interest, and, therefore, Brookfield may use its control rights in a manner that conflicts with the economic interests of BIP's other Securityholders. For example, despite the fact that Brookfield Infrastructure has a conflicts protocol in place, which addresses the requirement for independent approval and other requirements for transactions in which there is greater potential for a conflict of interest to arise, including transactions with Affiliates of Brookfield, because Brookfield will be able to exert substantial influence over Brookfield Infrastructure, and, in turn, over BIP's investments, there is a greater risk of transfer of assets of BIP's investments at non arm's length values to Brookfield and its Affiliates.

In addition, debt incurred at multiple levels within the chain of control could exacerbate the separation of economic interest from controlling interest at such levels, thereby creating an incentive to leverage BIP and BIP's investments. Any such increase in debt would also make BIP more sensitive to declines in revenues, increases in expenses and interest rates, and adverse market conditions. The servicing of any such debt would also reduce the amount of funds available to pay distributions to BIP and ultimately to BIP Securityholders.

i. Internal control failure

Any failure to maintain adequate internal control over financial reporting or to implement required, new or improved controls, or difficulties encountered in their implementation, could cause BIP to report material weaknesses or other deficiencies in its internal control over financial reporting and could result in a more than remote possibility of errors or misstatements in its consolidated financial statements that would be material. If BIP or its independent registered public accounting firm were to conclude that BIP's internal control over financial reporting was not effective, investors could lose confidence in BIP's reported financial information and the price of the BIP Interests could decline. BIP's failure to achieve and maintain effective internal controls could have a material adverse effect on its business in the future, its access to the capital markets and investors' perception of BIP. In addition, material weaknesses in BIP's internal controls could require significant expense and management time to remediate.

j. Loss of key personnel

Brookfield Infrastructure depends on the diligence, skill and business contacts of Brookfield's professionals and the information and opportunities they generate during the normal course of their activities. Brookfield Infrastructure's success will depend on the continued service of these individuals, who are not obligated to remain employed with Brookfield. Brookfield has experienced departures of key professionals in the past and may in the future, and Brookfield Infrastructure cannot predict the impact that any such departures will have on the ability to achieve its objectives. The departure of a significant number of Brookfield's professionals for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have a material adverse effect on Brookfield Infrastructure's ability to achieve its objectives. The Limited Partnership Agreement and the Master Services Agreement do not require Brookfield to maintain the employment of any of its professionals or to cause any particular professionals to provide services to Brookfield Infrastructure.

k. Relationship with other Brookfield entities

Brookfield is the sole shareholder of BIP GP. As a result of its ownership of BIP GP, Brookfield is able to control the appointment and removal of BIP GP's directors and, accordingly, exercise substantial influence over BIP and over BILP, for which BIP is the managing general partner. BIP and BILP do not have any employees and depend on the management and administration services provided by the Service Provider. Brookfield personnel and support staff that provide services to BIP are not required to have as their primary responsibility the management and administration of BIP or BILP or to act exclusively for either. Any failure to effectively manage its current operations or to implement its strategy could have a material adverse effect on its business, financial condition and results of operations.

l. Change in control of BIP GP

The control of BIP GP may be transferred to a third party without consent of BIP Securityholders. If a new owner were to acquire ownership of BIP GP and appoint new directors or officers, it would be able to exercise substantial influence over Brookfield Infrastructure's policies and procedures and exercise substantial influence over Brookfield Infrastructure's management and the types of acquisitions made by Brookfield Infrastructure. Such changes could result in Brookfield Infrastructure's capital being used to make acquisitions in which Brookfield has no involvement or in making acquisitions that are substantially different from the acquisitions currently targeted.

BIP cannot predict with any certainty the effect that any transfer in the ownership of BIP GP would have on the trading price of BIP Interests or Brookfield Infrastructure's ability to raise capital or make investments in the future, because such matters would depend to a large extent on the identity of the new owner and the new owner's intentions with regard to Brookfield Infrastructure. As a result, the future of Brookfield Infrastructure would be uncertain and its financial condition and results of operations may suffer.

m. Arrangements with Brookfield

The terms of the arrangements with Brookfield were negotiated in the context of an affiliated relationship. While the BIP Independent Directors are aware of the terms of these arrangements and have approved the arrangements on behalf of BIP, they did not negotiate the terms. These terms, including terms relating to compensation, contractual or fiduciary duties, conflicts of interest and Brookfield's ability to engage in outside activities, including activities that compete with BIP, the activities and limitations on liability and indemnification, may be less favourable than otherwise might have resulted if the negotiations had involved unrelated parties. Under the Limited Partnership Agreement, persons who acquire BIP Interests and their transferees will be deemed to have agreed that none of those arrangements constitutes a breach of any duty that may be owed to them under the Limited Partnership Agreement or any duty stated or implied by law or equity.

n. Conflicts of interest

The organisational and ownership structure of Brookfield Infrastructure involves a number of relationships that may give rise to conflicts of interest between Brookfield Infrastructure and BIP Securityholders, on the one hand, and Brookfield, on the other hand. In certain instances, the interests of Brookfield may differ from Brookfield Infrastructure's interests and the interests of BIP Securityholders, including with respect to the types of acquisitions made, the timing and amount of the distributions of Brookfield Infrastructure, the reinvestment of returns generated by the operations, the use of leverage when making acquisitions and the appointment of outside advisors and service providers.

o. Obligations under the Master Services Agreement

The obligations of Brookfield under the Master Services Agreement and the other arrangements with them are contractual rather than fiduciary in nature. A summary of the Master Services Agreement is set out in Attachment 3. As a result, BIP GP, which is an Affiliate of Brookfield, has sole authority and discretion to enforce the terms of such agreements and to consent to any waiver, modification or amendment of their provisions.

The Limited Partnership Agreement and Brookfield Infrastructure's limited partnership agreement contain various provisions that modify the fiduciary duties that might otherwise be owed to BIP and BIP Securityholders, including when such conflicts of interest arise. These modifications may be important to BIP Securityholders because they restrict the remedies available for actions that might otherwise constitute a breach of fiduciary duty and permit the BIP GP Directors to take into account the interests of third parties, including Brookfield, when resolving conflicts of interest. It is possible that conflicts of interest may be resolved in a manner that is not in the best interests of BIP or the best interests of BIP Securityholders.

p. Control of BIP

Under the Limited Partnership Agreement (a summary of which is set out in Attachment 3), BIP Securityholders are not entitled to vote on matters relating to BIP, such as acquisitions, dispositions or financing, or to participate in the management or control of BIP. In particular, BIP Securityholders do not have the right to remove the BIP GP as general partner, to cause BIP GP to withdraw from BIP, to cause a new general partner to be admitted to BIP, to appoint new directors to BIP GP's board of directors, to remove existing BIP GP Directors from BIP GP's board of directors or to prevent a change of control of BIP GP.

In addition, except as prescribed by applicable laws, BIP Securityholders' consent rights apply only with respect to certain amendments to the Limited Partnership Agreement (refer to Section 3.6(d)). As a result, unlike holders of shares of a company, BIP Securityholders are not able to influence the direction of BIP, including its policies and procedures, or to cause a change in its management, even if they are unsatisfied with the performance of BIP. Consequently, BIP Securityholders may be deprived of an opportunity to receive a premium for their BIP Interests in the future through a sale of BIP and the trading price of BIP Interests may be adversely affected by the absence or a reduction of a takeover premium in the trading price.

q. Liability of the Service Provider

Under the Master Services Agreement (a summary of which is set out in Attachment 3), the Service Provider has not assumed any responsibility other than to provide or arrange for the provision of the services described in the Master Services Agreement in good faith and will not be responsible for any action that BIP GP takes in following or declining to follow its advice or recommendations. In addition, under the Limited Partnership Agreement, the liability of BIP GP and its Affiliates, including the Service Provider, is limited to the fullest extent permitted by law to conduct involving bad faith, fraud or wilful misconduct or, in the case of a criminal matter, action that was known to have been unlawful.

The liability of the Service Provider under the Master Services Agreement is similarly limited, except that the Service Provider is also responsible for liabilities arising from gross negligence. In addition, Brookfield Infrastructure has agreed to indemnify the Service Provider to the fullest extent permitted by law from and against any claims, liabilities, losses, damages, costs or expenses incurred by an indemnified person or threatened in connection with the operations, investments and activities or in respect of or arising from the Master Services Agreement or the services provided by the Service Provider, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the conduct in respect of which such persons have liability as described above.

These protections may result in the Service Provider tolerating greater risks when making decisions than otherwise would be the case, including when determining whether to use leverage in connection with acquisitions. The indemnification arrangements to which the Service Provider is a party may also give rise to legal claims for indemnification that are adverse to Brookfield Infrastructure and BIP Securityholders.

r. Financing and credit risk

General economic and business conditions that impact the debt or equity markets could impact BIP's ability to access credit markets.

Brookfield Infrastructure's ability to finance its operations is subject to various risks relating to the state of the capital markets. Changes in BIP's credit ratings may have an adverse effect on BIP's financial position and ability to raise capital.

Brookfield Infrastructure and its Operating Entities use leverage and such indebtedness may result in Brookfield Infrastructure or its Operating Entities being subject to certain covenants which restrict its ability to engage in certain types of activities or to make distributions of equity.

s. Termination of the Master Services Agreement

The Master Services Agreement provides that the Service Recipients may terminate the agreement only if:

- the Service Provider defaults in the performance or observance of any material term, condition or covenant contained in the agreement in a manner that results in material harm to us and the default continues unremedied for a period of 30 days after written notice of the breach is given to the Service Provider;
- the Service Provider engages in any act of fraud, misappropriation of funds or embezzlement against any Service Recipient that results in material harm to us;
- the Service Provider is grossly negligent in the performance of its duties under the agreement and such negligence results in material harm to the Service Recipients; or
- upon the happening of certain events relating to the bankruptcy or insolvency of the Service Provider.

BIP GP cannot terminate the agreement for any other reason, including if the Service Provider or Brookfield experiences a change of control, and there is no fixed term to the agreement. In addition, because BIP GP is an affiliate of Brookfield, it may be unwilling to terminate the Master Services Agreement, even in the case of a default. If the Service Provider's performance does not meet the expectations of investors, and BIP GP is unable or unwilling to terminate the Master Services Agreement, the market price of BIP Interests could suffer.

t. Reporting requirements under U.S. securities laws

BIP is a "foreign private issuer" under US securities laws. Although BIP is subject to periodic reporting requirements under the Exchange Act, the periodic disclosure required of "foreign private issuers" under the Exchange Act is different from periodic disclosure required of U.S. domestic issuers. Therefore, there may be less publicly available information about BIP than is regularly published by or about other public limited partnerships in the United States and BIP is exempt from certain other sections of the Exchange Act that U.S. domestic issuers would otherwise be subject to, including the requirement to provide BIP Securityholders with information statements or proxy statements that comply with the Exchange Act. In addition, insiders and large BIP Securityholders are not obligated to file reports under Section 16 of the Exchange Act and certain of the governance rules imposed by the NYSE are inapplicable to BIP.

u. Reporting requirements under Canadian securities regulations

BIP is an "SEC foreign issuer" under Canadian securities regulations. Although BIP is a reporting issuer in Canada, it is an "SEC foreign issuer" and is exempt from certain Canadian securities laws relating to continuous disclosure obligations and proxy solicitation, subject to certain conditions. Therefore, there may be less publicly available information in Canada about BIP than would be available if BIP was a typical Canadian reporting issuer.

v. Early stage projects

A key part of Brookfield Infrastructure's growth strategy involves identifying and taking advantage of organic growth opportunities within its existing businesses. These opportunities typically involve development and construction of new infrastructure or expansion or upgrades to existing infrastructure. Investments in new infrastructure projects during a development or construction phase are likely to be subject to additional risk that the project will not receive all required approvals, will not be completed within budget, within the agreed timeframe and to the agreed specifications and, where applicable, will not be successfully integrated into the existing assets. During the construction phase, major risks include:

- a delay in the projected completion of the project, which can result in an increase in total project construction costs through higher capitalised interest charges and additional labour, material expenses, and a resultant delay in the commencement of cash flow;
- the insolvency of the head contractor, a major subcontractor and/or a key equipment supplier;
- construction costs exceeding estimates for various reasons, including inaccurate engineering and planning, labour and building material costs in excess of expectations and unanticipated problems with project start up; and
- defects in design, engineering or construction (including, without limitation, latent defects that do not materialise during applicable warranty or limitation periods).

Such unexpected increases may result in increased debt service costs, operations phase debt service costs, operations and maintenance expenses and damages payments for late delivery. This may result in the inability of project owners to meet the higher interest and principal repayments arising from the additional debt required.

Finally, construction projects may be exposed to significant liquidated damages to the extent that commercial operations are delayed beyond prescribed dates or that performance levels do not meet guaranteed levels. For example, a liquidated damages regime applies in respect of some of the expansion of works at Brookfield Infrastructure's Brazilian toll road business.

w. Bribery and corruption

Brookfield Infrastructure may suffer a significant loss resulting from fraud, bribery, corruption, other illegal acts by its employees or those of Brookfield, inadequate or failed internal processes or systems, or from external events, such as security threats affecting its ability to operate. Both Brookfield and BIP operate in different markets and rely on its employees to follow its policies and processes as well as applicable laws in their activities. Risk of illegal acts or failed systems is managed through Brookfield Infrastructure's infrastructure, controls, systems and people, complemented by a focus on enterprise wide management of specific operational risks such as fraud, bribery and corruption, as well as personnel and systems risks. Specific programs, policies, standards and methodologies have been developed to support the management of these risks, however these cannot guarantee that such conduct does not occur and if it does, it can result in direct or indirect financial loss, reputational impact or regulatory consequences.

x. Transfer pricing risks

To the extent that Brookfield Infrastructure enters into transactions or arrangements with parties with whom they do not deal at arm's length, including Brookfield, the relevant tax authorities may seek to adjust the quantum or nature of the amounts received or paid by such entities if the tax authorities consider that the terms and conditions of such transactions or arrangements differ from those that would have been made between persons dealing at arm's length. This could result in more tax being paid by Brookfield Infrastructure and therefore the return to investors could be reduced.

The BIP GP believes that the Base Management Fee and any other amount that is paid to the Service Provider will be commensurate with the value of the services being provided by the Service Provider and are comparable to the fees or other amounts that would be agreed to in an arm's length arrangement. BIP GP therefore does not anticipate that the amounts of income (or loss) allocated to BIP Securityholders will be adjusted. However, no assurance can be given in this regard. If the relevant tax authority were to assert that an adjustment should be made under the transfer pricing rules to an amount (most likely, an expense) that is relevant to the computation of the income of BIP or BILP, such assertion could result in adjustments to amounts of income (or loss) allocated to BIP Securityholders by BIP for tax purposes.

In addition, Brookfield Infrastructure may also be liable for transfer pricing penalties in respect of transfer pricing adjustments unless reasonable efforts were made to determine, and use, arm's length transfer prices. Generally, reasonable efforts in this regard are only considered to be made if contemporaneous documentation has been prepared in respect of such transactions or arrangements that support the transfer pricing methodology.

y. General taxation risks

Brookfield Infrastructure will operate in many countries, each with separate taxation authorities and differing regulations, which results in significant complexity. Any changes to taxation law, its interpretation, or its administration may increase the amount of tax paid by Brookfield Infrastructure or affect the treatment of tax losses that may have been, or may be, accumulated. These changes could adversely affect the accounting profit and loss recognised by Brookfield Infrastructure, the cash tax that it pays, and the tax treatment of distributions to BIP Securityholders.

z. Possible taxes and tax filing obligations in other jurisdictions

Because of BIP Securityholders' holdings in BIP, BIP Securityholders may be subject to taxes and tax return filing obligations in jurisdictions other than the jurisdiction in which they are a resident for tax purposes or are not otherwise subject to tax. Although Brookfield Infrastructure will attempt, to the extent reasonably practicable, to structure its operations and investments so as to minimise income tax filing obligations by BIP Securityholders in such jurisdictions, there may be circumstances in which Brookfield Infrastructure is unable to do so.

Income or gains from Brookfield Infrastructure's holdings may be subject to withholding or other taxes in jurisdictions outside BIP Securityholders' jurisdiction of residence for tax purposes or in which they are not otherwise subject to tax. If any BIP Securityholders wish to claim the benefit of an applicable income tax treaty, such BIP Securityholders may be required to submit information to Brookfield Infrastructure and/or the tax authorities in such jurisdictions.

aa. FATCA

Under the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (FATCA), a 30% withholding tax may apply to certain payments of U.S.-source income made to Brookfield Infrastructure, or by BIP to a BIP Securityholder, unless certain requirements are met. To ensure compliance with FATCA, information regarding certain BIP Securityholders' ownership of BIP Securities may be reported to the U.S. Internal Revenue Service or to a non-U.S. governmental authority. Brookfield Infrastructure intends to comply with FATCA, so as to ensure that the 30% withholding tax does not apply to any withholdable payments it receives.

9.3 Specific risk factors relating to the BIP Interests and BIP CDIs

a. Dilution risk

Future sales or issuances a substantial number of BIP CDIs, BIP Interests or Preferred Units in the public markets, or the perception of such sales or issuances, could depress the trading price of BIP CDIs and BIP Interests. Brookfield Infrastructure cannot predict the effect that future sales or issuances of BIP Interests, BIP CDIs or other equity related securities would have on the market price of BIP CDIs and BIP Interests.

Brookfield Infrastructure may need additional funds in the future and BIP may issue additional BIP CDIs or BIP Interests in lieu of incurring indebtedness which may dilute existing holders of BIP CDIs and BIP Interests or BIP may issue securities that have rights and privileges that are more favourable than the rights and privileges accorded to holders of BIP CDIs and BIP Interests.

b. Distributions

BIP may not be able to continue paying comparable or growing cash distributions to holders of BIP Interests (and therefore holders of BIP CDIs) in the future. BIP's sole material asset, and means of generating income, is its interest in BILP. Management of BILP, including the declaration of a distribution, is vested in BIP. Accordingly, neither BIP GP nor BIP can control whether BILP will pay a distribution. BIP GP may, for any reason, determine not to declare a distribution for any period. If it did so, it would be unlikely that BIP would be in a position to make its targeted distribution for the relevant period in which it did not receive a distribution from BILP.

BIP's ability to make distributions depends on it receiving sufficient cash distributions from its underlying operations, and it cannot assure BIP Securityholders that BIP will be able to make cash distributions to them in amounts that are sufficient to fund their tax liabilities.

c. Share market conditions

The market price of BIP CDIs, BIP Interests and Preferred Units may be volatile. Any securities traded on a securities exchange are subject to risk factors which affect their price. Over time, BIP Interests and global securities markets have experienced price fluctuations, which have been unrelated to the operating performance of the affected companies. Some of the factors that could negatively affect the price of BIP Interests include:

- general market and economic conditions, including disruptions, downgrades, credit events and perceived problems in the credit markets;
- actual or anticipated variations in the quarterly operating results or distributions of the Combined Group;
- changes in the investments or asset composition of the Combined Group;
- write-downs or perceived credit or liquidity issues affecting the assets of the Combined Group;
- market perception of the Combined Group, its business and assets;
- the level of indebtedness of the Combined Group and/or adverse market reaction to any indebtedness incurred in the future;
- additions or departures of Brookfield Infrastructure's or Brookfield's key personnel;
- changes in market valuations of similar infrastructure companies;
- speculation in the press or investment community; and
- changes in U.S. tax laws that make it impractical or impossible for BIP to continue to be taxable as a partnership for U.S. federal income tax purposes.

These risk factors are generally unpredictable and may have implications that are unrelated or disproportionate to the operating performance of the listed entity.

There can be no assurance that the market price of BIP CDIs and BIP Interests will not experience significant fluctuations in the future, including fluctuations that are unrelated to the performance of the Combined Group.

d. Foreign currency risk

A significant number of holders of BIP CDIs and BIP Interests will reside in countries where the U.S. dollar is not the functional currency. BIP distributions are denominated in U.S. dollars but are settled in the local currency of the holder receiving the distribution. For each non U.S. holders of BIP Interests, the value received in the local currency from the distribution will be determined based on the exchange rate between the U.S. dollar and the applicable local currency at the time of payment. As such, if the U.S. dollar depreciates significantly against the local currency of the non U.S. holder of BIP CDIs or BIP Interests, the value received by such holder in its local currency will be adversely affected.

9.4 Specific risk factors relating to the business and operations of Asciano

Risks common to Asciano's three reporting divisions:

a. People and safety

The Asciano Group is exposed to the following risks in relation to people and safety that may impact on its financial position:

- injury to employees, contractors and other third parties;
- industrial relations activity that impacts the Asciano Group's ability to meet its contractual and customer expectations; and
- attraction and retention of key senior management and operational staff.

b. Customers

An increase in competition may result in the loss of major customers. The increase may be caused by new or existing entrants or by government legislated changes resulting in increased competition.

Asciano's three reporting divisions are also exposed to counterparty risks. Counterparty risk is the risk that a major customer, or a number of significant customers, will fail to meet its or their contractual obligations. In those circumstances, there would be a risk of financial loss to Asciano.

c. Global and Local Markets Conditions

Asciano's three reporting divisions have significant exposures to volatility in commodity flows and global economic conditions. Accordingly, global and local market conditions may significantly impact Asciano's revenues.

If domestic or global economic conditions deteriorate, the Asciano Group may not be able to access financial markets to seek equity or debt funding on competitive terms. This may impact on the financial performance of Asciano's reporting divisions or on the capacity for the Asciano Group to implement its strategy.

d. Changes in government policy, investment decisions and regulation

Asciano's financial performance in each of the three reporting divisions may be impacted by infrastructure capacity constraints (and disruptions thereto) caused by a failure of infrastructure providers and governments to invest in critical infrastructure to meet market requirements.

Furthermore, any change in the application of relevant competition laws and other changes to regulation or administrative practices that apply to the Asciano Group may impact the efficient operation of the Asciano Group's business and, as a consequence, its financial performance.

Asciano's financial statements are prepared in accordance with Australian Accounting Standards and the Asciano Group is taxed in accordance with the current provisions of the Income Tax Assessment Act 1936 (Cth) and Income Tax Assessment Act 1997 (Cth). Any changes in the accounting standards or tax regime applying to Asciano could have a material impact on Asciano's financial statements in future periods.

e. Operational Risk

The reporting divisions of the Asciano Group are also subject to the following common operational risks:

- infrastructure capacity constraints and disruptions caused by weather events, natural disasters and/or failure of critical IT platforms and support;
- performance, compliance and reputational issues;
- disruption or loss of critical supply inputs, including security breaches of IT platforms;
- integration risks associated with acquisitions and business restructures including the impact on customer service levels; and
- impact of disruptive technologies on traditional supply chains.

f. Environment

Climate change may have a significant impact on Asciano's three reporting divisions. For example, there may be changes in demand for a number of Asciano's services as a result of environmental regulation to deal with climate change.

Furthermore, Asciano's businesses are subject to stringent environmental regulation under applicable laws. If Asciano's businesses fail to comply with such environmental regulation, they may be subject to significant fines and penalties. Asciano's approach to environmental regulation is set out in its Corporate Governance Statement in Asciano's Directors' Report and is available on its website (www.asciano.com.au).

Risks specific to Asciano's Pacific National business:

g. Global demand for coal, other bulk resources and agricultural products

Pacific National's revenues from the bulk rail haulage of coal, other bulk resources and agricultural products are influenced by global demand for these commodities, which is in turn influenced by global economic activity. This is particularly the case in the emerging markets of India and China.

A drop in demand or supply is likely to have a negative impact on Pacific National's financial performance.

In relation to coal specifically, there is a focus globally on renewable and lower emission energy alternatives, which could reduce the demand for thermal coal over time.

h. Customer demand for above rail haulage services

Pacific National's revenues from rail haulage services are subject to fluctuations in customer demand. Customer demand may be adversely affected by a number of factors, which may individually or in aggregate adversely affect Pacific National's future financial performance and position. This includes the following:

- the impact of sustained low thermal and metallurgical coal prices and the impact lower prices may have on the viability of existing mines;
- the impact of a strong Australian dollar on coal mine viability and competitiveness;
- any change in the effectiveness of competing modes of freight transport;
- the impact of seasonal weather patterns on demand - particularly in Northern Australia; and
- the impact of weather on agricultural cycles and, therefore, the volumes of output.

i. Impact of competition on access to infrastructure resources

Pacific National relies on access to the coal chain infrastructure including rail and coal port infrastructure in order to deliver services for its coal customers. An increase in competition may impact on the productivity and reliability of that access, which may in turn have an impact on the services provided to customers and consequently a negative impact on Pacific National's financial performance.

j. Impact of competition from other above rail operators and alternative transport modes

Pacific National has major contracts, particularly related to coal haulage, that have expiry dates which are well before the useful life of the assets utilised for those contracts. If such contracts are not renewed, either due to customers contracting with competitor above-rail operators or alternative modes of freight transport, there is a risk that certain Pacific National assets may be underutilised, which may have a material adverse effect on Pacific National's financial position and financial performance.

k. Australian GDP growth

Australian economic growth is a key variable in demand for consumer goods, and by extension, the movement of consumer goods across Australia.

In addition, the present position of the Australian construction cycle is a key variable in the demand for building materials (including steel products) and, by extension, the movement of such materials around Australia.

More generally, Australia's population growth is a key variable in general demand for goods, and movement of goods, in Australia.

If Australia's economic growth is not maintained, or Australia's population growth slows, or there is a downturn in the construction cycle, demand for the movement of goods may be reduced, which may have a material adverse effect on Pacific National's financial performance.

l. Insufficient investment in rail infrastructure to support growth in demand

Pacific National's financial performance and anticipated growth may be hindered by an underinvestment in rail infrastructure which may, in turn, reduce future growth in demand.

Risks specific to Asciano's Patrick Terminals & Logistics business:

m. Australian GDP growth

Australian economic growth and population growth are key variables in demand for consumer goods, many of which are imported through Australia's container terminals.

If Australia's economic growth is not maintained, or Australia's population growth slows, demand for imported goods may be reduced, which may have a material adverse effect on the Patrick Terminals & Logistics division's financial performance.

Similarly, the relative strength of the Australian dollar impacts on the demand by Australian businesses for imported goods. This, in turn, impacts on container demand.

n. The impact of commodity cycles on the growth in containerised exports

Patrick Terminals & Logistics division receives revenue from stevedoring export containers, the level of which is lower for empty containers. Consequently growth in containerised exports has a positive impact on the division's financial performance.

Conversely, the impact of commodity cycles can reduce the growth in containerised exports, which can have a negative impact on the division's financial performance.

o. Increased competition

An increase in competition in the container ports business operated by the Patrick Terminals & Logistics division may result in lower volumes and margins for the division which may, in turn, have a material impact on its financial performance.

p. Retaining business footprint at sustainable cost structure

The Patrick Terminals & Logistics division requires access, at sustainable costs, to port infrastructure to be able to provide its container stevedoring services to its customers.

The division is currently negotiating long term access at Fremantle Port following the end of the current lease term in 2017. If that lease cannot be negotiated on acceptable terms, this may have a material impact on the Patrick Terminals & Logistics division's financial performance.

The Port of Melbourne has recently attempted to materially increase the rental costs of a competitor to the Patrick Terminals & Logistics division. The competitor successfully negotiated for a smaller increase in rental costs.

The Patrick Terminals & Logistics division's rental at Port of Melbourne is up for review from 1 January 2016. There is a risk that the Port of Melbourne may attempt to pass on a material increase in rental costs. If the division is unable to negotiate a reasonable increase, the division's financial performance may be materially impacted.

q. Customer consolidation

The global shipping line market is subject to potential changes through consolidation of participants and changes to shipping consortia. The result of these changes may be an increase or a decrease in the Patrick Terminals & Logistics division's market share and consequently may have a material adverse impact on the division's financial performance.

r. Customer service

The Patrick Terminals & Logistics division's ability to maintain relationships with major customers is integral to its financial performance.

This in turn depends on the division's ability to offer competitive service standards and pricing. Poor performance in either area may lead to a loss of major customers which may have a material impact on the division's financial performance.

s. Industrial relations

Australia's industrial relations laws afford various rights to employees to engage in industrial action. Industrial action can cause significant disruption to Patrick Terminals & Logistics' customer service performance.

In particular, the activities of the Maritime Union of Australia (including any industrial action taken) in connection with the business operated by the Patrick Terminals & Logistics division impact on the division's ability to effectively service its customers. This, in turn, could have an impact on customer demand.

Risks specific to Asciano's Patrick Bulk & Automotive Port Services business:

t. Economic activity in certain industries both in Australia and globally

Demand for services provided by the Patrick Bulk & Automotive Port Services division is affected by economic activity in a number of industries, both domestically and globally, including, in particular, the resources, shipping, steel, agriculture, chemical and imported car industries.

Demand, in these industries, is in turn affected by general economic activity (both domestically and globally).

u. Competition

The bulk ports and stevedoring sector is a fragmented and highly competitive market with generally low barriers to entry. This creates an environment for potential price discounting and disruption to the market.

Additionally, several of Patrick Bulk & Automotive Port Services key automotive customers also operate in a highly competitive market. If any of these customers endure losses in market share, the division's revenue may be negatively affected due to lower processing and storage volumes.

v. Rising land and site rental costs

The Patrick Bulk & Automotive Port Services division relies on access to port related land and premises at a competitive cost. This includes access to land for the storage of imported automobiles. A significant increase in land and/or site rental costs may have a material adverse impact on the division's financial performance.

w. Customer service

The Patrick Bulk & Automotive Port Services division's ability to maintain relationships with major customers is integral to its financial performance.

This in turn, depends on the division's ability to offer competitive service standards and pricing. Poor performance in either area may lead to a loss of major customers which may have a material impact on the division's financial performance.

9.5 Specific risks associated with the Offer and the creation of the Combined Group

a. Approval delays

There is a risk that regulatory approvals may not be obtained, or may be obtained subject to conditions which adversely affect the Combined Group.

In particular, the ACCC announced on 26 November 2015 that it had decided not to accept behavioural undertakings offered by BIP. BIP is considering various options, including structural undertakings to address the ACCC's concerns. Structural undertakings, if given, could have an adverse effect on the Combined Group and/or BIP. Unless you are able to withdraw your acceptance in the circumstances set out in this Bidder's Statement, if you accept the Offer before the ACCC condition in Section 12.8(a)(2) is satisfied or waived, you will be unable to accept into a competing takeover bid (if one arises) or otherwise deal with Your Shares.

b. Change of control risk

Some contracts to which members of Asciano Group are a party (including leases, supply contracts, joint venture agreements, financing arrangements and customer contracts) contain change of control provisions that will, or may if certain conditions pertain, be triggered by the Takeover Bid. Such provisions allow the counterparty to, variously, demand immediate or earlier repayment of borrowed monies, review, adversely modify or terminate the contract or, in some cases, exercise pre-emptive rights over the joint venture interests of Asciano. If a counterparty to any such contract were to demand immediate or earlier repayment of borrowed monies, terminate or seek to renegotiate the contract or exercise pre-emptive rights with respect to the joint venture interests of Asciano this may, individually or in aggregate, have an adverse effect on the Combined Group, depending on the relevant contract.

In relation to Asciano's debt financing, the consequences of the Takeover Bid differ between the bank debt and the various bonds on issue. In respect of the bank debt financing, Asciano will seek appropriate assurance from the relevant financiers, in a form acceptable to Brookfield Infrastructure, that any change of control resulting from the Takeover Bid will not lead to the exercise of termination or repayment rights under the review events for that financing. If appropriate assurance is not received, then there is a risk that the A$1.3 billion bank debt facilities would need to be refinanced within 120 days of the Effective Date.

In respect of the various bonds that have been issued by Asciano, provided that Asciano maintains an investment grade credit rating, the Directors are not aware of any circumstances that would cause a termination and repayment event as a result of the Takeover Bid.

c. Integration risk

The Takeover Bid will involve the combination of the businesses of Brookfield Infrastructure and Asciano which have previously operated independently. There is a risk that unexpected issues and complications may arise during the process of integration. There is a risk that the Combined Group may face unanticipated liabilities and costs, operational disruption and the possible loss of key employees, customers or market share if integration is not achieved in a timely and orderly manner. There is a risk that the benefits described in Section titled "Reasons to Accept" of the Bidder's Statement may not be achieved in a timely manner, at all or to the extent envisaged or that the costs associated with achieving them may be higher than anticipated. Potential issues and complications influencing the achievement of a successful integration and of targeted benefits include:

- integrating management information systems;
- merging the culture and management styles of two organisations;
- experiencing lower than expected cost savings;
- integrating IT and support functions;
- unintended losses of key employees; and
- market conditions or changes in the regulatory environment, or regulatory conditions imposed in connection with the Takeover Bid, impacting the ability of the Combined Group to leverage its increased scale, presence and market intelligence to achieve anticipated benefits.

Detailed planning for a smooth integration of the businesses is taking place to reduce the risk of these issues occurring. However, a risk remains that difficulties of the nature described above may arise.

Any failure to achieve the anticipated benefits could impact the financial performance and position of the Combined Group.

d. Transaction costs

BIP, BIP GP (either alone or with entities in which BIP has an indirect interest) and Asciano will incur transaction costs in connection with the Takeover Bid. Both BIP and Asciano will pay transaction fees and other expenses related to the Takeover Bid, including financial advisers' fees, filing fees, legal and accounting fees, regulatory fees and mailing costs.

e. Risk associated with retention of a minority stake

There are some risks associated with the Offer for Asciano Shareholders who do not accept the Offer and remain Asciano Shareholders.

If, in connection with or following the Takeover Bid, the Acquirer acquires between 90% and 100% of the Asciano Shares, the Acquirer may be entitled to compulsorily acquire the remaining shares of the Asciano Shareholders.

If, in connection with the Takeover Bid, the Acquirer acquires more than 50.1% but less than 90% of the Asciano Shares, the Acquirer will hold a controlling interest in Asciano. The remaining Asciano Shareholders will be in a minority position in a company with a large controlling shareholder whose objectives for the company may differ from their own. They could also encounter a lower level of liquidity in Asciano Shares than exists today, which could result in a lower price for those Shares should they wish to sell them in future.

If, following the Takeover Bid, the Acquirer does not acquire any Shares or does not a Relevant Interest in at least 50.1% of the Asciano Shares, it may choose to waive the 50.1% condition of its Offer resulting in the Acquirer holding a non-controlling interest of between 19.3% and 50.1% of Asciano. If this occurred, it is possible that the Acquirer and another person or persons could each hold large minority interests in Asciano. In such a situation, any commercial misalignment between large minority shareholders could impact on the efficient and effective governance of Asciano and could adversely affect its ongoing performance.

f. Initial risk of high volumes of sell orders for BIP CDIs

Some Asciano Shareholders may not intend to hold the BIP CDIs issued under the Offer and may seek to sell their BIP CDIs on the ASX or the underlying BIP Interests on the TSX or NYSE. In addition, under the Offer, Foreign Shareholders and, subject to Section 12.7(e) Small Parcel Shareholders will have any BIP CDIs that would have been issued to them sold by a Nominee.

If a significant number of Asciano Shareholders seek to sell their BIP CDIs, or the underlying BIP Interests, this may adversely impact the price of BIP CDIs or BIP Interests in the short term.

9.6 Specific risk factors relating to the Combined Group

a. Regulatory Risk

In many instances, Brookfield Infrastructure's ownership and operation of infrastructure assets involves an ongoing commitment to a governmental agency. The nature of these commitments exposes the owners of infrastructure assets to a higher level of regulatory control than typically imposed on other businesses. For example, several of Brookfield Infrastructure's utilities, transport and energy operations are subject to government safety and reliability regulations that are specific to their industries. The risk that a governmental agency will repeal, amend, enact or promulgate a new law or regulation or that a governmental authority will issue a new interpretation of the law or regulations, could affect Brookfield Infrastructure's Operating Entities substantially.

Sometimes commitments to governmental agencies, for example, under toll road concession arrangements, involve the posting of financial security for performance of obligations. If obligations are breached these financial securities may be called upon by the relevant agency.

There is also the risk that Brookfield Infrastructure's Operating Entities do not have, might not obtain, or may lose permits necessary for their operations. Permits or special rulings may be required on taxation, financial and regulatory related issues. Even though most permits and licenses are obtained before the commencement of operations, many of these licenses and permits have to be renewed or maintained over the life of the business. The conditions and costs of these permits, licenses and consents may be changed on any renewal, or, in some cases, may not be renewed due to unforeseen circumstances or a subsequent change in regulations. In any event, the renewal or non-renewal could have a material adverse effect on Brookfield Infrastructure's business, financial condition and results of operations.

The risk that a government will repeal, amend, enact or promulgate a new law or regulation or that a regulator or other government agency will issue a new interpretation of the law or regulations, may affect Brookfield Infrastructure's operations or a project substantially. This may also be due to court decisions and actions of government agencies that affect these operations or a project's performance or the demand for its services. For example, a government policy decision may result in adverse financial outcomes for Brookfield Infrastructure through directions to spend money to improve security, safety, reliability or quality of service.

Brookfield Infrastructure's financial condition and results of operations could be affected by changes in economic or other government policies or other political or economic developments in each country or region, as well as regulatory changes or administrative practices over which Brookfield Infrastructure has no control such as: the regulatory environment related to its business operations and concession agreements; interest rates; currency fluctuations; exchange controls and restrictions; inflation; liquidity of domestic financial and capital markets; policies relating to climate change or policies relating to tax; and other political, social, economic, and environmental and occupational health and safety developments that may occur in or affect the countries in which its Operating Entities are located or conduct business or the countries in which the customers of its Operating Entities are located or conduct business or both.

In addition, operating costs can be influenced by a wide range of factors, many of which may not be under the control of the owner/operator, including the need to comply with the directives of central and local government authorities. For example, in the case of Brookfield Infrastructure's utility, transport and energy operations, Brookfield Infrastructure cannot predict the impact of future economic conditions, energy conservation measures, alternative fuel requirements, or governmental regulation all of which could reduce the demand for or availability of commodities Brookfield Infrastructure's transport and energy operations rely upon, most notably coal and natural gas. It is difficult to predict government policies and what form of laws and regulations will be adopted or how they will be construed by the relevant courts, or the extent to which any changes may adversely affect Brookfield Infrastructure.

Action taken by national, state or provincial governments, including nationalisation or the imposition of new taxes, could materially impact the financial performance or value of BIP's assets.

b. Risk of adverse regulatory decisions

Due to the essential nature of some of the services provided by Brookfield Infrastructure's assets and the fact that some of these services are provided on a monopoly or near monopoly basis, many of Brookfield Infrastructure's operations are subject to forms of economic regulation. This regulation can involve different forms of price control and can involve ongoing commitments to economic regulators and other governmental agencies. The terms upon which access to Brookfield Infrastructure's facilities is provided, including price, can be determined or amended by a regulator periodically. Future terms to apply, including access charges that Brookfield Infrastructure's operations are entitled to charge, cannot be determined with any certainty, as Brookfield Infrastructure does not have discretion as to the amount that can be charged. New legislation, regulatory determinations or changes in regulatory approaches may result in regulation of previously unregulated businesses or material changes to the revenue or profitability of Brookfield Infrastructure's operations. In addition, a decision by a government or regulator to regulate non-regulated assets may significantly and negatively change the economics of these businesses and the value or financial performance of Brookfield Infrastructure. For example, in 2010 regulatory action taken by the Federal Energy Regulatory Commission (**FERC**) saw a significant reduction in annual cash flow expectations of Brookfield Infrastructure's North American gas transmission operations.

c. Economic risk

All of BIP's Operating Entities are subject to general economic conditions and risks relating to the economy.

Some of Brookfield Infrastructure's operations depend on continued strong demand for commodities, such as natural gas or minerals, for their financial performance. For example, Brookfield Infrastructure's Australian regulated terminal operation relies on demand for coal exports, Brookfield Infrastructure's Australian rail operation relies on demand for iron ore for steel production and Brookfield Infrastructure's North American gas transmission operation relies on demand for natural gas and benefits from higher gas prices.

While Brookfield Infrastructure endeavours to protect against short to medium term commodity demand risk wherever possible by structuring its contracts in a way that minimises volume risk (e.g. minimum guaranteed volumes and 'take or pay' arrangements), these contract terms are finite and in some cases contracts contain termination or suspension rights for the benefit of the customer. Accordingly, a long term and sustained downturn in the demand for or price of a key commodity linked to one of Brookfield Infrastructure's operations may result in termination, suspension or default under a key contract, or otherwise have a material adverse impact on the financial performance or growth prospects of that particular operation, notwithstanding its efforts to maximise contractual protections.

If a critical upstream or downstream business ceased to operate, this could materially impact Brookfield Infrastructure's financial performance or the value of one or more of Brookfield Infrastructure's operating businesses. In extreme cases, Brookfield Infrastructure's infrastructure could become redundant, resulting in an inability to recover a return on or of capital and potentially triggering covenants and other terms and conditions under associated debt facilities.

d. Environmental risks and force majeure

Force majeure is the term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including but not limited to acts of God, fires, floods, earthquakes, wars and labour strikes. The assets of Brookfield Infrastructure's infrastructure businesses are exposed to unplanned interruptions caused by significant catastrophic events such as cyclones, landslides, explosions, terrorist attacks, war, floods, earthquakes, fires, major plant breakdowns, pipeline or electricity line ruptures, accidents, extreme weather events or other disasters. Operational disruption, as well as supply disruption, could adversely affect the cash flow available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable and could give rise to third party claims. In some cases, project agreements can be terminated if the force majeure event is so catastrophic as to render it incapable of remedy within a reasonable time period. Repeated or prolonged interruption may result in a permanent loss of customers, substantial litigation, damage, or penalties for regulatory or contractual non-compliance. Moreover, any loss from such events may not be recoverable in whole or in part under relevant insurance policies. Business interruption insurance is not always available, or available on reasonable economic terms to protect the business from these risks.

Given the nature of the assets operated by Brookfield Infrastructure's Operating Entities, Brookfield Infrastructure may be more exposed to risks in the insurance market that lead to limitations on coverage and/or increases in premium. For example, many components of Brookfield Infrastructure's South American electricity transmission operations and toll roads are not insured or not fully insured against losses from earthquakes and Brookfield Infrastructure's North American gas transmission operation, Brookfield Infrastructure's Australian distribution operations and its European regulated distribution operations self-insure the majority of their line and pipe assets. Therefore, the occurrence of a major or uninsurable event could have a material adverse effect on financial performance. Even if such insurance were available, the cost may be prohibitive. The ability of the Operating Entities to obtain the required insurance coverage at a competitive price may have an impact on the returns generated by them and accordingly the returns Brookfield Infrastructure receives.

For example, Brookfield Infrastructure's regulated energy distribution businesses generate revenue based on the volume transmitted through their systems. Weather that deviates materially from normal conditions could impact these businesses. A number of Brookfield Infrastructure's businesses may be adversely impacted by extreme weather. Brookfield Infrastructure's Australian rail operation transports grain on its system, for which it is contracted on a volume basis. A drought could have a material negative impact on revenue from grain transportation.

Brookfield Infrastructure's Operating Entities are also exposed to the risk of environmental damage, as well as the risk of increasing environmental legislation and the broader impacts of climate change.

e. Capital expenditure

The Combined Group's infrastructure operations may require substantial capital expenditures in the future. BIP's utilities, transport and energy operations are capital intensive and require substantial ongoing expenditures for, among other things, additions and improvements, and maintenance and repair of plant and equipment related to its operations. Any failure to make necessary capital expenditures to maintain BIP's operations in the future could impair the ability of these operations to serve existing customers or accommodate increased volumes. In addition, BIP may not be able to recover such investments based upon the rates its operations are able to charge.

In some of the jurisdictions in which BIP has utilities, transport or energy operations, certain maintenance capital expenditures may not be covered by the regulatory framework. If BIP's operations in these jurisdictions require significant capital expenditures to maintain BIP's asset base, BIP may not be able to recover such costs through the regulatory framework. In addition, BIP may be exposed to disallowance risk in other jurisdictions to the extent that capital expenditures and other costs are not fully recovered through the regulatory framework.

f. Workplace risks

Infrastructure projects and operational assets are highly exposed to the risk of accidents that may give rise to personal injury, loss of life, disruption to service and economic loss. Some of the tasks undertaken by employees and contractors are inherently dangerous and have the potential to result in serious injury or death.

Brookfield Infrastructure's Operating Entities are subject to laws and regulations governing health and safety matters, protecting both members of the public and their employees and contractors. Occupational health and safety legislation and regulations differ in each jurisdiction. Any breach of these obligations, or serious accidents involving Brookfield Infrastructure's employees, contractors or members of the public could expose them to adverse regulatory consequences, including the forfeit or suspension of operating licenses, potential litigation, claims for material financial compensation, reputational damage, fines or other legislative sanction, all of which have the potential to impact the results of its Operating Entities and its ability to make distributions. Furthermore, where Brookfield Infrastructure does not control a business, Brookfield Infrastructure has a limited ability to influence health and safety practices and outcomes.

Several of Brookfield Infrastructure's current operations or other business operations have workforces that are unionised or that in the future may become unionised and, as a result, are required to negotiate the wages, benefits and other terms with many of their employees collectively. If an Operating Entity were unable to negotiate acceptable contracts with any of its unions as existing agreements expire, it could experience a significant disruption of its operations, higher ongoing labour costs and restrictions on its ability to maximise the efficiency of its operations, which could have a material adverse effect on its business, financial condition and results of operations.

In addition, in some jurisdictions where Brookfield Infrastructure has operations, labour forces have a legal right to strike which may have an impact on its operations, either directly or indirectly, for example if a critical upstream or downstream counterparty was itself subject to a labour disruption which impacted its ability to operate.

g. Native title and First Nations rights

Brookfield Infrastructure's operations require large areas of land on which to be constructed and operated. The rights to use the land can be obtained through freehold title, leases and other rights of use. Although Brookfield Infrastructure believes that it has valid rights to all material easements, licenses and rights of way for Brookfield Infrastructure's operations, not all of these easements, licenses and rights of way are registered against the lands to which they relate and may not bind subsequent owners. Additionally, different jurisdictions have adopted different systems of land title and in some jurisdictions it may not be possible to ascertain definitively who has the legal right to enter into land tenure arrangements with the asset owner. In some jurisdictions where Brookfield Infrastructure has operations, it is possible to claim indigenous or aboriginal rights to land and the existence or declaration of native title may affect the existing or future activities of its utilities, transport or energy operations and impact on their business, financial condition and results of operations.

In addition, a government, court, regulator, or indigenous or aboriginal group may make a decision or take action that affects an asset or project's performance or the demand for its services. In particular, a regulator may restrict Brookfield Infrastructure's access to an asset, or may require Brookfield Infrastructure to provide third parties with access, or may affect the pricing structure so as to lower its revenues and earnings. In Australia, native title legislation provides for a series of procedures that may need to be complied with if native title is declared on relevant land. In Canada, for example, courts have recognised that First Nations peoples may possess rights at law in respect of land used or occupied by their ancestors where treaties have not been concluded to deal with these rights. In either case, the claims of a First Nations group may affect the existing or future activities of its operations, impact on its business, financial condition and results of operations, or require that compensation be paid.

h. Litigation risk

Brookfield Infrastructure's business is at risk of becoming involved in disputes and possible litigation.

Some of BIP's businesses operate in jurisdictions with less developed legal systems and could experience potential difficulties in obtaining effective legal redress and create uncertainties.

i. Technology

Brookfield Infrastructure relies on the use of technology. This technology includes computer systems used for information, processing, administrative and commercial operations and the operating plant and equipment used by Brookfield Infrastructure's assets, including that on its toll roads, in its electricity transmission systems, coal terminal operations, ports, rail networks, and by its electricity and gas distribution companies. In addition, Brookfield Infrastructure also relies upon telecommunication services to interface with its widely distributed business network and customers. The information and embedded systems of key business partners and regulatory agencies are also important to its operations. Brookfield Infrastructure relies on this technology functioning as intended.

Computer systems may be subject to cybersecurity risks or other breaches of information technology security, noting the increasing frequency and severity of these kinds of incidents. Further, the operating equipment used by Brookfield Infrastructure's assets may not continue to perform as it has in the past, and there is a risk of equipment failure due to wear and tear, latent defect, design or operator errors or early obsolescence, among other things.

A breach of Brookfield Infrastructure's cyber/data security measures, the failure of any such computerised system or of the operating equipment used by Brookfield Infrastructure's assets for a significant time period could have a material adverse effect on its business prospects, financial condition, results of operations and cash flow.

Furthermore, Brookfield Infrastructure's communications infrastructure operations rely for their continued viability on the ongoing demand for tower infrastructure, which is uncertain and could be subject to bypass risk or obsolescence as a result of new or developing technologies.

Revenues at some of Brookfield Infrastructure's assets depend on reliable and efficient tolling, metering or other revenue collection systems. There is a risk that, if one or more of Brookfield Infrastructure's businesses are not able to operate and maintain these tolling, metering or other revenue collection systems in the manner expected, or if the cost of operation and maintenance is greater than expected, Brookfield Infrastructure's assets, business, financial condition, and risks of operations could be materially adversely affected. Users of Brookfield Infrastructure's facilities who do not pay tolls or other charges may be subject to either direct legal action from the relevant business, or in some cases may be referred to the state for enforcement action. Brookfield Infrastructure bears the ultimate risk if enforcement actions against defaulting customers are not successful or if enforcement actions are more costly or take more time than expected.

j. Counterparty contractual risk

Many of Brookfield Infrastructure's operations depend on relevant contractual arrangements. The liability of the Service Provider is limited under Brookfield Infrastructure's arrangements with it and Brookfield Infrastructure has agreed to indemnify the Service Provider against claims that it may face in connection with such arrangements, which may lead it to assume greater risks when making decisions relating to Brookfield Infrastructure than it otherwise would if acting solely for its own account.

10.
TAX CONSIDERATIONS

10. TAX CONSIDERATIONS

10.1. Introduction

This part of the Bidder's Statement provides a general overview of the main Australian taxation implications that should arise for certain Asciano Shareholders as a result of the Takeover Bid. The tax treatment may vary depending on the nature and characteristics of each Asciano Shareholder and their specific circumstances. Accordingly, Asciano Shareholders should seek professional tax advice in relation to their particular circumstances.

The information provided below is not applicable to all Asciano Shareholders. The information does not apply to Asciano Shareholders who:

- hold their Shares on revenue account (such as share trading entities or other entities who acquired their Shares for the purposes of resale at a profit) or as trading stock;
- hold their Shares under an employee share scheme offered by Asciano;
- are under a legal disability; or
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997(Cth)* in relation to gains and losses on their Shares.

The taxation overview set out below takes into account legislation enacted or proposed as at the date of this Bidder's Statement, the interpretation of such laws by the courts and relevant administrative practices. It does not purport to be a complete analysis or to identify all potential related tax consequences.

The taxation overview does not constitute tax advice and should not be relied upon as such.

All Asciano Shareholders are advised to obtain independent taxation advice in respect of the Takeover Bid and the payment of the Special Dividend which takes into account their personal circumstances. This taxation advice should specifically consider the tax treatment arising in respect of the Special Dividend derived by the Asciano Shareholder.

Asciano has applied for the ATO Tax Ruling from the Australian Taxation Office (**ATO**) in respect of a number of taxation implications for Asciano Shareholders. The information provided below is consistent with that application. Asciano Shareholders should refer to the ATO's Tax Ruling once it is published on www.ato.gov.au.

10.2. Disposal of Shares

A Capital Gains Tax (**CGT**) event should happen to Asciano Shareholders when their Shares are transferred to the Acquirer under the Takeover Bid. The time that a CGT event occurs is when the contract is entered into or, if there is no contract, when the change of ownership occurs.

a. Australian resident Asciano Shareholders

As noted above, a CGT event will happen for Asciano Shareholders when they dispose of each Share under the Takeover Bid. The Asciano Shareholders will be required to determine if a capital gain or loss has been made from that CGT event.

Asciano Shareholders will not be eligible for any CGT roll-over relief in connection with the Takeover Bid.

Australian resident Asciano Shareholders should:

- make a capital gain if the capital proceeds from the disposal of their Shares exceed the cost base of their Shares; or
- make a capital loss if the capital proceeds are less than their reduced cost base of the Shares.

The Asciano Shareholder's capital proceeds should include:

- the market value of the BIP CDIs received; and
- the amount of cash received.

The Special Dividend should not form part of the capital proceeds for Asciano Shareholders. This issue is being addressed in the ATO Tax Ruling requested by Asciano. Asciano Shareholders should refer to the ATO Tax Ruling once it is published.

The cost base of the Shares should generally include the Asciano Shareholder's original or deemed cost of acquisition, plus certain incidental costs incurred in relation to the acquisition or disposal of the Shares. Asciano Shareholders that acquired their Shares as a result of the demerger from Toll Holdings Limited and/or that received shares in Asciano as a result of the Corporatisation should refer to Class Ruling CR 2008/32 and Class Ruling CR 2010/47 for further information in relation to how to calculate the cost base of their Shares.

CGT discount

Asciano Shareholders who are individuals, complying superannuation entities, trustees of trusts or (in limited circumstances) life insurance companies may be entitled to reduce the amount of any capital gain made on the disposal of their Shares if they have held their Shares for at least 12 months before the date of disposal of the Shares (the reduction is referred to as the **CGT discount**). The CGT discount is applied only after available capital losses have been applied to reduce the capital gain.

The discount rate is 50% for individuals and trustees, and $33\frac{1}{3}$% for complying superannuation entities and life insurance companies.

The CGT discount is not available to Asciano Shareholders that are companies.

Capital gains and capital losses made by an Asciano Shareholder in an income year from all sources are aggregated to determine whether that Asciano Shareholder made a net capital gain or capital loss for that income year.

b. Taxation implications for non-resident Asciano Shareholders

Asciano Shareholders who are not residents of Australia for tax purposes should not be subject to Australian CGT in respect of the transfer of their Shares to the Acquirer under the Takeover Bid, provided they (together with their associates) did not hold 10% or more of the total number of Shares on issue as at the time of the CGT event or throughout a 12 month period that began no earlier than 24 months before the time of the CGT event.

Asciano Shareholders who are not residents of Australia for tax purposes and who have held (together with their associates) 10% or more of the total number of Shares on issue at any relevant time should seek their own independent professional advice on the application of Australia's CGT rules to the Takeover Bid.

Asciano Shareholders who are not residents of Australia for tax purposes should also obtain specific advice on the application of the laws of their country of residence (for tax purposes) in determining the tax consequences of the disposal of their Shares.

c. Stamp duty associated with the disposal of Shares under the Takeover Bid

Asciano Shareholders should not incur stamp duty costs in relation to the transfer of their Shares to the Acquirer or the receipt of BIP CDIs pursuant to the Takeover Bid.

d. Goods and services tax associated with the disposal of Shares under the Takeover Bid

No goods and services tax (**GST**) should be payable by Asciano Shareholders in relation to the disposal of Shares or the acquisition of the BIP CDIs.

GST may be imposed on taxable supplies (if any) obtained by Asciano Shareholders from third party suppliers (such as for advisor services) in connection with the Takeover Bid. The entitlement of Asciano Shareholders to claim input tax credits on these acquisitions (if any) may be restricted. GST registered entities should seek their own professional tax advice in this regard.

10.3. Income tax implications of holding BIP CDIs

a. Income tax treatment of BIP

BIP was established under the laws of Bermuda and is a publicly traded partnership on the NYSE and TSX. If the Takeover Bid becomes Effective, it is expected that BIP will also be listed (as a foreign exempt listing on the ASX). Bermuda does not impose any taxes on profits, income or dividends, nor is there any capital gains tax, estate duty or death tax.

From an Australian tax perspective, provided BIP is not a foreign hybrid limited partnership, BIP should be treated as a corporate limited partnership and should therefore be treated as a company and BIP CDIs should be treated as shares in a company for Australian income tax purposes.

For an Australian taxpayer that has an associate-inclusive control interest in BIP of at least 10%, foreign income earned by BIP may be attributed to such a taxpayer, as BIP may be a controlled foreign company for Australian income tax purposes. Accordingly, any Asciano Shareholder who, together with their associates, holds a 10% or more interest in BIP should seek further independent advice in relation to these matters.

b. Treatment of distributions

The tax treatment of a BIP distribution received by Asciano Shareholders in respect of their BIP CDIs following the Takeover Bid may vary depending on the nature and characteristics of each Asciano Shareholder and their specific circumstances. Accordingly, Asciano Shareholders should seek professional tax advice in relation to their particular circumstances. Depending on the future financial position of BIP, Asciano Shareholders may receive distributions from BIP following the Takeover Bid. These distributions should generally be treated as unfranked dividends for Australian income tax purposes.

In general terms, where a distribution is paid by BIP out of profits (as distinct from out of capital) in respect of BIP CDIs, such a distribution should be treated as Australian assessable income of:

- Asciano Shareholders who are Australian tax resident individuals; or
- Asciano Shareholders who are Australian tax resident companies that do not have, or have a right to acquire, at least a 10% interest in the voting power, capital or rights to distributions of BIP; or
- the trustee or the beneficiary, as the case may be, of Asciano Shareholders who are Australian tax resident trusts.

Asciano Shareholders may be entitled to an Australian foreign income tax offset against the Australian tax payable on assessable dividends for any foreign income tax withheld by BIP. Australian foreign income tax offsets will not be available in respect of withholding taxes paid by BIP's subsidiaries. Asciano Shareholders should seek independent advice in relation to their entitlement to foreign income tax offsets in respect of distributions received on BIP CDIs following the Takeover Bid.

Should an Asciano Shareholder wish to have a reduced rate of withholding tax applied to their distributions certain foreign tax declaration forms are required to be completed.

Where future distributions from BIP, in whole or in part, comprise a return of capital from BIP, generally, that component of the distribution should not constitute Australian assessable income and no foreign income tax offset would be available. The cost base and reduced cost base in an Asciano Shareholder's BIP CDIs should be reduced by an amount equal to the capital distribution received in respect of the BIP CDIs. This will be relevant for the purpose of calculating the Asciano Shareholder's net capital gain or loss on a later disposal.

c. Disposal of BIP CDIs by Australian residents

An Asciano Shareholder may wish to sell any BIP CDIs acquired under the Takeover Bid at a later time. A CGT event should happen to Asciano Shareholders who dispose of any BIP CDIs acquired under the Takeover Bid.

To determine the extent of any capital gain or capital loss on the disposal of the BIP CDIs, it will be necessary to have regard to the cost base of the BIP CDIs and the time of their acquisition. In general terms:

- the cost base of the BIP CDIs should be equal to the market value of the Shares exchanged under the Takeover Bid less any cash consideration received; and
- Asciano Shareholders should be taken to have acquired their BIP CDIs at the time they are issued.

Asciano Shareholders who are individuals, complying superannuation entities, trustees of trusts or (in limited circumstances) life insurance companies may be entitled to reduce the amount of any capital gain made on a future disposal of BIP CDIs acquired under the Takeover Bid. In order for the reduction to be available, the Asciano Shareholder must have held their BIP CDIs for at least 12 months before the date of disposal of the BIP CDIs. The CGT discount is applied only after available capital losses have been applied to reduce the capital gain.

The discount rate is 50% for individuals and trustees, and $33\frac{1}{3}$% for complying superannuation entities and life insurance companies.

The CGT discount is not available to Asciano Shareholders that are companies.

10.4. Income Tax Implications of exchanging BIP CDIs for BIP Interests

Where Australian resident holders of BIP CDIs convert their BIP CDIs into BIP Interests, this should not give rise to any CGT implications on conversion. This is on the basis that the conversion or exchange should not result in a change in beneficial ownership of the underlying BIP Interests and therefore should not result in a CGT event.

10.5. Special Dividend

If the Takeover Bid becomes unconditional, the Acquirer expects Asciano to pay a Special Dividend of up to A$0.90, to Asciano Shareholders who are registered in the Asciano Register as a holder of Shares on the Special Dividend Record Date.

The Special Dividend is expected to be fully franked.

a. Taxation implications for Australian resident Asciano Shareholders

Asciano has applied to the ATO for a class ruling for the benefit of resident Asciano Shareholders (the **ATO Tax Ruling**). It is expected that the ATO Tax Ruling, once issued, will confirm the tax treatment of the Special Dividend set out below. The Special Dividend will be assessable to Australian resident Asciano Shareholders.

Generally, the franking credits attached to the Special Dividend received directly by an Australian resident Asciano Shareholder will also be included in the assessable income of that Asciano Shareholder (i.e. the amount of a fully franked dividend is grossed up by the amount of the franking credits attached to the Special Dividend and this grossed up amount is included in the assessable income of the Asciano Shareholder).

A tax offset equal to the franking credits should then be available to offset or reduce the resulting tax liability. Individuals and complying superannuation entities may be entitled to a refund where the tax offset for any franked distribution exceeds their tax liability. Where the Asciano Shareholder is a corporate shareholder, franked dividends will generally give rise to a franking credit in the company's franking account.

To be eligible for the franking credit and tax offset, an Asciano Shareholder must generally satisfy the 'holding period rules'. In this case, this means the Shares in respect of the Special Dividend must be held 'at risk' for a continuous period of at least 45 days (not including the date of acquisition and the date of disposal of the Shares) within the relevant 'qualification period'.

An Asciano Shareholder will not be taken to have held the Shares 'at risk' where the Asciano Shareholder holds 'positions' (such as options or other hedging arrangements) which materially diminish the risks of loss or opportunities for gain in respect of those Shares by more than 70%. In relation to the Takeover Bid, Asciano Shareholders will not hold their Shares 'at risk' from the date on which the Offer becomes unconditional if they have accepted the Offer.

As a practical matter and applying the expected timetable, an Asciano Shareholder who holds their Shares at risk for a continuous period of at least 45 days during the period starting from 45 days prior to, and ending 45 days after, the day the Shares become ex dividend, should be entitled to franking credits attaching to the Special Dividend. The Shares should no longer be held at risk once the Offer becomes unconditional if they have accepted the Offer.

This issue is being addressed in the ATO Tax Ruling requested by Asciano and Asciano Shareholders should refer to the ATO Tax Ruling once it is published.

b. Taxation implications for non-resident Asciano Shareholders

To the extent that the Special Dividend is franked, the Special Dividend should not be subject to Australian dividend withholding tax and should not otherwise be subject to Australian tax for non-Australian resident Asciano Shareholders.

11.
ADDITIONAL INFORMATION

11 ADDITIONAL INFORMATION

11.1. Scheme of Arrangement

On 18 August 2015, Asciano announced that it had entered into a Scheme Implementation Deed with BIP which contemplated that the Acquirer would acquire all of the Shares by way of scheme of arrangement. The Scheme Booklet relating to the Scheme was approved in the Supreme Court of New South Wales on 29 September 2015. A copy of the Scheme Booklet was provided to the ASX on 30 September 2015 and is publicly available on the ASX company announcements platform. The Scheme Meeting was scheduled to be held on Tuesday 10 November 2015, but by orders of the Supreme Court of New South Wales on 8 November 2015, the Scheme Meeting has now been deferred until a date to be determined.

It is a condition of the Offer that the Scheme vote fails (see Section 12.8(g)). The Scheme is not conditional on the outcome of the Offer.

11.2. Implementation Deed

On 17 August 2015, Asciano and BIP entered into an Implementation Deed which set out the rights and obligations of Asciano and BIP in connection with the implementation of the Scheme. On 9 November 2015, the Implementation Deed was amended and restated to facilitate the Takeover Bid as well as the Scheme. A copy of the Implementation Deed was provided to the ASX on 9 November 2015 and is publicly available on the ASX company announcements platform.

A summary of the Implementation Deed follows:

a. Conditions

The Offer is subject to a number of Conditions which must be satisfied or waived before an unconditional contract can arise from acceptance of the Offer. These Conditions are summarised in Schedule 7 of the Implementation Deed and are set out in Section 12.8 of this Bidder's Statement.

As at the date of this Bidder's Statement, neither the Acquirer or BIP GP Directors are aware of any circumstances which would cause the outstanding Conditions not to be satisfied or (where applicable) waived.

Implementation of the Scheme is subject to a number of conditions which must be satisfied or waived (where capable of waiver) before the Scheme can be implemented and which are set out in clause 3 of the Implementation Deed. These conditions are summarised in Section 3.2 of the Scheme Booklet.

b. Conduct of business and access to information

Clause 8 of the Implementation Deed set out the obligations of each party applying from the date of the Implementation Deed up to and including the earlier of Completion of the Takeover Bid and the Implementation Date with respect to conduct of their respective businesses and access to information. Each party must, without limiting any other obligations under the Implementation Deed:

- conduct its businesses and operations in the ordinary and usual course consistent with the manner in which each such business and operations have been conducted in the 12 month period prior to the date of the Implementation Deed;
- keep the other informed of the conduct of their business;
- provide regular reports on the financial affairs of the Asciano Group (in the case of Asciano) and the BIP Group (in the case of Brookfield) in a timely manner to the other party;
- make all reasonable efforts to:
  - preserve and maintain the value of their respective businesses and assets;
  - keep available the services of their directors, officers and employees; and
  - maintain and preserve their relationships with Governmental Agencies, customers, suppliers and others having business dealings with any Asciano Group member (in the case of Asciano) (including, in the case of Asciano, using reasonable endeavours to obtain consents from third parties to any change of control provisions in any contracts or arrangements to which a member of the Asciano Group is a party);

- ensure, respectively, that no Asciano or Brookfield Prescribed Occurrence or Asciano Regulated Event (as defined in the Implementation Deed) occurs prior to the earlier of Completion of the Takeover Bid and the Implementation Date; and
- afford to the other and its Related Persons (including any Investigating Accountant) reasonable access to information, including financial, tax and other information about their respective business, or such senior executives of the other as reasonably requested at mutually convenient times, and afford the other reasonable co-operation for the purposes of or in connection with the Transaction(s); and
- in the case of Asciano, provide timely cooperation in connection with the arrangement or syndication of any acquisition, debt or equity financings by any member of the Brookfield Group as may be reasonably requested by BIP.

c. Exclusivity

Clause 15 of the Implementation Deed sets out the exclusivity obligations of Asciano in connection with the implementation of the Scheme. A summary of the key exclusivity obligations of Asciano during the Exclusivity Period is set out below:

1. (**no talk and no shop**) Asciano must not, and must ensure that each of its Related Persons does not, directly or indirectly, without the prior written consent of BIP:

- (**no shop**): solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or communicate to any person an intention to do any of the above; or
- (**no talk**): participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal; or participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Competing Proposal; or negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into any agreement, arrangement or understanding in connection with an actual, proposed or potential Competing Proposal; or disclose or otherwise provide any non-public information about the business or affairs of the Asciano Group to a Third Party (other than a Governmental Agency that has a right to obtain that information and has sought it) with a view to obtaining, or which would reasonably be expected to encourage or lead to receipt of an actual, proposed or potential Competing Proposal; or communicate to any person an intention to do anything referred to above.

  The no talk obligation is subject to a "fiduciary out" where, in the opinion of the Board, formed in good faith after receiving written advice from its external legal advisors, complying with that obligation would constitute, or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the Directors, provided that the actual, proposed or potential Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of the no shop obligations.

2. (**Notification of approaches**) Asciano must, as soon as possible, notify BIP in writing if it, or any of its Related Persons, becomes aware of any:

- negotiations or discussions, attempt or intention to initiate any discussions in relation to an actual or potential Competing Proposal;
- proposal made to Asciano or any of its Related Persons, in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal; or
- any provision of non-public information concerning a member of the Asciano Group to any Third Party in connection with an actual, proposed or potential Competing Proposal.

  A notification given must include the identity of the Third Party, including all the material terms relating to the actual, proposed or potential Competing Proposal.

3. (**Matching right**) Asciano must not enter into any binding legal agreement, arrangement or understanding pursuant to which a Third Party, Asciano or both proposes or propose to undertake or give effect to an actual, proposed or potential Competing Proposal and must use its best endeavours to procure that none of its directors change their recommendation in favour of either the Transactions to publicly recommend an actual, proposed or potential Competing Proposal (or recommend against either the Scheme or the Offer) unless the Asciano Board acting in good faith and in order to satisfy what the Directors consider to be their statutory or fiduciary duties (having received written advice from its external legal advisors) determines that a Competing Proposal would be or would be likely to be an actual, proposed or potential Superior Proposal, and:

- Asciano has complied with its obligation to notify BIP of the approach as summarised above;
- Asciano has given BIP at least 5 Business Days after the notification of the approach to provide a matching or superior proposal to the terms and conditions of the actual, proposed or potential Competing Proposal; and
- BIP has not announced a matching or superior counterproposal to the terms of the actual, proposed or potential Competing Proposal by the expiry of the 5 Business Day period.

  If BIP announces a counterproposal within those 5 Business Days and the Asciano Board considers, acting reasonably and in good faith, such counterproposal would provide an equivalent or superior outcome for Asciano Shareholders as a whole compared with the Competing Proposal (taking into account the terms and conditions), Asciano and BIP must use their best endeavours to implement BIP's counterproposal as soon as reasonably practicable, and Asciano must use its best endeavours to procure that the Asciano Board continues to recommend the Transaction(s) (as modified by the counterproposal).

d. Reimbursement fee arrangements

Clause 16 of the Implementation Deed sets out the circumstances with respect to which Asciano has agreed to pay a reimbursement fee of $88 million to BIP. The reimbursement fee will be payable if any one of the following events occurs:

1. during the Exclusivity Period, one or more Asciano Board Members withdraws, adversely revises or adversely qualifies his or her support of the Takeover Bid or his or her recommendation that Asciano Shareholders accept the Offer, or, having made that recommendation, withdraws, adversely revises or adversely qualifies that recommendation for any reason, unless:

- the Independent Expert Report, contained in the Target's Statement, or in any update, addendum or variation of that Independent Expert's Report concludes that the Takeover Bid is not fair and reasonable and:
  - that conclusion is not due wholly or partly to the existence, announcement or publication of a Competing Proposal; and
  - that conclusion is primarily due to a decrease in the Australian dollar value of BIP Interests; and
  - the AUD Value of a BIP Interest has been equal to or less than A$45.20 for any 5 consecutive trading days within the three weeks prior to the date of the update, addendum or variation of Independent Expert's Report; or
- Asciano was, at the time Brookfield terminated the deed, entitled to terminate the Implementation Deed as a result of a material breach of a Brookfield Representation and Warranty, or the occurrence of a Brookfield Material Adverse Change or Brookfield Prescribed Occurrence;

2. during the Exclusivity Period, one or more Asciano Board Members withdraws, adversely revises or adversely qualifies his or her support of the Scheme or his or her recommendation that Asciano Shareholders (other than the Acquirer) vote in favour of the Scheme or, having made such a recommendation, withdraws, adversely revises or adversely qualifies that recommendation for any reason unless:

- the Independent Expert concludes (in the Independent Expert's Report, as contained in the Scheme Booklet but not in any update, addendum or variation of either Independent Expert's Report) that the Scheme is not in the best interest of Asciano Shareholders (except where that conclusion is due wholly or partly to the existence, announcement or publication of a Competing Proposal); or
- the Independent Expert concludes in any update, addendum or variation of the Independent Expert's Report that the Scheme is not in the best interests of Asciano Shareholders and:
  - that conclusion is not due wholly or partly to the existence, announcement or publication of a Competing Proposal;
  - that conclusion is primarily due to a decrease in the Australian dollar value of BIP CDIs; and
  - the AUD Value of a BIP Interest has been equal to or less than A$45.20 for any 5 consecutive trading days within the three weeks prior to the date of the update, addendum or variation of the Independent Expert's Report; or
- Asciano was, at the time BIP terminated the deed, entitled to terminate the Implementation Deed as a result of a material breach of a Brookfield Representation and Warranty, or the occurrence of a Brookfield Material Adverse Change or Brookfield Prescribed Occurrence; or
- at the time of the withdrawal, adverse revision or adverse qualification the Scheme vote condition to the Scheme had become incapable of satisfaction or there was no reasonable prospect of the Scheme Meeting being held (provided that at the time no Asciano Board member had withdrawn, adversely revised or adversely qualified his or her support for the Offer);

3. BIP terminates the Implementation Deed for material breach by Asciano;
4. one or more Asciano Board Members recommends that Asciano Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Director's Shares) a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) between the date of the Implementation Deed and the end of the Exclusivity Period; or
5. a Competing Proposal of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-conditions) and, within 12 months of the date of such announcement, the Third Party or any Associate of that Third Party, completes a Competing Proposal, acquires control of Asciano, or Asciano has entered into an agreement with such Third Party which requires Asciano to abandon or otherwise fail to proceed with the Scheme or Takeover Bid.

Asciano's total liability under the agreement is capped at the amount of the reimbursement fee and Asciano will not be required to pay (and will be entitled to a refund to the extent that it has already paid) the reimbursement fee if Completion of either the Scheme or the Takeover Bid occurs, notwithstanding the occurrence of any of the trigger events set out above.

e. Representations and warranties

BIP, in Schedule 2 to the Implementation Deed, and Asciano in Schedule 3 to the Implementation Deed, have each given representations and warranties to the other, customary for a transaction of this nature.

f. Termination rights

Clause 17 of the Implementation Deed sets out the termination rights of each party. These are summarised below.

1. **Termination by either party**

   Either party may terminate the Implementation Deed if:

- at any time before 8:00am (Sydney time) on the Second Court Date, or before the close of the Offer Period (**Cut-off Time**), the other party has materially breached and failed to remedy that breach within 5 Business Days after the date on which the party entitled to terminate gave written notice of the breach to the party in breach, other than in respect of a breach of a representation and warranty of either party;
- at any time before the Cut-off Time if the Court or another government agency (including any other court) has taken any action permanently restraining or otherwise prohibiting or preventing both of the Transactions, or has refused to do anything necessary to permit at least one of the Transactions to proceed, and the action or refusal has become final and cannot be appealed or reviewed;
- where the conditions of both the Scheme and the Takeover Bid are unable to be satisfied as per clause 3.5 of the Implementation Deed;

- if the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date and the Acquirer withdraws the Offer for the Takeover Bid or the Offer for the Takeover Bid lapses for any reason, including non-satisfaction of a Condition;
- at any time prior to the Cut-off Time, the other party is in breach of a representation and warranty and the relevant breach is material in the context of the Transactions taken as a whole and continues to exist 5 Business Days (or any shorter period ending at 5:00pm (Sydney time) on the Business Day before the Second Court Date) after the date on which written notice is given of the breach.

2. Termination by BIP

BIP may terminate the Implementation Deed at any time before 8:00am (Sydney time) on the Second Court Date if:

- an Asciano Material Adverse Change or an Asciano Prescribed Occurrence occurs; or
- any Director fails to recommend the Scheme or any Asciano Board Member withdraws, adversely revises or adversely modifies his or her recommendation that Asciano Shareholders (other than the Acquirer) vote in favour of the Scheme or any Asciano Board Member makes a public statement indicating that he or she no longer recommends the Scheme or recommending, supporting or endorsing another transaction (including any Competing Proposal but excluding the Takeover Bid) (provided that an Asciano Board Member shall not be taken to have triggered this termination right merely because the Scheme vote condition to the Scheme has become incapable of satisfaction or there is no reasonable prospect of the Scheme Meeting being held and he or she makes a statement modifying his or her recommendation to vote in favour of the Scheme in a way which indicates that, while the Scheme remains recommended as an outcome which is in the best interests of Asciano Shareholders, in his or her view the Scheme vote condition to the Scheme has become incapable of satisfaction or there is no reasonable prospect of the Scheme Meeting being held, provided further that at the relevant time no Asciano Board member has withdrawn, adversely revised or adversely qualified his or her support for the Offer).
- Any Asciano Director fails to recommend the Takeover Bid or any Asciano Board Member withdraws, adversely revises or adversely modifies his or her recommendation that Asciano Shareholders (other than the Acquirer) accept the Offers or any Asciano Board Member makes a public statement indicating that he or she no longer recommends the Takeover Bid or recommending, supporting or endorsing another transaction (including any Competing Proposal excluding the Scheme).

3. Termination by Asciano

Asciano may terminate the Implementation Deed at any time before 8:00am (Sydney time) on the Second Court Date if:

- a Brookfield Material Adverse Change or a Brookfield Prescribed Occurrence occurs; or
- the Asciano Board or a majority of the Asciano Board has changed, withdrawn or modified its recommendation in accordance with clause 4.6 of the Implementation Deed and Asciano has complied with any obligations to pay the reimbursement fee.

11.3. Foreign Investment Review Board approval

The Acquirer is a foreign person under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**).

Accordingly, the Offer and any contract formed on acceptance of the Offer are conditional on the approval of the Foreign Investment Review Board (**FIRB**). Approval will not be given to the Offer if the Treasurer of the Commonwealth of Australia, on advice from FIRB, considers that the result of the takeover will be contrary to the Australian public interest.

The Acquirer has given notification of the Offer to FIRB under the FATA and has provided FIRB with a detailed submission.

The Acquirer is confident that the transaction is consistent with the Government's foreign investment policy and expects FIRB approval to be given in due course if the ACCC condition referred to below is satisfied.

11.4. Australian Competition and Consumer Commission approval

Section 50 of the *Competition and Consumer Act 2010* (Cth) (**CCA**) prohibits any merger which has, or is likely to have, the effect of substantially lessening competition in a substantial market in Australia. The Australian Competition and Consumer Commission (**ACCC**), which is responsible for administering the CCA, is undertaking a review of the Acquirer's proposed acquisition of all the Shares in the context of that prohibition.

The Acquirer is not required to lodge any formal notification with the ACCC in relation to the Offer. However, the Acquirer filed for an informal review of the Scheme on 31 July 2015. The ACCC has indicated in an indicative timeline on its website that an announcement in relation to the Offer is expected to be made on 17 December 2015.

The Acquirer has made further and updated submissions to the ACCC in relation to the Offer as to the likely effect of the proposed merger, and has sought confirmation from the ACCC that it will not seek to intervene in respect of the proposed acquisition.

In response to the ACCC's announcement on 26 November 2015 that it had decided not to accept BIP's proposed undertakings, the Acquirer is considering other options including structural undertakings to address the ACCC's concerns.

Accordingly, the Offer and any contract formed on acceptance of the Offer is conditional on the ACCC not preventing the acquisition of Shares by the Acquirer. BIP is considering various options, including structural undertakings to address the ACCC's concerns. Structural undertakings, if given, could have an adverse effect on the Combined Group and/or BIP.

Unless you are able to withdraw your acceptance in the circumstances set out in this Bidder's Statement, if you accept the Offer before the ACCC condition in Section 12.8(a)(2) is satisfied or waived, you will be unable to accept into a competing takeover bid (if one arises) or otherwise deal with Your Shares.

11.5. Overseas Investment Office approval

As Asciano operates in New Zealand, and the Acquirer is an overseas person under the Overseas Investment Act 2005 (NZ), the Acquirer has applied to the New Zealand Overseas Investment Office for consent to the acquisition of Asciano. The Acquirer lodged the necessary application on 7 August 2015 and is not aware of any reason why the New Zealand Overseas Investment Office would object to the Offer.

The Offer is subject to a condition that, before the end of the Offer Period the Acquirer obtains all consents, approvals and clearances required under the *Overseas Investment Act 2005* (NZ) and the *Overseas Investment Regulations 2005* (NZ) to the proposed acquisition by the Acquirer of Asciano.

11.6. Date for determining holders of Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Record Date.

11.7. Consents

This Bidder's Statement contains statements made by, or statements said to be based on statements made by, BIP and BIP GP. Each of BIP and BIP GP have consented to the inclusion of:

- each statement it has made; and
- each statement which is said to be based on a statement it has made,

in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Bidder's Statement.

The following parties have given and have not, before the time of registration of this Bidder's Statement by ASIC, withdrawn their written consent to be named in this Bidder's Statement in the form and context in which they are named:

- Herbert Smith Freehills as Australian legal advisor to the Acquirer;
- Citi and Macquarie Capital, as Financial Advisors to the Acquirer;
- Deloitte as Investigating Accountant; and
- Computershare Investor Services Pty Ltd as BIP Registry.

None of Herbert Smith Freehills, Citi, Macquarie Capital, Deloitte and Computershare have made any statement that is included in this Bidder's Statement, or any statement on which a statement in this bidders statement is based, except as stated in this Section 11.7, and except as set out below each of them expressly disclaims and takes no responsibility for any statements in or omissions from this Disclosure Document. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which consent is given in this Section 11.7.

Deloitte has given and has not, before the date of this Bidder's Statement, withdrawn its written consent to the inclusion of its Investigating Accountant's Report in this Bidder's Statement in the form and context in which it is included and to all references in this Bidder's Statement to that report in the form and context in which they appear.

Asciano has given, and has not withdrawn before the date of this Bidder's Statement, its consent to be named in this Bidder's Statement in the form and context in which it is named and its consent to the inclusion of the Asciano Information, including the information contained in the "Important Notices" Section entitled "Disclaimer as to the Asciano and Combined Group Information", information provided by Asciano for reasons 1 and 3 of the Section entitled "Why you should accept the Offer", subsection 1.6 of the "Summary of the Offer", Sections 4 and 5 and other information provided to Brookfield and used by Brookfield for the purposes of this Bidder's Statement or obtained from Asciano's public filings on the ASX or ASIC contained in, or used in the preparation of, the information regarding the Combined Group in reason 5 of the "Why you should Accept this offer" Section and Sections 7, 8 and 9 of this Bidder's Statement.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to the ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge), during the bid period, please contact Computershare on 1300 395 895. Calls to this number will be recorded.

As permitted by ASIC Class Order 13/523, this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

11.8. Disclaimers

Each person in Section 11.7:

a. does not make, or purport to make, any statement in this Bidder's Statement other than those statements made in the capacity and to the extent that the person has provided its consent, as referred to above; and

b. to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of the Bidder's Statement other than as described.

11.9. Foreign shareholders and Small Parcel Shareholders

Asciano Shareholders who are Foreign Shareholders or, subject to Section 12.7(e), Small Parcel Shareholders will not be entitled to receive BIP CDIs as consideration for their Shares pursuant to the Offer, unless the Acquirer otherwise determines in its absolute discretion.

An Asciano Shareholder is a Foreign Shareholder for the purposes of the Offer if their address as shown in the register of members of Asciano is in a jurisdiction other than Australia or its external territories, Canada or New Zealand or their address as shown in the register of members of Asciano is in the United States (or where the Acquirer has reasonable grounds to believe such person is holding shares for the account or benefit of a person whose address is in the United States). However, such a person will not be a Foreign Shareholder if the Acquirer is satisfied that it is not legally or practically constrained from making the Offer to an Asciano Shareholder in the relevant jurisdiction or from issuing BIP CDIs to such a Shareholder on acceptance of the Offer, and that it is lawful for the Shareholder to accept the Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Bidder's Statement, the Acquirer is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

An Asciano Shareholder is a Small Parcel Shareholder if the total number of shares held by it is less than a Small Parcel.

The BIP CDIs which would otherwise have been issued to Foreign Shareholders and, subject to Section 12.7(e), Small Parcel Shareholders will instead be issued to a Nominee approved by ASIC, who will sell these shares pursuant to the procedure set out in Section 12.7.

The net proceeds of the sale of such shares will then be remitted to the relevant Foreign Shareholders and Small Parcel Shareholders. See Section 12.7 for further details.

11.10. Social security and superannuation implications of Offer

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

11.11. ASIC declarations

ASIC has made the following declarations in respect of the Takeover Bid:

- to give relief in relation to the minimum bid price rule to allow valuation of BIP CDIs comprising part of the bid consideration by reference to the price of the underlying BIP Interests trading on NYSE, by way of variation of ASIC class order 00/2338; and
- to give relief in relation to the modification of the terms of the Takeover Bid to clarify (a) that the condition in Section 12.8(a)(1) is a condition precedent and operates in the matter set out in Section 12.9(a), (b) that Shareholders will retain the benefit of the Special Dividend (if any) and that the Acquirer will not be entitled to deduct amounts from the Consideration for the value of franking credits; and (c) the description of the statutory quotation condition in Section 12.11(e).

Further, the Acquirer has applied for ASIC relief in respect of the operation of section 619(4) of the Corporations Act as inserted by ASIC Class Order 13/521 to modify the operation of ASIC Class Order 13/521 to clarify how BIP CDIs are to be valued for the purpose of treatment of Small Parcel Shareholders under the Offer.

11.12. Minimum Bid Price valuation

ASIC has published various "Class Order" instruments providing for modifications and exemptions that apply generally to all persons, including the Acquirer, in relation to the operation of chapter 6 of the Corporations Act.

Among others, for the purposes of the offer, the Acquirer may rely on the provisions of ASIC Class Order 00/2338 entitled 'Relief from the Minimum Bid Price Principle – 621(3)', as amended by the ASIC relief referred to in section 11.11 above.

The Class Order provides relief from the requirement in section 621(4) of the Corporations Act and allows a bidder to nominate a date up to five Business Days before the date of the Takeover Bid for the purposes of valuing quoted securities that it is offering as part of its bid consideration.

Relying on the relief, the Acquirer may value BIP CDIs to be provided as consideration under the Offer at any time nominated by the Acquirer (the Valuation Time) up to five Business Days before the date of the Offer. The valuation is determined by calculating the VWAP of BIP Interests in the ordinary course of trading on NYSE during the two full trading days before the Valuation Time (and the two trading days may not commence until after 5 trading days after the date of the Original Bidder's Statement).

In accordance with section 621(4A) (as inserted by ASIC Class Order 00/2338, as amended by the ASIC relief referred to in section 11.11 above) the following information is provided:

- the valuation of BIP Interests under section 621(4) is A$54.40 per BIP Interest;[72]
- the Valuation Time is 10am (Sydney time) on 7 December 2015; and
- the trading days on which valuation is based are 3 December 2015 and 4 December 2015 (New York time).

Note that if the valuation so determined had been less the Reference Price, the minimum bid price Condition to the Offer would become incapable of being satisfied (although if this occurred the Implementation Deed contains provisions relating to the making of a further offer).

11.13 Disclosure of interests of certain persons

Other than as set out below or elsewhere in this Bidder's Statement no:

- director or proposed director of the Acquirer;
- person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- promoter of the Acquirer; or

72 Based on the 2-day VWAP of US$39.90 per BIP Interest on the NYSE on 3 December 2015 and 4 December 2015, and the AUD/USD exchange rate of 0.7334 as quoted at 10:00am (Sydney time) on 7 December 2015.

- underwriter to the issue of BIP CDIs or financial services licensee named in this Bidder's Statement as being involved in the issue of BIP CDIs,

(together, the Interested Persons) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in:

- the formation or promotion of the Acquirer;
- property acquired or proposed to be acquired by the Acquirer in connection with its formation or promotion, or the offer of BIP CDIs under the Offer; or
- the offer of BIP CDIs under the Offer.

11.14. Disclosure of fees and benefits received by certain persons

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- to a director or proposed director of the Acquirer to induce them to become, or to qualify as, a director of the Acquirer;
- for services provided by an Interested Person in connection with the formation or promotion of the Acquirer or the offer of BIP CDIs under the Offer.

The persons named in this Bidder's Statement as performing a function in a professional or advisory capacity in connection with the Offer and with the preparation of the Bidder's Statement on behalf of the Acquirer are Herbert Smith Freehills as Australian legal advisor, Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) and Macquarie Capital (Australia) Limited (ABN 79 123 199 548) as Financial Advisors to the Acquirer, Deloitte as Investigating Accountant and Computershare Investor Services Pty Ltd as the BIP Registry. None of these people are making the offer of BIP CDIs.

The fee for professional services paid or payable to Herbert Smith Freehills as Australian legal advisor is approximately A$4 million and to Torys LLP as Canadian and U.S. legal advisor is approximately US$800,000. The fee for professional services paid or payable to Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) and Macquarie Capital (Australia) Limited (ABN 79 123 199 548) as financial advisors to the Acquirer is up to A$10 million each. The fees payable to Herbert Smith Freehills, Torys LLP, Citigroup Global Capital Markets Australia Pty Ltd and Macquarie Capital (Australia) Limited, are inclusive of the fees payable to those advisors in connection with the Scheme and disclosed in the Scheme Booklet. The fee for professional services paid or payable to Deloitte as Investigating Accountant in connection with the Bidder's Statement is approximately A$350,000. The fee for professional services paid or payable to Computershare Investor Services Pty Limited for services provided as the BIP registry is A$165,000.

11.15. Disclosure of interests of directors

a. Interests in BIP Interests

As at 23 November 2015, the directors of the Acquirer had the following relevant interests in BIP Interests:

Director	Class of security	Number	Nature of Relevant Interest
Jeff Kendrew	Limited Partnership Units	1,301.910088	Beneficially held

b. Interests in Shares

As at the date of this Bidder's Statement, the directors of the Acquirer did not hold any Relevant Interests in Asciano securities.

11.16. Expiry date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

11.17. Qube Consortium proposal

On 10 November 2015, Qube Holdings Limited (**Qube**) submitted a non-binding, indicative and highly conditional proposal on behalf of the Qube Consortium to acquire Asciano for what the Qube Consortium proposal has suggested was an implied value of $9.25 per share (**Qube Proposal**).[73] The Qube Proposal was conditional on, among other things, a period of due diligence and provided no proposed structure for the acquisition. As at the date of this Bidder's Statement, Qube has not made an offer to acquire Your Shares, and it is not known whether it will do so in the future.[74]

As at the date of this Bidder's Statement, the Offer from the Acquirer is the only offer available to Asciano Shareholders and the Asciano Board has unanimously recommended that you accept the Offer in the absence of a Superior Proposal.

11.18. Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

a. material to the making of a decision by an Asciano Shareholder whether or not to accept the Offer; and
b. known to the Acquirer,

which has not previously been disclosed to Asciano Shareholders.

73 See Qube Announcement, paragraph 1 and AIO Qube Announcement, paragraph 1.

74 See Qube Announcement, section titled "Process" and AIO Qube Announcement, paragraphs titled "Conditions" and "Not legally binding".

12.
THE TERMS AND CONDITIONS OF THE OFFER

12. THE TERMS AND CONDITIONS OF THE OFFER

12.1. Offer

a. The Acquirer offers to acquire all of Your Shares on and subject to the terms and conditions set out in this Section 12. You may only accept the Offer for all of the Shares that you hold.

b. The Consideration under the Offer is A$6.9439 cash (reduced by the cash value of any Special Dividend paid) and 0.0387 BIP CDIs per Share. If this calculation results in an entitlement to a fraction of a BIP CDI, that fraction will be rounded down to the next whole number of BIP CDIs. If it results in an entitlement to a fraction of a cent, that fraction will be rounded down to the next whole cent.

c. If, at the time this Offer is made to you, you are a Foreign Shareholder or, subject to Section 12.7(e), a Small Parcel Shareholder, you will not receive BIP CDIs unless the Acquirer otherwise determines at its absolute discretion. Instead, you are offered and will receive a cash amount determined in accordance with Section 12.7 of this Bidder's Statement.

d. The BIP CDIs to be issued are CHESS Depositary Instruments, which represent an interest in the underlying foreign security (being a BIP Interest) and will confer a beneficial interest in that BIP Interest. BIP CDIs will have the rights summarised in Section 3.5.

e. By accepting this Offer, you undertake to transfer to the Acquirer not only the Shares to which the Offer relates, but also all Rights attached to those Shares (see Section 12.5(c)(6) and Section 12.6(c)).

f. This Offer is being made to each person, except the Acquirer, registered as the holder of Shares in the Asciano Register of shareholders at 7:00pm (Sydney time) on the Record Date. It also extends (1) to any person who becomes registered, or entitled to be registered, as the holder of Your Shares during the Offer Period; and (2) to any Shares that are issued between that date and the end of the Offer Period as a result of the conversion of, or exercise of rights attached to, other securities that are convertible into Shares (including as a result of the exercise of Asciano Performance Rights) that are on issue at the Record Date.

g. If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of Your Shares, then:

   1. a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Shares; and
   2. a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other Shares you hold to which the Offer relates; and
   3. this Offer will be deemed to have been withdrawn immediately at that time.

h. If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call Computershare on 1300 395 895 (if within Australia) or +61 3 9415 4079 (if outside Australia) to request those additional copies.

i. If Your Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.

j. The Offer is dated 10 December 2015.

12.2. Offer Period

a. Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7:00pm (Sydney time) on the later of:

   1. 11 January 2016; or
   2. any date to which the close of the Offer Period is extended.

b. The Acquirer reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

c. If, within the last 7 days of the Offer Period, either of the following events occurs:
   1. the Offer is varied to improve the Consideration offered; or
   2. The Acquirer's voting power in Asciano increases to more than 50%,

then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act (subject to any further permitted extension).

12.3. How to accept this Offer

a. General

1. Subject to Section12.1(g) and Section 12.1(h) you may only accept this Offer for all of Your Shares.
2. You may accept this Offer at any time during the Offer Period.

b. Shares held in your name on Asciano's issuer sponsored subregister

To accept this Offer for Shares held in your name on Asciano's issuer sponsored sub register (in which case your Securityholder Reference Number will commence with 'I'), you must:

1. complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
2. ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is sent and postmarked before the end of the Offer Period, to one of the addresses shown on the Acceptance Form.

c. Shares held in your name in a CHESS holding

1. If Your Shares are held in your name in a CHESS holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (for Asciano shareholders who are not institutions, this is normally the stockbroker either through whom you bought your Shares or through whom you ordinarily acquire shares on the ASX) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
2. If Your Shares are held in your name in a CHESS holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
3. Alternatively, to accept this Offer for Shares held in your name in a CHESS holding (in which case your Holder Identification Number will commence with 'X'), you may sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is sent and postmarked before the end of the Offer Period, to one of the addresses shown on the Acceptance Form.
4. If Your Shares are held in your name in a CHESS holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

d. Shares of which you are entitled to be registered as holder

To accept this Offer for Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

1. complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
2. ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is sent and postmarked before the end of the Offer Period, to one of the addresses shown on the Acceptance Form.

e. Acceptance Form and other documents

1. The Acceptance Form forms part of the Offer.
2. If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by The Acquirer at one of the addresses shown on the Acceptance Form before the end of the Offer Period.
3. If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by facsimile, it will be deemed to be received in time if the facsimile transmission is received (evidenced by a confirmation of successful transmission) before the end of the Offer Period, but you will not be entitled to receive the Consideration to which you are entitled until your original Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received at one of the addresses shown on the Acceptance Form.
4. When using the Acceptance Form to accept this Offer in respect of Shares in a CHESS holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received by The Acquirer in time for The Acquirer to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
5. The postage and transmission of the Acceptance Form and other documents is at your own risk.

f. American Depositary Receipts

1. Asciano maintains a sponsored Level 1 American Depositary Receipt (**ADR**) program with Deutsche Bank Trust Company Americas. Each ADR evidences the beneficial interest in two Share deposited with Deutsche Bank Trust Company Americas. ADRs may not be tendered under the Offer. However, holders of ADRs who want to participate in the Offer, may do so by

following the normal ADR cancellation process in order to obtain the underlying Shares, which can then be tendered in the Offer. The cancellation process may take several days, and holders of ADRs should take this additional time requirement into account when making their decision to participate in the Offer.

2. Costs and fees incurred in the course of the cancellation of ADRs will not be subject to reimbursement. The same applies to fees and costs incurred for a re-deposition of Shares in the ADR facility in the event the Offer should be terminated.

12.4. Validity of acceptances

a. Subject to this Section 12.4, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in Section 12.3
b. The Acquirer will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. The Acquirer is not required to communicate with you prior to or after making this determination. The determination of the Acquirer will be final and binding on all parties.
c. Notwithstanding Sections 12.3(b), 12.3(c), 12.3(d)and 12.3(e), the Acquirer may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your Shares, even if a requirement for acceptance has not been complied with but the payment of the Consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by the Acquirer.
d. Where you have satisfied the requirements for acceptance in respect of only some of Your Shares, the Acquirer may, in its sole discretion, regard the Offer to be accepted in respect of those of Your Shares but not the remainder.
e. The Acquirer will provide the Consideration to you in accordance with Section 12.6, in respect of any part of an acceptance determined by the Acquirer to be valid.

12.5. The effect of acceptance

a. Once you have accepted the Offer, you will be unable to revoke your acceptance. The contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Shares from the Offer or otherwise dispose of Your Shares, except as set out in Section 12.9(a) and as follows:
   1. if, by the relevant time specified in Section 12.5(b), the conditions in Section 12.8 have not all been fulfilled or freed, this Offer will automatically terminate and Your Relevant Shares will be returned to you; or
   2. if the Offer Period is extended for more than one month and the obligations of the Acquirer to deliver the Consideration are postponed for more than one month and, at the time, this Offer is subject to one or more of the conditions in Section 12.8, you may be able to withdraw your acceptance and Your Shares in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
b. The relevant time for the purposes of Section 12.5(a)(1) is the end of the Offer Period.
c. By signing and returning the Acceptance Form, or otherwise accepting this Offer pursuant in Section 12.3, you will be deemed to have:
   1. accepted this Offer (and any variation of it) in respect of, and, subject to all of the conditions to this Offer in Section 12.8 being fulfilled or freed, agreed to transfer to the Acquirer, Your Shares (even if the number of Shares specified on the Acceptance Form differs from the number of Your Shares), subject to Section 12.1(g) and Section 12.1(h);
   2. represented and warranted to the Acquirer, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of Your Shares (including any Rights) to the Acquirer is registered, that all Your Shares are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in Your Shares (including any Rights) to the Acquirer, and that you have paid to Asciano all amounts which at the time of acceptance have fallen due for payment to Asciano in respect of Your Shares;
   3. irrevocably authorised the Acquirer (and any director, secretary, nominee or agent of the Acquirer) to alter the Acceptance Form on your behalf by inserting correct details relating to Your Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by the Acquirer to make it an effective acceptance of this Offer or to enable registration of Your Shares in the name of the Acquirer;
   4. if you signed the Acceptance Form in respect of Shares which are held in a CHESS holding, irrevocably authorised the Acquirer (or any director, secretary, nominee or agent of the Acquirer) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of Your Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
   5. if you signed the Acceptance Form in respect of Shares which are held in a CHESS holding, irrevocably authorised the Acquirer (or any director, secretary, nominee or agent of the Acquirer) to give any other instructions in relation to Your Shares to your Controlling Participant, as determined by the Acquirer acting in its own interests as a beneficial owner and intended registered holder of those Shares;
   6. irrevocably authorised and directed Asciano to pay to the Acquirer, or to account to the Acquirer for, all Rights in respect of Your Shares, subject, if this Offer is withdrawn, to the Acquirer accounting to you for any such Rights received by the Acquirer;
   7. irrevocably authorised the Acquirer to notify Asciano on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Shares is the address specified by the Acquirer in the notification;
   8. with effect from the time and date on which all the conditions to this Offer in Section 12.8 have been fulfilled or freed, to have irrevocably appointed the Acquirer (and any director, secretary or nominee of the Acquirer) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to Your Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate

representative, at all general meetings and all court-convened meetings of Asciano and to request Asciano to register, in the name of the Acquirer or its nominee, Your Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable) provided that, to avoid doubt, this provision does not extend to voting at the Scheme Meeting;

9. with effect from the date on which all the conditions to this Offer in Section 12.8 have been fulfilled or freed, to have agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting or any court-convened meeting of Asciano or to exercise or purport to exercise any of the powers and rights conferred on the Acquirer (and its directors, secretaries and nominees) in Section 12.5(c)(8), provided that, to avoid doubt, this provision does not extend to voting at the Scheme Meeting;
10. agreed that in exercising the powers and rights conferred by the powers of attorney granted under Section 12.5(c)(8), the attorney will be entitled to act in the interests of the Acquirer as the beneficial owner and intended registered holder of Your Shares;
11. agreed to do all such acts, matters and things that the Acquirer may require to give effect to the matters the subject of this Section 12.5(c) (including the execution of a written form of proxy to the same effect as this Section 12.5(c) which complies in all respects with the requirements of the constitution of Asciano) if requested by the Acquirer;
12. agreed to indemnify the Acquirer in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of Your Shares to The Acquirer being registered by Asciano without production of your Holder Identification Number or your Securityholder Reference Number for Your Shares;
13. represented and warranted to the Acquirer that, unless you have notified it in accordance with Section 12.1(h), Your Shares do not consist of separate parcels of Shares;
14. irrevocably authorised the Acquirer (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer Your Shares to the Acquirer's Takeover Transferee Holding, regardless of whether it has paid the Consideration due to you under this Offer;
15. agreed, subject to the conditions of this Offer in Section 12.8 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that the Acquirer may consider necessary or desirable to convey Your Shares registered in your name and Rights to the Acquirer;
16. agreed to accept the BIP CDIs to which you have become entitled by acceptance of this Offer subject to the constituent documents of BIP and have authorised your name to be placed on the register of holders of BIP CDIs in respect of those BIP CDIs; and
17. acknowledged and agreed that if the Acquirer believes that you are a Foreign Shareholder or, subject to Section 12.7(e), a Small Parcel Shareholder you will not be entitled to BIP CDIs as consideration for Your Shares pursuant to the Offer and your shares will be sold pursuant to the procedure set out in Section 12.7 unless the Acquirer otherwise determines in its absolute discretion.

d. The undertakings and authorities referred to in Section 12.5(c) will remain in force after you receive the Consideration for Your Shares and after the Acquirer becomes registered as the holder of Your Shares.

12.6 Payment of consideration

a. Subject to this Section 12.6, Sections 12.4(b), 12.7 and 12.8 and the Corporations Act, the Acquirer will provide the Consideration due to you for Your Shares on or before the earlier of:
   1. one month after the date of your acceptance or, if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional; and
   2. 21 days after the end of the Offer Period.

b. Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
   1. if that document is given with your Acceptance Form, the Acquirer will provide the Consideration in accordance with Section 12.6(a);
   2. if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, the Acquirer will provide the Consideration due to you on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
   3. if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, the Acquirer will provide the Consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period;
   4. if that document is given after the end of the Offer Period, and the Offer is not subject to a defeating condition, the Acquirer will provide the Consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, the Acquirer will provide the Consideration due to you within 21 days after the Offer becomes unconditional.

c. If you accept this Offer, the Acquirer is entitled to all Rights in respect of Your Shares. The Acquirer may require you to provide all documents necessary to vest title to those Rights in the Acquirer, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to the Acquirer, or if you have (or any previous owner of Your Shares has) received the benefit of those Rights the Acquirer will deduct from the Consideration otherwise due to you the amount (or value, as reasonably assessed by the Acquirer) of those Rights.

d. If you have accepted the Offer and the Acquirer believes you are a Foreign Shareholder, you will receive your share of the proceeds from the sale of the BIP CDIs in accordance with Section 12.7.

e. Payment of any cash amount to which you are entitled under the Offer will be made by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) to the address as shown either, at the discretion of the Acquirer, on your Acceptance Form, or on the register copy supplied by Asciano from time to time.

f. The obligation of the Acquirer to issue and allot any BIP CDIs to which you are entitled will be satisfied by the Acquirer:

   1. causing your name to be entered on the register of CDI holders; and
   2. dispatching or procuring the dispatch to you by pre-paid post to your address recorded in Asciano's register of members at 7:00pm (Sydney time) on the Record Date, an uncertificated holding statement in your name. If Your Shares are held in a joint name, an uncertificated holding statement will be issued in the name of, and forwarded to, the holder whose name appears first in Asciano's register of members at 7:00pm (Sydney time) on the Record Date.

g. If at the time you accept the Offer, any authority, clearance or approval is required for you to receive any Consideration for Your Shares, including (but not limited to) any authority, clearance or approval of:

   1. the Reserve Bank of Australia (whether under the Banking (Foreign) Exchange Regulations 1959 (Cth) or otherwise);
   2. the Minister for Foreign Affairs (whether under the Charter of the United Nations Act 1945 (Cth), the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth) or any other regulations made thereunder), or otherwise;
   3. the ATO; or
   4. any other person as required by any other law of Australia that would make it unlawful for the Acquirer to provide any Consideration for Your Shares,

then you will not be entitled to receive any Consideration for Your Shares until all requisite authorities, clearances or approvals have been received by the Acquirer.

12.7 Foreign Shareholders and Small Parcel Shareholders

a. If you are a Foreign Shareholder or, subject to paragraph (e) below, a Small Parcel Shareholder, you will not be entitled to receive BIP CDIs as the Consideration for Your Shares as a result of accepting this Offer (unless the Acquirer determines otherwise in its absolute discretion), and the Acquirer will:

   1. arrange for the issue to a nominee approved by ASIC (the **Nominee**) of the BIP CDIs to which you and all other Foreign Shareholders and Small Parcel Shareholders would have been entitled but for clause 12.1(c) and the equivalent provision in each other offer under the Offer;
   2. cause the BIP CDIs so issued to be offered for sale by the Nominee on the ASX as soon as practicable and otherwise at such time or times and in the manner, at the price and on such other terms and conditions as are determined by the Nominee; and
   3. cause the Nominee to pay to you the amount ascertained in accordance with the formula:

$$\frac{(N \times YS)}{TS}$$

   where:

   '**N**' is the amount which is received by the Nominee upon the sale of all BIP CDIs under this clause 12.7 less brokerage and sale expenses;

   '**YS**' is the number of BIP CDIs which would, but for clause 12.1(c), otherwise have been allotted to you; and

   '**TS**' is the total number of BIP CDIs allotted to the Nominee under this clause 12.7.

b. You will receive your share of the proceeds of the sale of BIP CDIs by the Nominee in Australian currency.

c. Payment will be made by cheque posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) at the address provided on your Acceptance Form within the period required by the Corporations Act.

d. Under no circumstances will interest be paid on your share of the proceeds of the sale of BIP CDIs by the Nominee, regardless of any delay in remitting these proceeds to you.

e. The application of the provisions above to Small Parcel Shareholders is conditional on ASIC granting relief to modify the operation of ASIC Class Order 13/521 so as to enable BIP CDIs to be treated as equivalent to BIP Interests for valuation purposes. If ASIC relief is not granted, you will receive BIP CDIs in respect of your Small Parcel.

12.8 Conditions of this Offer

Subject to this Section 12, the Completion of this Offer and any contract that results from an acceptance of this Offer, are subject to the fulfilment of the conditions set out below:

a. **Regulatory Approvals**: before the close of the Offer Period:

   1. **FIRB**: either

      A. the Treasurer of the Commonwealth of Australia (or his delegate) provides written advice or confirmation to the Acquirer that there is no objection under FATA or the foreign investment policy of the Australian Government to the acquisition by the Acquirer of the Shares under the Offer (including to any direct or indirect investment by GIC Special Investments Pte Ltd or British Columbia Investment Management Corporation in the Acquirer); or

B. the Treasurer of the Commonwealth of Australia becomes precluded by passage of time from making any order under Part II of FATA in respect of the acquisition by the Acquirer of the Shares under the Offer;

2. **ACCC**: the Acquirer has received informal merger clearance in respect of the acquisition of Shares by the Acquirer by notice in writing from the ACCC stating, or stating to the effect, that the ACCC does not propose to intervene or seek to prevent the acquisition of Shares by the Acquirer and that notice has not been withdrawn, revoked or adversely amended before the close of the Offer Period;
3. **OIO**: the Acquirer has received all consents, approvals or clearances required under the *Overseas Investment Act 2005* (NZ) and the *Overseas Investment Regulations 2005* (NZ) for the implementation of the Offer and such consents, approvals or clearances (as the case may be) have not been withdrawn, suspended, revoked or adversely amended before the close of the Offer Period; and
4. **ASIC and the ASX**: ASIC and the ASX issue or provide all reliefs, waivers confirmations, exemptions, consents or approvals, and do all other acts, necessary or desirable, to implement the transactions contemplated by this Bidder's Statement (including for the avoidance of doubt the relief referred to in paragraph (f) below) and such reliefs, waivers confirmations, exemptions, consents, approvals or other acts (as the case may be) have not been withdrawn, suspended or revoked before the close of the Offer Period.

b. **No Asciano Prescribed Occurrence**: no Asciano Prescribed Occurrence occurs between (and including) the date of this deed and the close of the Offer Period.

c. **No Asciano Material Adverse Change**: no Asciano Material Adverse Change occurs or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to the Acquirer between (and including) the date of this deed and the close of the Offer Period.

d. **BIP Interests – TSX, NYSE & the ASX**:

1. the issue of any BIP Interests underlying the BIP CDIs to be issued as Consideration under the Offer has been approved by the TSX and the NYSE, and those BIP Interests have received listing approval from each of the TSX and the NYSE subject to customary conditions (including notice of official issuance) by, and such approvals remain in full force and effect in all respects at the close of the Offer Period; and
2. the Acquirer is approved for admission to the official list of the ASX (as a foreign exempt listing) and the BIP CDIs to be issued as Consideration under the Offer are approved for official quotation by the ASX, subject to customary conditions by, and such approvals remain in full force and effect in all respects at the close of the Offer Period.

e. **Minimum acceptance**: at the end of the Offer Period, the Acquirer has (together with its Associates) Relevant Interests in at least 50.1% of the Shares (on a fully diluted basis).

f. **Minimum bid price**: the value of a BIP Interest (when valued for the purposes of the Offer for the purposes of section 621(3) of the Corporations Act, as modified by Class Order 00/2338 and further ASIC relief to allow the value of BIP Interests quoted on the NYSE and/or the TSX to be regarded as the value of BIP CDIs over BIP Interests) does not fall below the Reference Price.

g. **Scheme vote fails**: Asciano Shareholders (other than the Acquirer) at the Scheme Meeting do not agree to the Scheme by the requisite majorities under subparagraph 411(4)(a)(ii) of the Corporations Act.

h. **Restraints**: between (and including) the date of this deed and the close of the Offer Period:

1. there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or Government Agency;
2. no action or investigation is announced or commenced by a Government Agency,

(other than in respect of an application to, or a decision or order of, ASIC or the Takeovers Panel for the purpose or in the exercise of the powers and discretions conferred on either by the Corporations Act), in consequence of, or in connection with, the Offer which:

1. restrains or prohibits (or could restrain or prohibit), or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Bidder's Statement (whether subject to conditions or not) or the rights of the Acquirer or the Acquirer in respect of Asciano and the Shares to be acquired pursuant to the Offer; or
2. requires the divestiture by the Acquirer or the Acquirer of any Shares, or the divestiture of any assets of Asciano or its Related Bodies Corporate, BIP or its Related Bodies Corporate or otherwise.

i. **Third party consents**: all approvals and consents of a third party that are listed in Schedule 5 to the Implementation Deed are obtained (including approvals or consents to avoid breach of any change of control provisions) and such approvals and consents have not been withdrawn, suspended or revoked before the end of the Offer Period.

12.9 Nature and benefit of Conditions

a. The Condition in Section 12.8(a)(1) is a condition precedent to the Acquirer's acquisition of any interest in Your Shares. Notwithstanding your acceptance of this Offer, unless and until the Condition in Section 12.8(a)(1) has been fulfilled or waived:

1. no contract for the sale of Your Shares will come into force or be binding on you or the Acquirer;
2. the Acquirer will have no rights (conditional or otherwise) in relation to Your Shares;
3. if Your Shares are held in a CHESS Holding, you will be entitled to withdraw your acceptance in respect of those Shares by having your Controlling Participant transmit a valid originating message to ASX Settlement specifying the Securities to be released from the sub-position, in accordance with Rule 14.16 of the ASX Settlement Operating Rules, at any time prior to the fulfilment or waiver of that Condition; and

4. if your Shares are not held in a CHESS Holding, you will be entitled to withdraw your acceptance in respect of those Securities by sending a notice to that effect signed by you (or on your behalf, in which case documentation proving that the person or persons signing the notice are authorised to do so must accompany the notice) to any of the addresses specified on the Acceptance Form so that it is received at the relevant address at any time prior to the fulfilment or waiver of that Condition.

b. The other Conditions in Section 12.8 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period, prevent a contract to sell Your Shares from arising, but non-fulfilment of any of those conditions will have the consequences set out in Section 12.10(a)(2).

c. Subject to the Corporations Act, the Acquirer alone is entitled to the benefit of the Conditions in Section 12.8, or to rely on any non-fulfilment of any of them.

d. Each condition in Section 12.8 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

12.10 Freeing the Offer of Conditions

a. The Acquirer may free this Offer, and any contract resulting from its acceptance, from all or any of the Conditions in Section 12.8, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Asciano and to the ASX declaring this Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:

   1. in the case of the condition in Section 12.8(b), to the extent it relates to an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act (**Corporations Act Prescribed Occurrence**), not later than 3 business days after the end of the Offer Period; and

   2. in all other cases, not less than 7 days before the end of the Offer Period.

b. If, at the end of the Offer Period (or in the case of a Corporations Act Prescribed Occurrence as referred to above, at the end of the third business day after the end of the Offer Period), the Conditions in Section 12.8 have not been fulfilled and the Acquirer has not declared the Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

12.11 Official quotation of BIP CDIs

a. An application has been made to TSX and NYSE for the granting of official quotation of the BIP Interests to be issued in accordance with the Offer. However, official quotation is not granted automatically on application.
b. An application has been made to the ASX to enable trading of BIP CDIs, each of which will represent one BIP Interest and will confer beneficial interest in that BIP Interest.
c. The BIP Interest will be issued by BIP to a depositary nominee which will hold legal title to those shares on behalf of the holders of the BIP CDIs. BIP currently intends to appoint CDN as depositary nominee.
d. BIP CDIs will trade in Australian dollars, and will not be traded on the NYSE or the TSX.
e. Pursuant to the Corporations Act, this Offer and any contract that results from your acceptance of it are subject to a condition that permission for admission to official quotation by the ASX of the BIP CDIs to be issued pursuant to the Offer is granted no later than 7 days following the end of the Offer Period. If this condition is not fulfilled all contracts resulting from the acceptance of the Offers will be automatically void.

12.12 Notice on status of Conditions

The date for giving the notice on the status of the Conditions required by section 630(1) of the Corporations Act is 4 January 2015 (subject to extension in accordance with section 630(2) if the Offer Period is extended).

12.13 Withdrawal of this Offer

a. This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, the Acquirer will give notice of the withdrawal to the ASX and to Asciano and will comply with any other conditions imposed by ASIC.
b. If, at the time this Offer is withdrawn, all the Conditions in Section 12.8 have been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
c. If, at the time this Offer is withdrawn, the Offer remains subject to one or more of the Conditions in Section 12.8, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant Conditions have occurred).
d. A withdrawal pursuant to this Section 12.13 will be deemed to take effect:
   1. if the withdrawal is not subject to conditions imposed by ASIC, on and after the date on which that consent in writing is given by ASIC; or
   2. if the withdrawal is subject to conditions imposed by ASIC, on and after the date on which those conditions are satisfied.

12.14 Variation of this Offer

The Acquirer may vary this Offer in accordance with the Corporations Act.

12.15 BIP Q4 distribution

The record date for BIP's Q4 distribution is 30 November 2015. It is highly unlikely that any Accepting Shareholders will have their BIP CDIs issued before this date, and in any event the Accepting Shareholders who are issued BIP CDIs under the Offer will not be eligible to receive the Q4 distribution.

12.16 No stamp duty

The Acquirer will pay any stamp duty on the transfer of Your Shares to it.

12.17 Governing laws

This Offer and any contract that results from your acceptance of it are to be governed by the laws in force in New South Wales, Australia.

13. DEFINITIONS AND INTERPRETATION

13 DEFINITIONS AND INTERPRETATION

13.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
50.1% Acquisition Scenario	the acquisition by the Acquirer (and its Associates) of a Relevant Interest in 50.1% of the Shares (including the Shares it already owns).
100% Acquisition Scenario	the acquisition by the Acquirer (and its Associates) of a Relevant Interest in 100% of the Shares.
$** or **A$	Australian dollars, the lawful currency of the Commonwealth of Australia.
AAT	Australian Amalgamated Terminals Pty Ltd.
ACCC	Australian Competition and Consumer Commission.
Acceptance Form	the acceptance form enclosed with this Bidder's Statement.
Accepting Shareholders	an Asciano Shareholder who has accepted the Offer by returning a validly-executed Acceptance Form.
Acquirer	Nitro Corporation Pty Ltd ACN 607 605 701.
Acquirer Directors	Stewart Upson; Jeffrey Kendrew; William Powell; and Russell Proutt.
Acquisition Facilities	the facilities described in Section 6.2(c) of this Bidder's Statement and **Acquisition Facility** means any one of them.
ADRs	American Depositary Receipts.
Affiliates	a person directly or indirectly controlled by another person or if both are directly or indirectly controlled by a third person and, in respect of BIP, includes a partnership or other fund or account which is managed by Brookfield Asset Management or any of its Subsidiaries.
AFFO	Adjusted Funds From Operations, which Brookfield Infrastructure defines as FFO less maintenance capital expenditures.
AFFO Yield	AFFO divided by time weighted average invested capital.
AIO Qube Announcement	announcement made by Asciano on 10 November 2015 titled "Asciano receives non-binidng indicative proposal from Qube Consortium".
American Depositary Receipts	has the meaning described in Section 12.3(f) of this Bidder's Statement.
Announcement Date	9 November 2015.
Asciano	Asciano Limited ABN 26 123 652 862.
Asciano Board	the board of directors of Asciano and an 'Asciano Board Member' or 'Asciano Director' means any director of Asciano comprising part of the Asciano Board.
Asciano Group	Asciano and each of its Subsidiaries, and a reference to an 'Asciano Group Member' or a 'member of the Asciano Group' is to Asciano or any of its Subsidiaries.
Asciano Information	the information contained in the Important Notices section entitled "Disclaimer as to the Asciano and Combined Group Information", information provided by Asciano to draft reasons 1 and 3 of the "Why you should accept the offer" section, "Summary of the Offer" section at subsection 1.5 and Sections 4 and 5. It also includes other information provided by Asciano to Brookfield and used by Brookfield for the purposes of the Bidder's Statement or obtained from Asciano's public filings on the ASX or ASIC contained in, or used in the preparation of, the information regarding the Combined Group in reason 5 of the "Why you should Accept this offer" section and Sections 7, 8 and 9 of the Bidder's Statement.

Term	Meaning
Asciano Material Adverse Change	an event, change, condition, matter, circumstance or thing occurring before, on or after the date of the Implementation Deed (each a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have: 1. a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Asciano Group taken as a whole; or 2. without limiting the generality of paragraph 1 above: • the effect of a diminution in the value of the consolidated net tangible assets of the Asciano Group, taken as a whole, by at least 10% against what it would reasonably have been expected to have been but for such Specified Event; or • the effect of a diminution in the consolidated EBITDA of the Asciano Group, taken as a whole, by at least 10% in any financial year for the Asciano Group against what they would reasonably have been expected to have been but for such Specified Event, other than those events, changes, conditions, matters, circumstances or things: 3. required or permitted by the Implementation Deed, either of the Transactions or the transactions contemplated by any of them; 4. that are Fairly Disclosed in Asciano's Disclosure Materials; 5. agreed to in writing by BIP; 6. that Asciano Fairly Disclosed in an announcement made by Asciano to the ASX, or a document lodged by it with ASIC, since 1 January 2014; 7. resulting from changes in law or in general economic, political or business conditions; or 8. resulting from any change occurring directly as a result of a general deterioration in equity markets, interest rates, exchange rates or credit spreads, that impacts Asciano and its competitors in a similar manner.
Asciano Prescribed Occurrence	other than as: 1. required or permitted by the Implementation Deed, either of the Transactions or the transactions contemplated by any of them; 2. Fairly Disclosed in Asciano's Disclosure Materials; 3. agreed to in writing by BIP (such agreement not to be unreasonably withheld or delayed); or 4. Fairly Disclosed by Asciano in an announcement made by Asciano to the ASX, or a document lodged by it with ASIC, since 1 January 2014, the occurrence of any of the following (and, for the avoidance of doubt, in the case of any occurrence subject to a monetary threshold, the monetary threshold stated will be exclusive of and in addition to any amount required, permitted, agreed to or disclosed as provide above): 5. Asciano converting all or any of its shares into a larger or smaller number of shares; 6. Asciano reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares (other than any on market acquisition of shares to satisfy the vesting of any Asciano Rights listed as vesting in Schedule 6 of the Implementation Deed); 7. the Asciano representation and warranty in paragraph (j) of Schedule 3 of the Implementation Deed being inaccurate; 8. Asciano or any Subsidiary declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its member, or announcing an intention to do any of the above, other than: • to a directly or indirectly wholly-owned Subsidiary of Asciano; or • paying the Special Dividend once; • paying any Ordinary Dividend Permitted Amount where permitted by clause 6.3 of the Implementation Deed; or • any pro rata distribution to members made by an entity of which Asciano or any Subsidiary is a member. 9. Asciano making any change to its constitution; 10. Asciano or any Subsidiary resolving to reduce its share capital in any way other than to a directly or indirectly wholly-owned Subsidiary of Asciano; 11. Asciano or any Subsidiary: • entering into a buy-back agreement; or • resolving to approve the terms of a buy-back agreement under the Corporations Act;

Term	Meaning
	12. a member of the Asciano Group issuing shares, or granting an option over its shares (provided that the issue or grant of an Asciano Right is not to be regarded as the issue of a share or option for the purposes of this item), or agreeing to make such an issue or grant such an option, other than: • to a directly or indirectly wholly-owned Subsidiary of Asciano; or • the issue of shares upon the vesting of any of Asciano Rights listed as vesting in Schedule 6 of the Implementation Deed; 13. a member of the Asciano Group issuing or agreeing to issue securities convertible into shares (including any issue or grant of Asciano Rights) other than to a directly or indirectly wholly-owned Subsidiary of Asciano or a grant of Asciano Rights resulting in the total of number of Asciano Rights on issue not exceeding 3,415,589; 14. a member of the Asciano Group disposing, or agreeing to dispose, of the whole, or a substantial part, of the Asciano Group's business or property; 15. a member of the Asciano Group granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of the Asciano Group's business or property; 16. an Insolvency Event occurs in relation to a member of the Asciano Group; 17. a member of the Asciano Group: • acquiring, leasing or disposing of; • agreeing to acquire, lease or dispose of; or • offering, proposing, announcing a bid or tendering for, • any business, assets, entity or undertaking, the value of which exceeds A$100,000,000 (individually or in aggregate); 18. a member of the Asciano Group: • entering into any contract or commitment (including in respect of Financial Indebtedness) requiring payments by the Asciano Group in excess of A$100,000,000 (individually or in aggregate); • (without limiting the foregoing) agreeing to incur capital expenditure from the date of this deed of more than A$100,000,000 (individually or in aggregate); • waiving any material Third Party default where the financial impact on the Asciano Group will be in excess of A$50,000,000 (individually or in aggregate); or • accepting as a compromise of a matter less than the full compensation due to a member of the Asciano Group where the financial impact of the compromise on the Asciano Group is more than A$50,000,000 (individually or in aggregate); 19. a member of the Asciano Group: • terminating any Material Contract; or • varying, amending or modifying any Material Contract; 20. a member of the Asciano Group entering into, or resolving to enter into, a transaction with any related party of Asciano (other than a related party that is a member of the Asciano Group), as defined in Section 228 of the Corporations Act; 21. a member of the Asciano Group amending in any material respect any agreement or arrangement with a Financial Advisor, or entering into an agreement or arrangement with a new Financial Advisor, in respect of the Transaction or a Competing Proposal; 22. a member of the Asciano Group paying any of its directors, officers or senior executives a termination or retention payment, other than in accordance with contractual arrangements in effect on the date of this deed and which are contained in Asciano's Disclosure Materials in excess of $5,000,000 (in aggregate) and in respect of which Asciano has consulted with Brookfield; 23. the occurrence of any review event or event of default after the date of this deed under any third party loan to Asciano or a Subsidiary and the taking of any step by any lender thereunder to enforce the terms thereof and which results, or is reasonably likely to result, in an Asciano Material Adverse Change; 24. the Shares cease to be quoted on the ASX; or Asciano contravenes the Corporations Act, and such contravention results in an Asciano Material Adverse Change.
Asciano Pro Forma Financial Information	has the meaning given in Section 8.3 of this Bidder's Statement.
Asciano Register	the register of members of Asciano maintained in accordance with the Corporations Act.

Term	Meaning
Asciano Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277.
Asciano Right	either: 1. a performance right or a deferred right granted pursuant to the Asciano Executive Incentive Plan Rules; or 2. a performance right granted pursuant to the Asciano Long Term Incentive Plan Rules.
Asciano Shareholder	each person who is registered in the Asciano Register from time to time as the holder of a Share.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning set out in Section 12 of the Corporations Act, as if subsection 12(1) of the Corporations Act included a reference to the Implementation Deed and Asciano was the designated body.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market which it operates.
ASX Listing Rules	the listing rules of ASX as amended, varied or waived from time to time.
ASX Settlement	ASX Settlement Pty Limited ABN 49 008 504 532.
ASX Settlement Operating Rules	the operating rules of the ASX Settlement which govern the administration of the Clearing House Electronic Sub register System.
ATO	Australian Taxation Office.
ATO Tax Ruling	the class ruling to be obtained by Asciano on behalf of Asciano Shareholders in relation to the Australian income tax consequences of the Special Dividend.
AUD Value of a BIP Interest	the Australian dollar value of a BIP Interest, which, for any calendar day (Sydney time), is determined by reference to: • the closing price of a BIP Interest on the NYSE for the previous calendar day (New York time); and • the US/AUD Reference Rate for that calendar day (Sydney time).
Australian Accounting Standards	accounting standards as that term is defined in the Corporations Act.
BAM	Brookfield Asset Management Inc.
BAM Private Placement	the agreement entered into by BIP under which BAM will subscribe for up to approximately 5.8 million Redeemable Partnership Units for aggregate proceeds of up to US$250 million at a price of US$43.20 per Redeemable Partnership Unit.
BAPS	Asciano's Bulk & Automotive Port Services division.
Base Management Fee	the base management fee paid to Brookfield by BIP pursuant to the Master Services Agreement.
bcIMC	British Columbia Investment Management Corporation.
bcIMC Investor	those entities formed or directed by bcIMC to invest in the Acquirer nominated by bcIMC to invest in the Acquirer.
Bidder's Statement	this document, being the statement of the Acquirer under Part 6.5 Division 2 of the Corporations Act relating to the Offer.
BIF	the entities that, together, comprise Brookfield Infrastructure Fund II, and any subsequent similar fund or co-investment vehicle exclusively managed by Brookfield or its Affiliates.
BILP	Brookfield Infrastructure L.P.
BILP Class A Preferred Units	Class A Preferred Units in BILP.
BILP Special Partner	Brookfield Infrastructure Special L.P.
BILP Units	Special Limited Partner Units, Redeemable Partnership Units, Managing General Partner Units and BILP Class A Preferred Units.
BILP Unitholder	a holder of BILP Units.
BIP	Brookfield Infrastructure Partners L.P., a Bermuda exempted limited partnership.
BIP CDI	a CHESS Depository Interest, being a unit of beneficial ownership in a BIP Interest registered in the name of CDN who holds the legal title to the BIP Interest.
BIP GP	Brookfield Infrastructure Partners Limited, a Bermuda exempted limited company, acting as general partner of BIP.
BIP GP Director	a member of the board of directors of BIP GP.
BIP Independent Director	an independent BIP GP Director.
BIP Interest	a fully paid limited partnership unit in BIP, other than Preferred Units.

Term	Meaning
BIP Pro Forma Financial Information	has the meaning in Section 8.2 of this Bidder's Statement.
BIP Securities	BIP Interests and Preferred Units.
BIP Securityholder	a registered holder of BIP Securities from time to time.
Board	the board of directors of Asciano.
Brookfield	BAM and its Affiliates other than Brookfield Infrastructure.
Brookfield Group	means collectively BIP, Brookfield Asset Management and BIF and each of their Affiliates and a reference to a 'Brookfield Group Member' or a 'member of the Brookfield Group' is to any of those persons.
Brookfield Infrastructure	means BIP, collectively with its subsidiary entities (including BILP) and the Operating Entities.
Brookfield Material Adverse Change	an event, change, condition, matter, circumstance or thing occurring before, on or after the date of the Implementation Deed (each a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have: 1. a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the BIP Group taken as a whole; or 2. without limiting the generality of paragraph 1 above: • the effect of a diminution in the value of the consolidated net tangible assets of BIP by at least 20% against what it would reasonably have been expected to have been but for such Specified Event; or • the effect of a diminution in the consolidated EBITDA of BIP by at least 20% in any financial year for the BIP Group against what they would reasonably have been expected to have been but for such Specified Event, other than those events, changes, conditions, matters, circumstances or things: 3. required or permitted by this deed, either of the Transactions or the transactions contemplated by any of them; 4. that are Fairly Disclosed in Brookfield's Disclosure Materials; 5. agreed to in writing by Asciano; 6. that BIP Fairly Disclosed in a document lodged by it with the Canadian securities regulatory authorities or the U.S. Securities and Exchange Commission, since 1 January 2014; 7. resulting from changes in law or in general economic, political or business conditions; or 8. resulting from any change occurring directly as a result of a general deterioration in equity markets, interest rates, exchange rates or credit spreads, that impacts BIP and its competitors in a similar manner.
Brookfield Prescribed Occurrence	other than as: 1. required or permitted by the Implementation Deed, either of the Transactions or the transactions contemplated by any of them; 2. Fairly Disclosed in Brookfield's Disclosure Materials (as that term is defined in the Implementation Deed; 3. agreed to in writing by Asciano (such agreement not to be unreasonably withheld or delayed); or 4. Fairly Disclosed by Brookfield in an announcement made by Brookfield to the Toronto Stock Exchange or the New York Stock Exchange, or a document lodged by it with any Canadian or U.S. securities regulatory authorities, since 1 January 2014; the occurrence of any of the following (and, for the avoidance of doubt, in the case of any occurrence subject to a monetary threshold, the monetary threshold stated will be exclusive of and in addition to any amount required, permitted, agreed to or disclosed as provide above): 5. BIP converting all or any of the BIP Interests into a larger or smaller number of BIP Interests; 6. BIP reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of the BIP Interests (but not including purchases under BIP's normal course issuer bid approved by TSX);

Term	Meaning
	7. except for issuance on ordinary commercial terms (which terms are considered by the board of BIP's General Partner to be in BIP's best interests) to raise up to US$1 billion in aggregate, or the issuance to BAM in connection with this Transaction which has been Fairly Disclosed to Asciano prior to execution of the Implementation Deed, BIP issuing BIP Interests, or granting an option over BIP Interests, or agreeing to make such an issue or grant such an option, or announcing an intention to do any of the above; 8. the BIP representation and warranty in paragraph (o) of Schedule 2 of the Implementation Deed being inaccurate; 9. BIP making any material change to its limited partnership agreement or any other constitutional document; 10. BIP declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning any capital to its members, or agreeing or announcing an intention to do any of the above, other than a Brookfield Permitted Distribution (as that term is defined in the Implementation Deed); 11. BIP or a Subsidiary disposing, or agreeing to dispose, of the whole, or a substantial part, of the BIP Group's business or property; 12. an Insolvency Event occurs in relation to BIP or a material Subsidiary; 13. another entity replaces BIP GP as the general partner of BIP (except another member of the Brookfield Group); 14. the occurrence of any review event or event of default under any third party loan to BIP or a material Subsidiary and the taking of any step by any lender thereunder to enforce the terms thereof and which results, or is reasonably likely to result, in a Brookfield Material Adverse Change; 15. BIP Interests cease to be quoted on either of the New York Stock Exchange and the Toronto Stock Exchange; 16. BIP contravenes the Limited Partnership Act 1883 of Bermuda, the Partnership Act 1902 of Bermuda or the Exempted Partnerships Act 1992 of Bermuda, and in each case such contravention results in a Brookfield Material Adverse Change; or 17. the reorganisation, amalgamation, or merger of BIP or any of its Subsidiaries with any other person other than any direct or indirect, wholly-owned Subsidiary of BILP, and in the case of a Subsidiary, where such reorganisation, amalgamation, or merger is, or is reasonably likely to be material to the Brookfield Group as a whole.
Brookfield Register	the register of securityholders maintained by Brookfield Infrastructure or its agents.
Brookfield Registry	a professional registry organisation appointed by Brookfield (expected to be Computershare Investor Services Pty Ltd ABN 48 078 279 277).
Business Day	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney.
CAGR	compound annual growth rate.
CAD	Canadian dollars, the lawful currency of Canada.
CDI Registry	the register of BIP CDI holders maintained by BIP or its agent.
CDN	CHESS Depositary Nominees Pty Limited ACN 071 346 506.
CGT	capital gains tax.
CHESS	means the Clearing House Electronic Subregister System.
CHESS Depository Interest or CDI	a unit of beneficial ownership in an issued financial product which is listed on a foreign exchange (where such financial product has been issued in the name of the relevant depositary nominee who holds the legal title to that product).
Citi	Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832).
Class A Preferred Units	the cumulative class A preferred limited partnership units in BIP.
Class A Shares	Class A Limited Voting Shares in Brookfield Asset Management.
Class B Shares	Class B Limited Voting Shares in Brookfield Asset Management.
Combined Group	BIP, BILP and their Subsidiaries (which, if the Offer is implemented, will include Asciano and its Subsidiaries).
Combined Group Pro Forma Financial Information	has the meaning in Section 8.5 of this Bidder's Statement.

Term	Meaning
Competing Proposal	any proposal, agreement, arrangement or transaction, which, if entered into or completed, would result in a Third Party (either alone or together with any Associate): 1. directly or indirectly acquiring a Relevant Interest in, or having a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the Shares or of the share capital of any material Subsidiary of Asciano; 2. acquiring Control of Asciano or any material Subsidiary of Asciano; 3. directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of, all or a material part of Asciano's business or assets or the business or assets of the Asciano Group; 4. otherwise directly or indirectly acquiring or merging with Asciano or a material Subsidiary of Asciano; or 5. requiring Asciano to abandon, or otherwise fail to proceed with, the Transaction, whether by way of takeover bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement (and includes any variation of an earlier Competing Proposal).
Completion	completion of acquisition of Shares under the Offer (and in circumstances where compulsory acquisition is available, completion of the compulsory acquisition process under Chapter 6A of the Corporations Act) (or if used in relation to the Scheme, means the Scheme becoming Effective).
Condition	has the meaning given in Section 12.8 of this Bidder's Statement.
Conditions Precedent	the conditions precedent to the implementation of the Scheme, as set out in the Implementation Deed.
Consideration	$6.9439 cash (reduced by the cash value of any Special Dividend paid) and 0.0387 BIP CDIs.
Control	has the meaning given to it in Section 50AA of the Corporations Act; except in the definition of "Affiliates", and the definition of "Brookfield Group", where "control" of a person means the right to: • elect or appoint a majority of the directors (or persons or entities performing a similar function) of such person; • the ability to otherwise exercise a majority of the voting rights in respect of that person; or • the ability to otherwise control the management of such person whether by virtue of the terms of its constitutional documents, contractual rights, or otherwise; and "Controlled" has a corresponding meaning.
Controlling Participant	in relation to the Relevant Shares, has the same meaning as in the ASX Settlement Operating Rules.
Corporations Act	the *Corporations Act 2001* (Cth).
Corporations Regulations	the *Corporations Regulations 2001* (Cth).
Corporatisation	the simplification of the corporate structure of Asciano on or around 2010 by converting Asciano from a stapled security structure into a single holding company
Cut-off Time	has the meaning given in Section 11.2 of this Bidder's Statement.
Deloitte	Deloitte Corporate Finance Pty Ltd.
Director or Asciano Board Member	any current director of Asciano comprising part of the Asciano Board.
EBIT	earnings before interest and tax.
EBITDA	means earnings before interest, tax, depreciation and amortisation, and, when specifically referring to BIP, means Adjusted EBITDA being FFO excluding the impact of interest expense, cash taxes and other cash income or expenses, and when specifically referring to Asciano, means earnings before interest expense, tax, depreciation and amortisation and significant and non-recurring items, consistent with "underlying EBITDA" as defined in Asciano's Annual Report. For the Combined Group, EBITDA means a combination of the two meanings above, depending on the derivation of the relevant amount.
Effective	when used in relation to the Scheme, the coming into effect under subsection under 411(10) of the Corporations Act, of the order of the Court, made under paragraph 411(4)(b) of the Corporations Act.
Effective Date	the date on which the Scheme becomes Effective.

Term	Meaning
End Date	17 February 2016 or such other later date as agreed in writing by the parties.
Equity Funding	the funding set out in Section 6.2(b) of this Bidder's Statement.
Exchange Act	the *U.S. Securities Exchange Act of 1934*, as amended.
Exclusivity Period	the period from and including the date of the Implementation Deed to the earlier of: • the date of termination of the Implementation Deed; • the End Date; and • Completion.
Exempted Partnerships Act	the *Exempted Partnerships Act of 1992* (Bermuda).
Existing BIP Corporate Revolving Credit Facilities	the facilities described in Section 8.7(a) of this Bidder's Statement.
Fairly Disclosed	a reference to 'Fairly Disclosed' means publicly disclosed to the Canadian securities regulatory authorities or to the U.S. Securities and Exchange Commission, publicly disclosed to the ASX or disclosed to the relevant party or its Related Persons to the extent that, and in sufficient detail so as to enable, a reasonable person (or one of its Related Persons) experienced in transactions similar to the Transactions and experienced in a business similar to any business conducted by the Asciano Group or Brookfield Infrastructure (as appropriate), to identify the nature and scope of the relevant matter, event or circumstance.
FATA	the *Foreign Acquisitions and Takeovers Act 1975* (Cth).
FFO	funds from operations, which Brookfield Infrastructure defines as net income excluding the impact of depreciation and amortisation, deferred income taxes, breakage and transaction costs, non-cash valuation gains or losses and other items.
Financial Advisor	any financial advisor retained by a party in relation to the Transactions or a Competing Proposal from time to time.
FIRB	the Foreign Investment Review Board.
Foreign Currency Hedging Program	has the meaning in Section 2.5(f) of this Bidder's Statement.
Foreign Shareholder	An Asciano Shareholder is a Foreign Shareholder for the purposes of the Offer if: • their address as shown in the Asciano Register is in a jurisdiction other than Australia or its external territories, Canada or New Zealand; or • their address as shown in the Asciano Register is in the United States (or where the Acquirer has reasonable grounds to believe such person is holding shares for the account or benefit of a person whose address is in the United States). However, such a person will not be a Foreign Shareholder if the Acquirer is satisfied that it is not legally or practically constrained from making the Offer to an Asciano shareholder in the relevant jurisdiction or from issuing BIP CDIs to such a shareholder on acceptance of the Offer, and that it is lawful for the shareholder to accept the Offer in such circumstances in the relevant jurisdiction.
GIC	GIC Private Limited
GIC Investor	Buckland Investment Pte Ltd and Devonshire Investment Pte Ltd, entities which are indirectly wholly owned by GIC (Ventures) Pte Ltd.
Governmental Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, including a stock or other securities exchange, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
Grant Samuel or Independent Expert	the independent expert in respect of the Scheme or Takeover Bid appointed by Asciano, being Grant Samuel & Associates Pty Limited.
Holding Entities	the subsidiaries of BILP through which BILP indirectly holds all of BIP's interest in the Operating Entities.
Holder Identification Number	has the same meaning as in the ASX Settlement Operating Rules.
Implementation Deed	the implementation deed dated 17 August 2015 between the Acquirer and Asciano as amended and restated on 9 November 2015.
Implementation Date	has the meaning given to it in the Scheme Booklet.
Interested Person	has the meaning given in Section 11.13 of this Bidder's Statement.
Independent Expert's Report	means the report to be issued by the Independent Expert in connection with the Scheme or the report to be issued by the Independent Expert in connection with the Takeover Bid.
Investigating Accountant	Deloitte Corporate Finance Pty Ltd.

Term	Meaning
Investment Company Act	the *U.S. Investment Company Act of 1940*, as amended.
Issuer Sponsored Holdings	a holding of Shares on Asciano's issuer sponsored sub register.
Limited Partnership Act	the *Limited Partnership Act of 1883* (Bermuda).
Limited Partnership Agreement	the second amended and restated limited partnership of BIP dated 28 March 2014, as amended from time to time, the key provisions of which are summarised in Attachment 3.
Macquarie Capital	Macquarie Capital (Australia) Limited (ABN 79 123 199 548).
Managing General Partnership Units	the managing general partner units of BILP.
Master Services Agreement	the amended and restated master services agreement dated 13 March 2015, among BIP, BILP and certain of the Holding Entities, Brookfield Asset Management, the Service Provider and others, under which various management and other services are provided, the key provisions of which are summarised in Attachment 3.
New BIP Corporate Credit Facility	means the facility described as such in Section 8.4 of this Bidder's Statement.
Nominee	the nominee appointed by the Acquirer in accordance with Section 12.7 of this Bidder's Statement.
NPAT	net profit after tax.
NYSE	the New York Stock Exchange.
Offer	the offer for Shares under the terms and conditions contained in Section 12.1 of this Bidder's Statement.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with Section 12.2 of this Bidder's Statement.
OIO	the Overseas Investment Office administering the Overseas Investment Act 2005 (NZ) and Overseas Investment Regulations 2005 (NZ).
Operating Entities	entities which directly or indirectly hold Brookfield Infrastructure's current operations and assets that it may acquire in the future, including through any joint venture, co-investment or consortium arrangements.
Pacific National	Asciano's rail freight services division.
Patrick	Asciano's port, terminal and supply chain services division.
Participant	an entity admitted to participate in the Clearing House Electronic Sub register System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.
Partners	the shareholders of Partners Limited.
Partners Limited	Partners Limited, a Canadian corporation.
Preferred Units	Class A Preferred Units, Series 1 Preferred Units, Series 2 Preferred Units and, subject to the closing of the preferred unit offering announced by BIP on 1 December 2015, Series 3 Preferred Units and Series 4 Preferred Units.
Prime Scheme of Arrangement	the scheme of arrangement under which BIP acquired Prime Infrastructure Holdings Limited.
Qube	Qube Holdings Limited ACN 149 723 053.
Qube Announcement	announcement made by Qube on 10 November 2015 titled "Qube consortium makes proposal to acquire Asciano".
Qube Consortium	Qube Holdings Limited, Global Infrastructure Management, LLC (on behalf of its managed funds and clients) and Canada Pension Plan Investment Board.
Qube Proposal	the proposal dated 9 November 2015 from the Qube Consortium to acquire all of the Shares for an aggregate implied value of $9.25 per Asciano Share.
Record Date	the date set by Brookfield under Section 633(2) of the Corporations Act.
Recourse Borrowings	all outstanding third party debt with recourse to a Service Recipient.
Redeemable Partnership Units	units in BILP that have the right to make use of the Redemption-Exchange Mechanism.
Redemption-Exchange Mechanism	the mechanism described in Section 3.11(d) of this Bidder's Statement.
Reference Price	the value of a BIP CDI which is required in order for the value of the Consideration (when valued for the purpose of the Offer) to be at least $8.80 (being the maximum price paid by the Acquirer for Asciano Shares in the four month period referred to in section 621(3)).
Related Body Corporate	has the meaning set out in section 50 of the Corporations Act, except that the term "subsidiary" used in the Corporations Act shall have the meaning ascribed to the term "Subsidiaries" in this Bidder's Statement.

Term	Meaning
Related Person	• in respect of a party or its Related Bodies Corporate, each director, officer, employee, advisor, agent or representative of that party or Related Body Corporate; • in respect of the Acquirer and Brookfield Infrastructure (in addition to those persons listed above), each person with whom the Acquirer and Brookfield Infrastructure proposes to invest in Asciano (including any other shareholder in the Acquirer) and each director, officer, employee, advisor agent or representative of that person; and • in respect of a Financial Advisor, each director, officer, employee or contractor of that Financial Advisor.
Relationship Agreement	the amended and restated relationship agreement dated 28 March 2014 among BIP, BILP, the Holding Entities, Brookfield Asset Management and the Service Provider as amended from time to time.
Relevant Interest	has the meaning given to it in Sections 608 and 609 of the Corporations Act.
Relevant Shares	that number of Your Shares for which you accept the Offer, as specified on your Acceptance Form.
Representative	means any person acting for or on behalf of a party including any director, officer, employee, agent, contractor or professional advisor of a party.
Rights	all accreditations, rights or benefits of whatever kind attaching or arising from Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends or other Distributions and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Asciano or any of its Subsidiaries) except the Special Dividend and the right to any franking credits attaching to a dividend.
Scheme	the proposed transaction set out in the Scheme Booklet, being the acquisition of the Shares by the Acquirer through implementation of a scheme of arrangement in accordance with the terms of the Implementation Deed.
Scheme Booklet	the scheme booklet dated 30 September 2015 relating to the Scheme.
Scheme Implementation Deed	the Implementation Deed.
Scheme Meeting	the meeting of Asciano Shareholders convened pursuant to an order of the Court in relation to the Scheme pursuant to Section 411(1) of the Corporations Act, or any adjournment of such meeting.
SEC	the U.S. Securities and Exchange Commission.
Second Court Date	in relation to the Scheme, the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard, or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Securities Act	the *United States Securities Act of 1933.*
Security Interest	has the same meaning as in Section 51A of the Corporations Act.
Selected Statement of Operating Results	has the meaning in Section 2.5(f)(1) of this Bidder's Statement.
Series 1 Preferred Units	the cumulative class A preferred limited partnership units, series 1 in BIP.
Series 2 Preferred Units	the cumulative class A preferred limited partnership units, series 2 in BIP.
Series 3 Preferred Units	the cumulative class A preferred limited partnership units, series 3 to be issued by BIP, subject to the closing of the preferred unit offering announced on 1 December 2015.
Series 4 Preferred Units	the cumulative class A preferred limited partnership units, series 4 to be issued by BIP, subject to the closing of the preferred unit offering announced on 1 December 2015.
Service Provider	Brookfield Infrastructure Group L.P., Brookfield Asset Management Private Institutional Capital Adviser (Canada), LP, Brookfield Asset Management Barbados Inc., Brookfield Global Infrastructure Advisor Limited, Brookfield Infrastructure Group (Australia) Pty Limited and, unless the context otherwise requires, includes any other affiliate of Brookfield Asset Management that provides services to BIP pursuant to the Master Services Agreement or any other service agreement or arrangement.
Service Recipients	BIP, BILP and certain of the Holding Entities.
Share	a fully paid ordinary share in the capital of Asciano.
Small Parcel	a parcel of BIP CDIs having a value of less than A$500 based on the closing price of BIP Interests on the NYSE on 20 November 2015, being the trading day prior to the Original Bidder's Statement (New York time), and the USD/AUD Reference Rate on the same date (and, for the avoidance of doubt, assuming BIP Interests and BIP CDIs to be of equivalent value).
Small Parcel Shareholder	an Asciano Shareholder who would be entitled to receive a total number of BIP CDIs as consideration under the Offer which constitute a Small Parcel.

Term	Meaning
Special Dividend	a fully franked cash dividend of up to A$0.90 for each Share as at the Special Dividend Record Date.
Special Dividend Record Date	5.00pm on a date which is the earlier of: • if the Effective Date occurs, at least two days prior to the Scheme Record Date and otherwise agreed between the parties; or • if the Offers are declared or become unconditional, a date at least two clear Business Days before that occurs or otherwise agreed between the parties.
Special Limited Partner Units	special limited partner units in BILP.
Standard Consideration	in relation to the Scheme, the Standard Consideration option, being a cash amount equal to $6.9439 (reduced by the cash value of any Special Dividend paid) and 0.0387 BIP CDIs per Share (subject to rounding).
Subsidiaries	has, in relation to an entity, the meaning given in Division 6 of Part 1.2 of the Corporations Act but so that: • an entity will also be deemed to be a "Subsidiary" of an entity if that entity is required by the accounting standards to be consolidated with that entity; • a trust or fund may be a "Subsidiary", for the purposes of which any units or other beneficial interests will be deemed shares; or • a corporation or trust or fund may be a "Subsidiary" of a trust or fund if it would have been a Subsidiary if that trust or fund were a corporation.
Superior Proposal	a bona fide Competing Proposal of the kind referred to in any of paragraphs 2, 3 or 4 of the definition of Competing Proposal (and not resulting from a breach by Asciano of any of its obligations under the Implementation Deed (it being understood that any actions by the Related Persons of Asciano in breach of the Implementation Deed shall be deemed to be a breach by Asciano for the purposes hereof)) which the Asciano Board, acting in good faith, and after receiving written legal advice from its external legal advisor and written advice from its financial advisor, determines: • is reasonably capable of being valued and completed in a timely fashion taking into account all aspects of the Competing Proposal including any timing considerations, any Conditions Precedent or other matters affecting the probability of the Competing Proposal being completed, and the identity of the proponent; • would, if completed substantially in accordance with its terms, be more favourable to Asciano Shareholders (as a whole) than the Transactions (including if the Transactions have been amended or varied following application of the matching right set out in clause 15.4 of Implementation Deed, if applicable), taking into account all terms and conditions of the Competing Proposal (including, consideration, conditionality, funding, certainty and timing). For the avoidance of doubt, a Competing Proposal will not constitute a Superior Proposal if its terms and conditions are substantively similar to any proposal that Asciano received, negotiated or was otherwise involved with at any time before the date of this deed.
Takeover Bid	the acquisition by the Acquirer of Shares under the Offer in accordance with the terms and conditions set out in this Bidder's Statement.
Takeover Transferee Holding	has the same meaning as in the ASX Settlement Operating Rules.
Target's Statement	Asciano's statement in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.
Tax Act	the *Income Tax Assessment Act 1997* (Cth).
Third Party	a person other than Brookfield Infrastructure and its Associates.
Transaction(s)	the Scheme and the Takeover Bid.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
US/AUD Reference Rate	the US/AUD Hedge Settlement Rate WM/Reuters US/AUD (HSRA) with a specified time of 10:00 a.m. Sydney time.
US$ or **USD**	United States dollars, the lawful currency of the United States of America.
Valuation Time	has the meaning given to it in Section 11.12 of this Bidder's Statement.
VWAP	volume weighted average price.
WA	Western Australia.
Your Shares	the Shares: 1. in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Asciano at 7:00pm (Sydney time) on the Record Date; or 2. to which you are able to give good title at the time you accept this Offer during the Offer Period.

13.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:

a. words and phrases have the same meaning (if any) given to them in the Corporations Act;
b. words importing a gender include any gender;
c. words importing the singular include the plural and vice versa;
d. an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
e. a reference to a Section, attachment and schedule is a reference to a Section of and an attachment and schedule to this Bidder's Statement as relevant;
f. a reference to any statute, regulation, proclamation, ordinance or bylaw includes all statutes, regulations, proclamations, ordinances, or bylaws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and bylaws issued under that statute;
g. headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
h. a reference to time is a reference to time in Sydney, Australia;
i. a reference to writing includes facsimile transmissions; and
j. a reference to dollars, $, A$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

14. APPROVAL OF BIDDER'S STATEMENT

14. APPROVAL OF BIDDER'S STATEMENT

This Bidder's Statement has been approved by a unanimous resolution passed by the directors of the Acquirer.

date 10 December 2015

Signed for and on behalf of

Nitro Corporation Pty Ltd

by

sign here

Director

print name Stewart Upson

ATTACHMENT 1. ANNOUNCEMENTS IN RELATION TO THE OFFER

ANNOUNCEMENTS IN RELATION TO THE OFFER

asciano

ASX/MEDIA RELEASE

Date: 6 November 2015

BROOKFIELD SHARE ACQUISITION

Asciano Limited (ASX: AIO, OTCUS: AIOYY) (**Asciano**) notes the attached announcement by Brookfield Infrastructure Partners that it has acquired 14.9% of the shares in Asciano, together with an economic interest in a further 4.3% of shares.

Brookfield has requested that Asciano defer the Scheme Meeting, which was scheduled to be held on Tuesday, 10 November 2015 following the Annual General Meeting, to a later date. Asciano intends to apply to the Court to seek an adjournment of the Scheme Meeting to a date to be determined.

Brookfield has also notified Asciano that, subject to agreeing a bid implementation agreement with Asciano, it intends that a Brookfield controlled entity would make a takeover offer for all remaining Asciano shares it does not own with the same consideration as the Standard Consideration proposed under the Scheme of Arrangement, being A$6.94 cash (reduced by the cash value of any Special Dividend paid) and 0.0387 Brookfield Infrastructure units per Asciano share, which has a current implied value of A$9.22[1] per Asciano share.

Brookfield has advised that any takeover offer would be subject to a 50.1% minimum Asciano acceptance condition. It would also be subject to similar conditions to the proposed Scheme of Arrangement, including ACCC merger clearance, with some additional conditions:

- to protect the bidder in relation to the minimum bid price rule in s621(3) of the Corporations Act so that it could not be required to pay more to shareholders under the takeover than the Standard Consideration under the scheme; and
- to deal with the interaction of the bid and the scheme, which will remain on foot.

Asciano shareholders do not currently need to take any action in relation to the potential takeover. Under a takeover offer, a bidder's statement would be required to be dispatched and Asciano would also dispatch a target's statement to all Asciano shareholders which shareholders should review and carefully consider.

[1] Based on the Brookfield Infrastructure unit price of US$41.92 per unit as at NYSE close on 5 November 2015 and the AUD/USD exchange rate of 0.7143 as quoted at 8am on 6 November 2015.

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The Asciano Board remains committed to maximising value for Asciano shareholders and continues to unanimously recommend that Asciano shareholders vote in favour of the Scheme, in the absence of a superior proposal. Asciano will continue to keep the market informed of any material developments.

Further Information

Asciano shareholders can obtain further information by contacting the Asciano Shareholder Information Line on 1300 729 310 for shareholders located in Australia, and +61 3 9415 4608 for shareholders located outside Australia.

For further information, please contact:

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- Ends -

Brookfield Infrastructure Partners
PRESS RELEASE

BROOKFIELD INFRASTRUCTURE ACQUIRES A STAKE IN ASCIANO

Hamilton, Bermuda, November 5, 2015 – An Australian subsidiary of Brookfield Infrastructure Partners L.P. ("Brookfield Infrastructure") (NYSE: BIP; TSX: BIP.UN) has today acquired approximately 188 million shares in Asciano Limited representing an approximate 14.9% interest in the company, via a series of off-market share purchases following the close of trading on the Australian Securities Exchange. It has also entered into arrangements giving it economic interests in a further approximately 4.3% of Asciano.

Subject to agreeing a bid implementation agreement with Asciano, which is being progressed, Brookfield Infrastructure intends to make a takeover offer for Asciano for the same consideration as the 'standard consideration' under the existing scheme of arrangement announced on August 17, 2015. The takeover offer would be subject to a 50.1% minimum acceptance condition and would have similar conditions[1] to the scheme of arrangement, including ACCC merger clearance.

Brookfield Infrastructure intends to keep its existing scheme of arrangement in place for the time being, however, it has requested a deferral of the scheme meeting.

– ends –

Brookfield Infrastructure Partners is a leading global infrastructure company that owns and operates high quality, long-life assets in the utilities, transport, energy and communications sectors across North and South America, Australia, Asia and Europe. We are focused on assets that generate stable cash flows and require minimal maintenance capital expenditures. Brookfield Infrastructure Partners is listed on the New York and Toronto stock exchanges. Further information is available at www.brookfieldinfrastructure.com. Important information may be disseminated exclusively via the website; investors should consult the site to access this information.

Brookfield Infrastructure is the flagship listed infrastructure company of Brookfield Asset Management, a leading global alternative asset manager with over $200 billion of assets under management. For more information, go to www.brookfield.com

For more information, please visit our website at www.brookfieldinfrastructure.com or contact:

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Note: This news release 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 "Intend" "will", "target", "future", "growth", "expect", "believe", "plan", "should", "optimistic", "can", "may", 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 news release include statements regarding expansion of Brookfield Infrastructure's business, the likelihood and timing of successfully completing the acquisitions referred to in this news

[1] Other conditions include those to protect the bidder in relation to the minimum bid price rule in section 621(3) of the Australian Corporations Act so that it could not be required to pay more to shareholders under the takeover than the 'standard' consideration under the scheme, and conditions dealing with the interaction of the bid and the scheme (the bid would be conditional on the scheme vote failing, to ensure that only one proposal will ultimately go forward).

release, statements with respect to our assets tending to appreciate in value over time, the future performance of acquired businesses and growth initiatives, and the level of distribution growth over the next several years. 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 news release. 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 Brookfield Infrastructure to differ materially from those contemplated or implied by the statements in this news release include general economic conditions in the jurisdictions in which we operate and elsewhere which may impact the markets for our products and services, the ability to achieve growth within Brookfield Infrastructure's businesses and in particular completion on time and on budget of various large capital projects, which themselves depend 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 ability to complete announced and potential acquisitions that may be subject to conditions precedent, and the inability to reach final agreement with counterparties to transactions referred to in this press release 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 future performance of these acquisitions, including traffic volumes on our toll roads, 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 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. This press release does not constitute and is not intended to constitute a public proposal to make a takeover bid as contemplated by section 631 of the Australian Corporations Act. Brookfield Infrastructure will not publicly propose to make a takeover bid unless and until an acceptable bid implementation agreement is in place with Asciano.

ASX/MEDIA RELEASE

Date: 9 November 2015

ASCIANO AND BROOKFIELD INFRASTRUCTURE AMEND IMPLEMENTATION DEED

Further to its announcement on 6 November 2015, Asciano Limited (ASX: AIO, OTCUS: AIOYY) (**Asciano**) announces that it has entered into an Amending Deed in respect of the Implementation Deed with Brookfield Infrastructure Partners (**Brookfield Infrastructure**) to reflect Brookfield's amended proposal under which a subsidiary of Brookfield Infrastructure (**BidCo**) will make an off-market takeover offer for all of the Asciano shares not currently held by Brookfield Infrastructure and its subsidiaries (**Offer**).

As previously announced, Brookfield Infrastructure and its subsidiaries currently hold 14.9% of the shares in Asciano, together with an economic interest in a further 4.3% of shares.

Asciano's Board of Directors unanimously recommends that Asciano shareholders accept the Offer in the absence of a superior proposal.

Details of the Offer[1]

The Offer price will be the Standard Consideration proposed under the existing Scheme, being A$6.94 cash (reduced by the cash value of any Special Dividend paid) and 0.0387 Brookfield Infrastructure units per Asciano share[2], which has a current implied value of A$9.21[3] per Asciano share.

If the Offer becomes unconditional and ATO approval is obtained, Asciano expects to pay a fully franked special dividend of up to A$0.90 per share (**Special Dividend**). To the extent that a Special Dividend is paid, the cash component of the Offer consideration will be reduced by the amount of the Special Dividend. It is expected that the Special Dividend will be announced shortly before the Offer is declared unconditional. A draft ATO class ruling has been obtained for payment of the Special Dividend as part of the Scheme. Asciano will engage with the ATO to obtain a similar ruling that will apply to the Offer.

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1 This announcement does not constitute an offer in any jurisdiction in which it would be unlawful to make the Offer.

2 A mix and match facility, under which shareholders have the option to elect to receive more cash or more scrip, will not be available under the Offer.

3 Based on the Brookfield Infrastructure unit price of US$41.36 per unit as at NYSE close on 6 November 2015 and the AUD/USD exchange rate of 0.7049 as quoted at 8am on 7 November 2015.

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Those shareholders who can capture the full benefit of the franking credits associated with the Special Dividend will receive an additional benefit valued at up to A$0.39 per share which will provide those shareholders with a total implied value of up to A$9.60[4] per share.

The Offer is subject to a number of conditions which are set out in full in the Implementation Deed and include (but are not limited to):

- BidCo and its associates obtaining a relevant interest in at least 50.1% of Asciano shares;
- similar conditions to the originally proposed Scheme, including no Asciano Prescribed Occurrence or Asciano Material Adverse Change occurring and required regulatory approvals including ACCC and FIRB clearance;
- no decline in the price of a Brookfield Infrastructure interest resulting in the value of Standard Consideration falling below A$8.80, such that BidCo is not required to pay more to shareholders under the Offer than the Standard Consideration payable under the Scheme under the minimum bid price rule in s621(3) of the Corporations Act; and
- a condition addressing the inter-conditionality of the two proposals such that the bid will only proceed in circumstances where Asciano shareholders do not vote in favour of the Scheme in the requisite majorities.

Asciano continues to be bound by customary exclusivity provisions including a “no talk” obligation (which is subject to a fiduciary carve out) and “no shop”, “notification” and “matching” obligations. In certain circumstances and subject to specified carve outs, a break fee of A$88 million will be payable by Asciano.

A copy of the Amending Deed is attached as Annexure A to this announcement.

Interaction with the Scheme

The existing Scheme of Arrangement under which BidCo would acquire 100% of the issued capital of Asciano will remain on foot. The Asciano Board of Directors therefore also continues to unanimously recommend that Asciano shareholders vote in favour of the Scheme in the absence of a superior proposal.

Asciano has applied to the Court to defer the Scheme meeting, which was scheduled to be held on Tuesday, 10 November 2015, to a date to be determined. Asciano will advise the market of the Court’s decision.

If a Scheme meeting is held at a subsequent date, Asciano shareholders who have accepted the Offer will still be entitled to vote their Asciano shares at that Scheme meeting. In the event that the Scheme is approved by the requisite majorities of Asciano shareholders, the Scheme will be implemented and the Offer will not proceed.

Qube Consortium shareholding

As previously announced, Qube Holdings Limited (**Qube**), with the support of two co-investors Global Infrastructure Partners (**GIP**) and Canada Pension Plan Investment Board (**CPPIB**) (together, the **Qube Consortium**), have an aggregate interest representing 19.99% of the shares in Asciano. To date, Asciano has received no proposal from the Qube Consortium.

[4] Whether a shareholder is able to capture the full benefit of the franking credits will depend on their personal tax circumstances, including in particular, whether they satisfy relevant holding period rules.

Indicative timetable and next steps

Asciano and Brookfield Infrastructure expect to dispatch the Bidder's Statement and Target's Statement (including Independent Expert's report) to shareholders by mid-December 2015, at which time the Offer will be open for acceptance. The Offer will initially remain open for a minimum period of one month.

The Asciano Board remains committed to maximising value for Asciano shareholders and will continue to keep the market informed of any material developments.

Further Information

Asciano shareholders can obtain further information by contacting the Asciano Shareholder Information Line on 1300 729 310 for shareholders located in Australia, and +61 3 9415 4608 for shareholders located outside Australia.

For further information, please contact:

Investors and analysts	**Media**
Kelly Hibbins	Richard Baker
tel: +61 2 8484 8046	tel:+61 2 8484 8103
mobile: +61 414 609 192	mobile: +61 408 985 008
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- Ends -

EX-99.1 2 exh99_1.htm EXHIBIT 99.1

Exhibit 99.1

Brookfield Infrastructure Partners

PRESS RELEASE

Brookfield Infrastructure Provides Update on Asciano

November 25, 2015 – Brookfield Infrastructure Partners L.P. ("Brookfield Infrastructure") (NYSE: BIP; TSX: BIP.UN) advises that the Australian Competition and Consumer Commission (ACCC) announced today its determination not to accept Brookfield Infrastructure's proposed undertakings, which were previously submitted in connection with Brookfield Infrastructure's acquisition of Asciano Limited. Notwithstanding this interim decision, the ACCC has expressly indicated that it has not formed a final view on the transaction, which it has reserved until December 17, 2015.

Brookfield Infrastructure, in consultation with Asciano Limited, is assessing the ACCC's announcement and evaluating the variety of available alternatives for addressing those issues that the ACCC has determined cannot be resolved through undertakings relating to conduct alone, including the provision of new structural undertakings. Brookfield Infrastructure remains committed to working cooperatively with the ACCC in seeking to secure pre-clearance of its proposed transaction, which is the only proposal capable of acceptance by Asciano's shareholders.

– ends –

Brookfield Infrastructure Partners is a leading global infrastructure company that owns and operates high quality, long-life assets in the utilities, transport, energy and communications sectors across North and South America, Australia, Asia and Europe. We are focused on assets that generate stable cash flows and require minimal maintenance capital expenditures. Brookfield Infrastructure Partners is listed on the New York and Toronto stock exchanges. Further information is available at www.brookfieldinfrastructure.com. Important information may be disseminated exclusively via the website; investors should consult the site to access this information.

Brookfield Infrastructure is the flagship listed infrastructure company of Brookfield Asset Management, a leading global alternative asset manager with approximately $225 billion of assets under management. For more information, go to www.brookfield.com

For more information, please visit our website at www.brookfieldinfrastructure.com or contact:

Media:	Investors:
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Senior Vice President, Communications and Media	Senior Vice President, Investor Relations
Tel: (416) 369-8263	Tel: (416) 956-5154
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Note: This news release 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 "Intend" "will", "target", "future", "growth", "expect", "believe", "plan", "should", "optimistic", "can", "may", 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 news release include statements regarding the likelihood and timing of receipt of regulatory approvals and of successfully completing the acquisitions referred to in this news release, statements with respect to our assets tending to appreciate in value over time, the future performance of acquired businesses and growth initiatives, and the level of distribution growth over the next several years. 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 news release. 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 Brookfield Infrastructure to differ materially from those contemplated or implied by the statements in this news release include general economic conditions in the jurisdictions in which we operate and elsewhere which may impact the markets for our products and services, the ability to achieve *growth within Brookfield Infrastructure's businesses and in particular completion on time and on budget of various large capital projects, which themselves depend 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 ability to complete announced and potential acquisitions that may be subject to conditions precedent, and the inability to reach final agreement with counterparties to transactions referred to in this press release 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 future performance of these acquisitions, including traffic volumes on our toll roads, 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 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. This press release does not constitute and is not intended to constitute a public proposal to make a takeover bid as contemplated by section 631 of the Australian Corporations Act. Brookfield Infrastructure will not publicly propose to make a takeover bid unless and until an acceptable bid implementation agreement is in place with Asciano.*

ATTACHMENT 2. INVESTIGATING ACCOUNTANT'S REPORT

INVESTIGATING ACCOUNTANT'S REPORT

Deloitte.

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The Directors
Brookfield Infrastructure Partners Limited
as general partner of Brookfield Infrastructure Partners
L.P.73 Font Street
Hamilton HM12
Bermuda

The Directors
Nitro Corporation Pty Limited
Level 22, 135 King Street
Sydney NSW 2000

7 December 2015

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT ON PRO FORMA FINANCIAL INFORMATION

Introduction

This report has been prepared at the request of the Directors of Brookfield Infrastructure Partners Limited ("BIPL") as general partner of Brookfield Infrastructure Partners L.P. ("BIP" or "Brookfield Infrastructure") and Nitro Corporation Pty Limited ("Nitro") for inclusion in the Bidder's Statement (the "Bidder's Statement") to be issued by Nitro in respect of the takeover bid for Asciano Limited ("Asciano" or the "Company) (the "Takeover Bid Transaction").

Deloitte Corporate Finance Pty Limited ("Deloitte") is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence under the *Corporations Act 2001* (Cth) for the issue of this report.

References and other terminology used in this report have the same meaning as defined in the Glossary of the Bidder's Statement.

Scope

Pro forma Financial Information

Deloitte has been engaged by the Directors of BIPL and Nitro to review the following pro forma financial information contained in the Bidder's Statement:

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a) BIP Pro forma Financial Information

- The pro forma statements of operating results of BIP for the year ended 31 December 2014 and for the six months ended 30 June 2015;
- The pro forma statement of financial position of BIP as at 30 June 2015;
- Relevant notes to the above BIP pro forma financial information; and
- The pro forma adjustments to show the effect of events and transactions related to the Takeover Bid Transaction as if they had occurred, and the assumptions on which they are based

as set out in Section 8.2 of the Bidder's Statement (together the "BIP Pro forma Financial Information").

The BIP Pro forma Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in International Financial Reporting Standards and BIP's adopted accounting policies.

The BIP Pro forma financial information has been extracted from the financial reports of BIP for the year ended 31 December 2014, and the quarter years ended 31 March 2015 and 30 June 2015. The financial report of BIP, prepared in accordance with International Financial Reporting Standards, for the year ended 31 December 2014 was audited by Deloitte LLP (Canada). The audit was carried out in accordance with the standards of the Public Company Accounting Oversight Board (United States) (US GAAS) and an unmodified audit opinion was issued by Deloitte LLP (Canada).

b) Asciano Pro forma Financial Information

- The pro forma statements of operating results of Asciano for the year ended 31 December 2014 and for the six months ended 30 June 2015;
- The pro forma statement of financial position of Asciano as at 30 June 2015; and
- Relevant notes to the above Asciano pro forma financial information

as set out in Section 8.3 of the Bidder's Statement (together the "Asciano Pro forma Financial Information").

The Asciano Pro forma Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in International Financial Reporting Standards and Asciano's adopted accounting policies.

The Asciano Pro forma Financial Information based on a calendar year has been extracted from the financial reports of Asciano for the years ended 30 June 2014 and 30 June 2015, and the half year financial reports for the six months ended 31 December 2013 and 31 December 2014, which were audited and reviewed respectively by KPMG in accordance with Australian Auditing Standards. KPMG issued unmodified audit opinions and review conclusions respectively on these financial reports.

c) Combined Group Pro forma Financial Information

- The pro forma statements of operating results of the Combined Group for the year ended 31 December 2014 and for the six months ended 30 June 2015;
- The pro forma statement of financial position as at 30 June 2015 of the Combined Group;

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- Relevant notes to the above Brookfield Infrastructure Combined Group pro forma financial information; and
- The pro forma adjustments to show the effect of events and transactions related to the Takeover Bid Transaction as if they had occurred, and the assumptions on which they are based

as set out in Section 8.4 of the Bidder's Statement (together the "Combined Group Pro forma Financial Information").

The Combined Group Pro forma Financial Information has been derived from:

i) the BIP Pro forma Financial Information reflecting the pro forma adjustments described in Section 8.2 of the Bidder's Statement; and

ii) the Asciano Pro forma Financial Information reflecting the pro forma adjustments described in Section 8.3 of the Bidder's Statement.

The Asciano Pro forma Financial Information, BIP Pro forma Financial Information and the Combined Group Pro forma Financial Information is presented in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001* (Cth).

The stated basis of preparation is the recognition and measurement principles contained in International Financial Reporting Standards which are consistent with Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Sections 8.2, 8.3 and 8.4 of the Bidder's Statement, as if those event(s) or transaction(s) had occurred as at the date of the historical financial information.

Due to its nature, the pro forma financial information does not represent the Asciano, BIP or Brookfield Infrastructure Combined Group's actual or prospective financial position and/or financial performance.

Directors' Responsibility

The Directors of BIPL and Nitro are responsible for the preparation and presentation of the Combined Group Pro forma Financial Information set out in Section 8.4, including the selection and determination of pro forma adjustments made to the Asciano historical financial information, BIP Pro forma Financial Information and the Combined Group Pro forma Financial Information and the information contained within the Bidder's Statement.

The responsibilities of the Directors of BIPL and Nitro includes the responsibility for such internal controls as the Directors determine are necessary to enable the preparation of the pro forma financial information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the BIP Pro forma Financial Information and Combined Group Pro forma Financial Information set out in Sections 8.2 and 8.4 based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagement (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.*

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we will not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the historical financial information of Asciano and BIP from their audited/reviewed financial statements as referred to above;
- consideration of the appropriateness of pro forma adjustments described in Sections 8.2 8.3 and 8.4 of the Bidder's Statement;
- enquiry of Directors, management, personnel and advisors of BIP and Nitro;
- the performance of analytical procedures applied to the pro forma financial information;
- a review of work papers, accounting records and other documents of BIP and review of the work papers of BIP and Asciano's auditors; and
- a review of the accounting policies adopted and used by Asciano and BIP over the period for consistency of application.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the BIP Pro forma Financial Information and Combined Group Pro forma Financial Information, as set out in Sections 8.2 and 8.4 of the Bidder's Statement, are not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Sections 8.2 and 8.4 of the Bidder's Statement.

Subsequent Events

Apart from the matters dealt with in this Report, and having regard for the scope of our Report, nothing has come to our attention that would cause us to believe that matters arising after 30 June 2015 would require comment on, or adjustments to, the information contained in Sections 8.2, 8.3 and 8.4 of the Bidder's Statement, or would cause such information to be misleading or deceptive.

Restrictions on Use

Without modifying our conclusion, we draw attention to Sections 8.2 and 8.4 of the Bidder's Statement, which describes the purpose of the BIP Pro forma Financial Information and Combined Group Pro forma Financial Information, being for inclusion in the Bidder's Statement. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

Deloitte.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Bidder's Statement in the form and context in which it is included.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of the Takeover Bid Transaction other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte LLP is the auditor of Brookfield Infrastructure Partners L.P.

Yours faithfully,

Deloitte Corporate Finance Pty Limited

J A Leotta
Authorised Representative

ATTACHMENT 3. MATERIAL CONTRACT SUMMARIES

MATERIAL CONTRACT SUMMARIES

1. Master Services Agreement

The Service Recipients have entered into a Master Services Agreement pursuant to which the Service Provider has agreed to provide or arrange for other service providers to provide management and administration services to BIP and the other Service Recipients. The Operating Entities are not a party to the Master Services Agreement.

a. Appointment of the Service Provider and Services Rendered

Under the Master Services Agreement, the Service Recipients have appointed the Service Provider, as the service provider, to provide the following services, or arrange for their provision by an appropriate service provider:

- causing or supervising the carrying out of all day to day management, secretarial, accounting, banking, treasury, administrative, liaison, representative, regulatory and reporting functions and obligations;
- establishing and maintaining or supervising the establishment and maintenance of books and records;
- identifying, evaluating and recommending to the Service Recipients acquisitions or dispositions from time to time and, where requested to do so, assisting in negotiating the terms of such acquisitions or dispositions;
- recommending and, where requested to do so, assisting in the raising of funds whether by way of debt, equity or otherwise, including the preparation, review or distribution of any prospectus or offering memorandum in respect thereof and assisting with communications support in connection therewith;
- recommending to the Service Recipients suitable candidates to serve on the boards of directors or their equivalents of the Operating Entities;
- making recommendations with respect to the exercise of any voting rights to which the Service Recipients are entitled in respect of the Operating Entities;
- making recommendations with respect to the payment of dividends or other distributions by the Service Recipients, including distributions by BIP to holders of BIP Interests;
- monitoring and/or oversight of the applicable Service Recipient's accountants, legal counsel and other accounting, financial or legal advisors and technical, commercial, marketing and other independent experts, and managing litigation in which a Service Recipient is sued or commencing litigation after consulting with, and subject to the approval of, the relevant board of directors or its equivalent;
- attending to all matters necessary for any reorganisation, bankruptcy proceedings, dissolution or winding up of a Service Recipient, subject to approval by the relevant board of directors or its equivalent;
- supervising the timely calculation and payment of taxes payable, and the filing of all tax returns due, by each Service Recipient;
- causing the Service Recipients' annual consolidated financial statements and quarterly interim financial statements to be: (i) prepared in accordance with generally accepted accounting principles or other applicable accounting principles for review and audit at least to such extent and with such frequency as may be required by law or regulation; and (ii) submitted to the relevant board of directors or its equivalent for its prior approval;
- making recommendations in relation to and effecting the entry into insurance of each Service Recipient's assets, together with other insurances against other risks, including directors and officers insurance as the relevant service provider and the relevant board of directors or its equivalent may from time to time agree;
- arranging for individuals to carry out the functions of principal executive, accounting and financial officers for BIP only for purposes of applicable securities laws;
- providing individuals to act as senior officers of Service Recipients as agreed from time to time, subject to the approval of the relevant board of directors or its equivalent;
- advising the Service Recipients regarding the maintenance of compliance with applicable laws and other obligations; and
- providing all such other services as may from time to time be agreed with the Service Recipients that are reasonably related to the Service Recipient's day to day operations.

Notwithstanding the foregoing all investment advisory services (as defined in the Master Services Agreement) must be provided solely to BILP.

The Service Provider's activities are subject to the supervision of the board of directors or equivalent governing body of BIP GP and of each of the other Service Recipients, as applicable. The relevant governing body remains responsible for all investment and divestment decisions made by the Service Recipient.

Any Service Provider may, from time to time, appoint an affiliate of Brookfield Asset Management to act as a new Service Provider under the Master Services Agreement, effective upon the execution of a joinder agreement by the new Service Provider.

b. Management Fee

Pursuant to the Master Services Agreement, on a quarterly basis, BIP pays a Base Management Fee, to the Service Provider equal to 0.3125% (1.25% annually) of the market value of BIP. For purposes of calculating the Base Management Fee, the market value of BIP is equal to the aggregate value of all outstanding BIP Interests (assuming full conversion of Brookfield Asset Management's Redeemable Partnership Units into BIP Interests), Preferred Units and securities of the other Service Recipients that are not held by Brookfield Infrastructure, plus all outstanding Recourse Borrowings, less all cash held by Service Recipients.

To the extent that under any other arrangement BIP is obligated to pay a base management fee (directly or indirectly through an equivalent arrangement) to the Service Provider (or any affiliate) on a portion of its capital that is comparable to the Base Management Fee, the Base Management Fee payable for each quarter in respect thereof will be reduced on a dollar for dollar basis by BIP's proportionate share of the comparable base management fee (or equivalent amount) under such other arrangement for that quarter. The Base Management Fee will not be reduced by the amount of any incentive distribution payable by any Service Recipient or operating entity to the Service Provider (or any other affiliate) (for which there is a separate credit mechanism under the BILP's limited partnership agreement), or any other fees that are payable by any operating entity to Brookfield Asset Management for financial advisory, operations and maintenance, development, operations management and other services.

c. Reimbursement of Expenses and Certain Taxes

BIP also reimburses the Service Provider for any out of pocket fees, costs and expenses incurred in the provision of the management and administration services. However, the Service Recipients are not required to reimburse the Service Provider for the salaries and other remuneration of its management, personnel or support staff who carry out any services or functions for such Service Recipients or overhead for such persons.

The relevant Service Recipient is required to pay the Service Provider all other out of pocket fees, costs and expenses incurred in connection with the provision of the services including those of any third party and to reimburse the Service Provider for any such fees, costs and expenses. Such out of pocket fees, costs and expenses include, among other things:

- fees, costs and expenses relating to any debt or equity financing;
- out of pocket fees, costs and expenses incurred in connection with the general administration of any Service Recipient;
- taxes, licenses and other statutory fees or penalties levied against or in respect of a Service Recipient;
- amounts owed under indemnification, contribution or similar arrangements;
- fees, costs and expenses relating to BIP's financial reporting, regulatory filings and investor relations and the fees, costs and expenses of agents, advisors and other persons who provide services to or on behalf of a Service Recipient; and
- any other fees, costs and expenses incurred by the Service Provider that are reasonably necessary for the performance by the Service Provider of its duties and functions under the Master Services Agreement.

In addition, the Service Recipients are required to pay all fees, costs and expenses incurred in connection with the investigation, acquisition, holding or disposal of any acquisition that is made or that is proposed to be made by BIP. Where the acquisition or proposed acquisition involves a joint acquisition that is made alongside one or more other persons, the Service Provider will be required to allocate such fees, costs and expenses in proportion to the notional amount of the acquisition made (or that would have been made in the case of an unconsummated acquisition) among all joint investors. Such additional fees, expenses and costs represent out of pocket costs associated with investment activities that are undertaken pursuant to the Master Services Agreement.

The Service Recipients are also required to pay or reimburse the Service Provider for all sales, use, value added, withholding or other taxes or customs duties or other governmental charges levied or imposed by reason of the Master Services Agreement or any agreement it contemplates, other than income taxes, corporation taxes, capital taxes or other similar taxes payable by the Service Provider, which are personal to the Service Provider.

d. Termination

The Master Services Agreement has no fixed term. However, the Service Recipients may terminate the Master Services Agreement upon 30 days' prior written notice of termination from BIP GP to the Service Provider if any of the following occurs:

- the Service Provider defaults in the performance or observance of any material term, condition or covenant contained in the agreement in a manner that results in material harm to the Service Recipients and the default continues unremedied for a period of 30 days after written notice of the breach is given to the Service Provider;
- the Service Provider engages in any act of fraud, misappropriation of funds or embezzlement against any Service Recipient that results in material harm to the Service Recipients;
- the Service Provider is grossly negligent in the performance of its duties under the agreement and such negligence results in material harm to the Service Recipients; or
- certain events relating to the bankruptcy or insolvency of the Service Provider.

The Service Recipients have no right to terminate for any other reason, including if the Service Provider or Brookfield Asset Management experiences a change of control. BIP GP may only terminate the Master Services Agreement on behalf of BIP with the prior unanimous approval of BIP GP's independent directors.

The Master Services Agreement expressly provides that the agreement may not be terminated by BIP GP due solely to the poor performance or the underperformance of any of BIP's operations.

The Service Provider may terminate the Master Services Agreement upon 30 days' prior written notice of termination to BIP GP if any Service Recipient defaults in the performance or observance of any material term, condition or covenant contained in the agreement in a manner that results in material harm and the default continues unremedied for a period of 30 days after written notice of the breach is given to the Service Recipient. The Service Provider may also terminate the Master Services Agreement upon the occurrence of certain events relating to the bankruptcy or insolvency of BIP.

If the Master Services Agreement is terminated, the licensing agreements with Brookfield Asset Management that allow BIP and BILP to use the name "Brookfield" and the Brookfield logo, the Relationship Agreement and any of Brookfield Asset Management's obligations under the Relationship Agreement would also terminate.

e. Indemnification and Limitations on Liability

Under the Master Services Agreement, the Service Provider has not assumed and will not assume any responsibility other than to provide or arrange for the provision of the services called for thereunder in good faith and will not be responsible for any action that the Service Recipients take in following or declining to follow the advice or recommendations of the Service Provider. The maximum amount of the aggregate liability of the Service Provider or any of its affiliates, or of any director, officer, employee, contractor, agent, advisor or other representative of the Service Provider or any of its affiliates, will be equal to the Base Management Fee previously paid by the Service Recipients in the two most recent calendar years pursuant to the Master Services Agreement. The Service Recipients have also agreed to indemnify each of the Service Provider, Brookfield Asset Management and their directors, officers, agents, members, partners, shareholders and employees to the fullest extent permitted by law from and against any claims, liabilities, losses, damages, costs or expenses (including legal fees) incurred by an indemnified person or threatened in connection with BIP's respective businesses, investments and activities or in respect of or arising from the Master Services Agreement or the services provided by the Service Provider, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the indemnified person's bad faith, fraud or wilful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful. In addition, under the Master Services Agreement, to the fullest extent permitted by law, the indemnified persons will not be liable to the Service Recipients except for conduct that involved bad faith, fraud, wilful misconduct, gross negligence or in the case of a criminal matter, action that the indemnified person knew to have been unlawful.

f. Outside Activities

The Master Services Agreement does not prohibit the Service Provider or its affiliates from pursuing other business activities or providing services to third parties that compete directly or indirectly with BIP.

2. Limited Partnership Agreement

The following is a summary of the material terms of the BIP Interests and the Limited Partnership Agreement and supplements the information in this Bidder's Statement.

This summary does not reflect amendments to the Limited Partnership Agreement that will be made in connection with the issuance of Series 3 Preferred Units. The Limited Partnership Agreement will be amended concurrent with the closing of the offering of Series 3 Preferred Units, on 8 December 2015, to authorise and create the Series 3 Preferred Units and the Series 4 Preferred Units and to make certain consequential changes resulting from the authorisation and creation of the Series 3 Preferred Units and the Series 4 Preferred Units.

a. Formation and Duration

BIP is a Bermuda exempted limited partnership registered under the Bermuda Limited Partnership Act and the Bermuda Exempted Partnerships Act. BIP has a perpetual existence and will continue as a limited liability partnership unless BIP is terminated or dissolved in accordance with the Limited Partnership Agreement. BIP interests consist of the BIP Interests and the Class A Preferred Units, and any additional partnership interests representing limited partnership interests that BIP may issue in the future as described below under "—Issuance of Additional Partnership Interests." In this description, references to "holders of BIP interests", BIP's "preferred unitholders" and BIP's "unitholders" are to BIP's limited partners and references to BIP's limited partners include holders of the BIP Interests and Preferred Units.

b. Nature and Purpose

Under section 2.2 of the Limited Partnership Agreement, the purpose of BIP is to:

- acquire and hold interests in the BILP and, subject to the approval of BIP GP, interests in any other entity;
- engage in any activity related to the capitalisation and financing of BIP's interests in such entities;
- serve as the managing general partner of the BILP; and
- engage in any other activity that is incidental to or in furtherance of the foregoing and that is approved by BIP GP and that lawfully may be conducted by a limited partnership organised under the Bermuda Limited Partnership Act, the Exempted Partnerships Act, and the Limited Partnership Agreement.

c. BIP Interests

BIP Interests are limited partnership interests in BIP. Holders of the BIP Interests are not entitled to the withdrawal or return of capital contributions in respect of the BIP Interests, except to the extent, if any, that distributions are made to such holders pursuant to the Limited Partnership Agreement or upon the liquidation of BIP as described below under the heading "Liquidation and Distribution of Proceeds" or as otherwise required by applicable law. Except to the extent expressly provided in the Limited Partnership Agreement, a holder of the BIP Interests does not have priority over any other holder of the BIP Interests, either as to the return of capital contributions or as to profits, losses or distributions. Holders of the BIP Interests will not be granted any pre-emptive or other similar right to acquire additional interests in BIP. In addition, holders of the BIP Interests do not have any right to have their BIP Interests redeemed by BIP.

d. Preferred Units

The Preferred Units are limited partnership interests in BIP. Holders of BIP's Preferred Units are not entitled to the withdrawal or return of capital contributions in respect of BIP's Preferred Units, except to the extent, if any, that distributions are made to such holders pursuant to the Limited Partnership Agreement or upon the liquidation of BIP as described below under the heading "Liquidation and Distribution of Proceeds" or as otherwise required by applicable law. The Class A Preferred Units rank senior to the BIP Interests with respect to priority in the return of capital contributions or as to profits, losses or distributions. Each series of Class A Preferred Units ranks on a parity with every other series of the Class A Preferred Units with respect to priority in the return of capital contributions or as to profits, losses or distributions. There is only one series of Class A Preferred Units currently on issue, the Series 1 Preferred Units. The Series 1 Preferred Units are redeemable on 30 June 2020 and on 30 June every 5 years thereafter. Holders of the Series 1 Preferred Units will have the right, at their option, to reclassify their Series 1 Preferred Units into Series 2 Preferred Units, subject to certain conditions, on 30 June 2020 and on 30 June every 5 years thereafter. Holders of Series 1 Preferred Units do not have any right to have their Series 1 Preferred Units redeemed by BIP.

e. Issuance of Additional Partnership Interests

Subject to the rights of the holders of Class A Preferred Units to approve issuances of additional partnership interests ranking senior to the Class A Preferred Units with respect to priority in the return of capital contributions or as to profits, losses or distributions by a majority, BIP GP has broad rights to cause BIP to issue additional partnership interests and may cause BIP to issue additional partnership interests (including new classes of partnership interests and options, rights, warrants and appreciation rights relating to such interests) for any partnership purpose, at any time and on such terms and conditions as it may determine without the approval of any limited partners. Any additional partnership interests may be issued in one or more classes, or one or more series of classes, with such designations, preferences, rights, powers and duties (which may be senior to existing classes and series of partnership interests) as may be determined by BIP GP in its sole discretion, all without approval of BIP's limited partners.

f. Investments in BILP

If and to the extent that BIP raises funds by way of the issuance of equity or debt securities, or otherwise, pursuant to a public offering, private placement or otherwise, an amount equal to the proceeds will be invested in BILP, unless otherwise agreed by BIP and BILP.

g. Capital Contributions

Brookfield Asset Management and BIP GP each contributed $1 to the capital of BIP in order to form BIP. Thereafter, Brookfield Asset Management contributed to BIP limited partnership interests of BILP in exchange for Redeemable Partnership Units and BIP Interests, the latter of which was distributed by Brookfield Asset Management in the spin-off.

h. Distributions

Subject to the rights of holders of Class A Preferred Units to receive cumulative preferential cash distributions in accordance with the terms of the Series 1 Preferred Units and Series 2 Preferred Units, distributions to partners of BIP will be made only as determined by BIP GP in its sole discretion. However, BIP GP will not be permitted to cause BIP to make a distribution if it does not have sufficient cash on hand to make the distribution, the distribution would render it insolvent or if, in the opinion of BIP GP, the distribution would leave it with insufficient funds to meet any future contingent obligations. In addition, BIP will not be permitted to make a distribution on the BIP Interests unless all accrued distributions have been paid in respect of the Class A Preferred Units, Series 1 Preferred Units and Series 2 Preferred Units and all other units of BIP ranking prior to or on a parity with the Class A Preferred Units, Series 1 Preferred Units and Series 2 Preferred Units with respect to the payment of distributions.

Holders of the Series 1 Preferred Units will be entitled to receive a cumulative quarterly fixed distribution at a rate of 4.50% annually for the initial period ending June 30, 2020. Thereafter, the distribution rate will be reset every five years at a rate equal to the 5 year Government of Canada bond yield plus 3.56%. Holders of Series 2 Preferred Units will be entitled to receive a cumulative quarterly floating distribution at a rate equal to the 90 day Canadian Treasury Bill yield plus 3.56%. Subject to the terms of any Preferred Units outstanding at the time, any distributions from BIP will be made to the limited partners holding BIP Interests as to 99.99% and to BIP GP as to 0.01%. Distributions to holders of Class A Preferred Units in accordance with their terms rank higher in priority than distributions to holders of the BIP Interests. Each holder of BIP Interests or Preferred Units will receive a pro rata share of distributions made to all holders of BIP Interests or Preferred Units, as applicable, in accordance with the proportion of all BIP Interests or Preferred Units held by that holder.

i. Allocations of Income and Losses

Net income and net loss for U.S. federal income tax purposes will be allocated for each taxable year or other relevant period among BIP's partners (other than BIP's partners holding Preferred Units) using a monthly, quarterly or other permissible convention pro rata on a per unit basis, except to the extent otherwise required by law or pursuant to tax elections made by BIP. The source and character of items of income and loss so allocated to a partner of BIP (other than a partner holding Preferred Units) will be the same source and character as the income earned or loss incurred by BIP.

The income for Canadian federal income tax purposes of BIP for a given fiscal year of BIP will be allocated to each partner in an amount calculated by multiplying such income by a fraction, the numerator of which is the sum of the distributions received by such partner with respect to such fiscal year and the denominator of which is the aggregate amount of the distributions made by BIP to partners with respect to such fiscal year, provided that the numerator and denominator will not include any distributions on the Preferred Units that are in satisfaction of accrued distributions on the Preferred Units that were not paid in a previous fiscal year of BIP where BIP GP determines that the inclusion of such distributions would result in a preferred unitholder being allocated more income than it would have been if the distributions were paid in the fiscal year of BIP in which they were accrued. Generally, the source and character of items of income so allocated to a partner with respect to a fiscal year of BIP will be the same source and character as the distributions received by such partner with respect to such fiscal year. To such end, any person who was a partner at any time during such fiscal year but who has disposed of all of their units (including any Preferred Units) before the last day of that fiscal year may be deemed to be a partner on the last day of such fiscal year for the purposes of subsection 96(1) of the Tax Act. BIP GP may adjust allocations of items that would otherwise be made pursuant to the terms of the Limited Partnership Agreement to the extent necessary to avoid an adverse effect on BIP's limited partners, subject to the approval of a committee of the board of directors of BIP GP made up of independent directors.

If, with respect to a given fiscal year, no distribution is made by BIP or BIP has a loss for Canadian federal income tax purposes, one quarter of the income or loss, as the case may be, for Canadian federal income tax purposes for such fiscal year, will be allocated to the partners of record at the end of each quarter ending in such fiscal year as follows: (i) to the preferred unitholders in respect of Preferred Units held by them on each such date, such amount of the income or the loss, as the case may be, for Canadian federal income tax purposes as BIP GP determines is reasonable in the circumstances having regard to such factors as BIP GP considers to be relevant, including, without limitation, the relative amount of capital contributed to BIP on the issuance of Preferred Units as compared to all other units and the relative fair market value of the Preferred Units as compared to all other units, and (ii) to the partners, other than in respect of Preferred Units, the remaining amount of the income or the loss, as the case may be, for Canadian federal income tax purposes pro rata to their respective percentage interests on each such date.

j. Limited Liability

Assuming that a limited partner does not participate in the control or management of BIP or conduct the affairs of, sign or execute documents for or otherwise bind BIP within the meaning of the Bermuda Limited Partnership Act and otherwise acts in conformity with the provisions of the Limited Partnership Agreement, such partner's liability under the Bermuda Limited Partnership Act and the Limited Partnership Agreement will be limited to the amount of capital such partner is obligated to contribute to BIP for its BIP Interests plus its share of any undistributed profits and assets, except as described below.

If it were determined, however, that a limited partner was participating in the control or management of BIP or conducting the affairs of, signing or executing documents for or otherwise binding BIP (or purporting to do any of the foregoing) within the meaning of the Bermuda Limited Partnership Act or the Bermuda Exempted Partnerships Act, such limited partner would be liable as if it were a general partner of BIP in respect of all debts of BIP incurred while that limited partner was so acting or purporting to act. Neither the Limited Partnership Agreement nor the Bermuda Limited Partnership Act specifically provides for legal recourse against BIP GP if a limited partner were to lose limited liability through any fault of BIP GP. While this does not mean that a limited partner could not seek legal recourse, BIP is not aware of any precedent for such a claim in Bermuda case law.

k. No Management or Control

BIP's limited partners, in their capacities as such, may not take part in the management or control of the activities and affairs of BIP and do not have any right or authority to act for or to bind BIP or to take part or interfere in the conduct or management of BIP. Limited partners are not entitled to vote on matters relating to BIP, although holders of BIP Interests are entitled to consent to certain matters as described under "Amendment of the Limited Partnership Agreement," "Opinion of Counsel and Limited Partner Approval," "Merger, Sale or Other Disposition of Assets," and "Withdrawal of BIP GP" which may be effected only with the consent of the holders of the percentages of BIP Interests specified below. Each BIP Interest shall entitle the holder thereof to one vote for the purposes of any approvals of holders of BIP Interests.

Except as otherwise provided by law or as set out in the provisions attached to any series of Class A Preferred Units and except for meetings of the holders of Class A Preferred Units as a class or meetings of the holders of a series thereof, the holders of Class A Preferred Units are not entitled to receive notice of, attend, or vote at any meeting of holders of BIP Interests, unless and until BIP shall have failed to pay eight quarterly distributions in respect of the Series 1 Preferred Units or the Series 2 Preferred Units, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of BIP properly applicable to the payment of distributions. In the event of such non-payment, and for only so long as any such distributions remain in arrears, such holders will be entitled to receive notice of and to attend each meeting of holders of BIP Interests (other than any meetings at which only holders of another specified class or series are entitled to vote) and such holders shall have the right, at any such meeting, to one vote for each Series 1 Preferred Unit or Series 2 Preferred Unit held. Upon payment of the entire amount of all such distributions in arrears, the voting rights of such holders of Series 1 Preferred Units and Series 2 Preferred Units shall forthwith cease (unless and until the same default shall again arise as described herein).

l. Meetings

BIP GP may call special meetings of partners at a time and place outside of Canada determined by BIP GP on a date not less than 10 days nor more than 60 days after the mailing of notice of the meeting. The limited partners do not have the ability to call a special meeting. Only holders of record on the date set by BIP GP (which may not be less than 10 days nor more than 60 days, before the meeting) are entitled to notice of any meeting.

Written consents may be solicited only by or on behalf of BIP GP. Any such consent solicitation may specify that any written consents must be returned to BIP within the time period, which may not be less than 20 days, specified by BIP GP.

For purposes of determining holders of partnership interests entitled to provide consents to any action described above, BIP GP may set a record date, which may be not less than 10 nor more than 60 days before the date by which record holders are requested in writing by BIP GP to provide such consents. Only those holders of partnership interests on the record date established by BIP GP will be entitled to provide consents with respect to matters as to which a consent right applies.

m. Amendment of the Limited Partnership Agreement

Amendments to the Limited Partnership Agreement may be proposed only by or with the consent of BIP GP. To adopt a proposed amendment, other than the amendments that do not require limited partner approval discussed below, BIP GP must seek approval of a majority of the outstanding BIP Interests required to approve the amendment or call a meeting of the limited partners to consider and vote upon the proposed amendment.

Notwithstanding the above, in addition to any other approvals required by law, the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Units as a class and any other approval to be given by the holders of the Class A Preferred Units may be given by a resolution signed by the holders of Class A Preferred Units owning not less than the percentage of the Class A Preferred Units that would be necessary to authorise such action at a meeting of the holders of the Class A Preferred Units at which all holders of the Class A Preferred Units were present and voted or were represented by proxy or passed by an affirmative vote of at least 66 2/3% of the votes cast at a meeting of holders of the Class A Preferred Units duly called for that purpose and at which the holders of at least 25% of the outstanding Class A Preferred Units are present or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Class A Preferred Units then present would form the necessary quorum. At any meeting of holders of Class A Preferred Units as a class, each such holder shall be entitled to one vote in respect of each Class A Preferred Unit held.

Further, in addition to any other approvals required by law, the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series 1 Preferred Units and the Series 2 Preferred Units as a series and any other approval to be given by the holders of the Series 1 Preferred Units and the Series 2 Preferred Units as a series may be given by a resolution signed by the holders of Series 1 Preferred Units or Series 2 Preferred Units, as applicable, owning not less than the percentage of the Series 1 Preferred Units or the Series 2 Preferred Units that would be necessary to authorise such action at a meeting of the holders of the Series 1 Preferred Units or the Series 2 Preferred Units, as applicable, at which all holders of the Series 1 Preferred Units or the Series 2 Preferred Units, as applicable, were present and voted or were represented by proxy or passed by an affirmative vote of at least 66 2/3% of the votes cast at a meeting of holders of the Series 1 Preferred Units or Series 2 Preferred Units duly called for that purpose and at which the holders of at least 25% of the outstanding Series 1 Preferred Units or the Series 2 Preferred Units, as applicable, are present or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series 1 Preferred Units or the Series 2 Preferred Units, as applicable, then present would form the necessary quorum. At any meeting of holders of Series 1 Preferred Units or Series 2 Preferred Units as a series, each such holder shall be entitled to one vote in respect of each Series 1 Preferred Unit or Series 2 Preferred Unit held.

n. Prohibited Amendments

No amendment may be made that would:

- enlarge the obligations of any limited partner without its consent, except that any amendment that would have a material adverse effect on the rights or preferences of any class of partnership interests in relation to other classes of partnership interests may be approved by at least a majority of the type or class of partnership interests so affected; or
- enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable by BIP to BIP GP or any of its affiliates without the consent of BIP GP, which may be given or withheld in its sole discretion.

The provision of the Limited Partnership Agreement preventing the amendments having the effects described directly above can be amended upon the approval of the holders of at least 90% of the outstanding BIP Interests.

o. No Limited Partner Approval

Subject to applicable law, BIP GP may generally make amendments to the Limited Partnership Agreement without the approval of any limited partner to reflect:

- a change in the name of BIP, the location of BIP's registered office, or BIP's registered agent;
- the admission, substitution or withdrawal of partners in accordance with the Limited Partnership Agreement;
- a change that BIP GP determines is necessary or appropriate for BIP to qualify or to continue BIP's qualification as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any jurisdiction or to ensure that BIP will not be treated as an association taxable as a corporation or otherwise taxed as an entity for tax purposes;
- an amendment that BIP GP determines to be necessary or appropriate to address certain changes in tax regulations, legislation or interpretation;
- an amendment that is necessary, in the opinion of BIP's counsel, to prevent BIP or BIP GP or its directors, officers, agents or trustees, from having a material risk of being in any manner being subjected to the provisions of the Investment Company Act or similar legislation in other jurisdictions;
- an amendment that BIP GP determines in its sole discretion to be necessary or appropriate for the creation, authorisation or issuance of any class or series of partnership interests or options, rights, warrants or appreciation rights relating to partnership securities;
- any amendment expressly permitted in the Limited Partnership Agreement to be made by BIP GP acting alone;
- an amendment effected, necessitated or contemplated by an agreement of merger, consolidation or other combination agreement that has been approved under the terms of the Limited Partnership Agreement;

- any amendment that in the sole discretion of BIP GP is necessary or appropriate to reflect and account for the formation by BIP of, or its investment in, any corporation, partnership, joint venture, limited liability company or other entity, as otherwise permitted by the Limited Partnership Agreement;
- a change in BIP's fiscal year and related changes; or
- any other amendments substantially similar to any of the matters described directly above.

In addition, BIP GP may make amendments to the Limited Partnership Agreement without the approval of any limited partner if those amendments, in the discretion of BIP GP:

- do not adversely affect BIP's limited partners considered as a whole (including any particular class of partnership interests as compared to other classes of partnership interests) in any material respect;
- are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any governmental agency or judicial authority;
- are necessary or appropriate to facilitate the trading of the BIP Interests or Preferred Units or to comply with any rule, regulation, guideline or requirement of any securities exchange on which the BIP Interests or Preferred Units are or will be listed for trading;
- are necessary or appropriate for any action taken by BIP GP relating to splits or combinations of BIP Interests or Preferred Units under the provisions of the Limited Partnership Agreement; or
- are required to effect the intent expressed in the provisions of the Limited Partnership Agreement or are otherwise contemplated by the Limited Partnership Agreement.

p. Opinion of Counsel and Limited Partner Approval

BIP GP will not be required to obtain an opinion of counsel that an amendment will not result in a loss of limited liability to the limited partners if one of the amendments described above under the heading "No Limited Partner Approval" should occur. No other amendments to the Limited Partnership Agreement will become effective without the approval of holders of at least 90% of the BIP Interests, unless BIP obtains an opinion of counsel to the effect that the amendment will not cause BIP to be treated as an association taxable as a corporation or otherwise taxable as an entity for tax purposes (provided that for U.S. tax purposes BIP GP has not made the election described below under "Election to be Treated as a Corporation") or affect the limited liability of any of BIP's limited partners under the Bermuda Limited Partnership Act or the Bermuda Exempted Partnerships Act.

Subject to the terms of any Preferred Units outstanding, in addition to the above restrictions, any amendment that would have a material adverse effect on the rights or preferences of any type or class of partnership interests in relation to other classes of partnership interests will also require the approval of the holders of at least a majority of the outstanding partnership interests of the class so affected.

In addition, any amendment that reduces the voting percentage required to take any action must be approved by the affirmative vote of limited partners whose aggregate outstanding voting units constitute not less than the voting requirement sought to be reduced.

q. Merger, Sale or Other Disposition of Assets

Any merger, consolidation or other combination of BIP requires the prior approval of BIP GP who has no duty or obligation to provide any such approval. The Limited Partnership Agreement generally prohibits BIP GP, without the prior approval of the holders of a majority of the BIP Interests, from causing BIP to, among other things, sell, exchange or otherwise dispose of all or substantially all of BIP's assets in a single transaction or a series of related transactions, including by way of merger, consolidation or other combination, or approving on BIP's behalf the sale, exchange or other disposition of all or substantially all of the assets of BIP's subsidiaries. However, BIP GP in its sole discretion may mortgage, pledge, hypothecate or grant a security interest in all or substantially all of BIP's assets (including for the benefit of persons other than BIP or BIP's subsidiaries) without that approval. BIP GP may also sell all or substantially all of BIP's assets under any forced sale of any or all of BIP's assets pursuant to the foreclosure or other realisation upon those encumbrances without that approval.

If conditions specified in the Limited Partnership Agreement are satisfied, BIP GP may convert or merge BIP into, or convey some or all of BIP's assets to, a newly formed entity if the sole purpose of that merger or conveyance is to effect a mere change in BIP's legal form into another limited liability entity. Holders of partnership interests are not entitled to dissenters' rights of appraisal under the Limited Partnership Agreement or the Bermuda Limited Partnership Act or the Bermuda Exempted Partnerships Act in the event of a merger or consolidation, a sale of substantially all of BIP's assets or any other transaction or event.

r. Election to be Treated as a Corporation

If BIP GP determines that it is no longer in BIP's best interests to continue as a partnership for U.S. federal income tax purposes, BIP GP may elect to treat BIP as an association or as a publicly traded partnership taxable as a corporation for U.S. federal (and applicable state) income tax purposes.

s. Termination and Dissolution

BIP will terminate upon the earlier to occur of:

- the date on which all of BIP's assets have been disposed of or otherwise realised by BIP and the proceeds of such disposals or realisations have been distributed to partners;
- the service of notice by BIP GP, with the special approval of a majority of its independent directors, that in its opinion the coming into force of any law, regulation or binding authority has or will render illegal or impracticable the continuation of BIP; and
- at the election of BIP GP, if BIP, as determined by BIP GP, is required to register as an "investment company" under the Investment Company Act or similar legislation in other jurisdictions.

BIP will be dissolved upon the withdrawal of BIP GP as the general partner of BIP (unless Brookfield Asset Management becomes the general partner as described in the following sentence or the withdrawal is effected in compliance with the provisions of the Limited Partnership Agreement that are described below under "Withdrawal of BIP GP") or the entry by a court of competent jurisdiction of a decree of judicial dissolution of BIP or an order to wind up or liquidate BIP GP. BIP will be reconstituted and continue without dissolution if within 30 days of the date of dissolution (and so long as a notice of dissolution has not been filed with the Bermuda Monetary Authority), Brookfield Asset Management executes a transfer deed pursuant to which it becomes the general partner and assumes the rights and undertakes the obligations of the general partner and BIP receives an opinion of counsel that the admission of Brookfield Asset Management as general partner will not result in the loss of the limited liability of any limited partner.

t. Liquidation and Distribution of Proceeds

Upon BIP's dissolution, unless BIP is continued as a new limited partnership, the liquidator authorised to wind up BIP's affairs will, acting with all of the powers of BIP GP that the liquidator deems necessary or appropriate in its judgment, liquidate BIP's assets and apply the proceeds of the liquidation first, to discharge BIP's liabilities as provided in the Limited Partnership Agreement and by law, second to holders of any Class A Preferred Units in accordance with the terms of such units and thereafter to the partners holding BIP Interests pro rata according to the percentages of their respective partnership interests as of a record date selected by the liquidator. The liquidator may defer liquidation of BIP's assets for a reasonable period of time or distribute assets to partners in kind if it determines that an immediate sale or distribution of all or some of BIP's assets would be impractical or would cause undue loss to the partners.

u. Withdrawal of BIP GP

BIP's General Partner may withdraw as general partner without first obtaining approval of BIP Securityholders by giving 90 days' advance notice, and that withdrawal will not constitute a violation of the Limited Partnership Agreement.

Upon the withdrawal of BIP GP, the holders of a majority of the voting power of the outstanding BIP Interests may select a successor to that withdrawing general partner. If a successor is not elected, or is elected but an opinion of counsel regarding limited liability, tax matters and the Investment Company Act (and similar legislation in other jurisdictions) cannot be obtained, BIP will be dissolved, wound up and liquidated. See the section titled "Termination and Dissolution" above.

In the event of withdrawal of a general partner where that withdrawal violates the Limited Partnership Agreement, a successor general partner will have the option to purchase the general partnership interest of the departing general partner for a cash payment equal to its fair market value. Under all other circumstances where a general partner withdraws, the departing general partner will have the option to require the successor general partner to purchase the general partnership interest of the departing general partner for a cash payment equal to its fair market value. In each case, this fair market value will be determined by agreement between the departing general partner and the successor general partner. If no agreement is reached within 30 days of the general partner's departure, an independent investment banking firm or other independent expert selected by the departing general partner and the successor general partner will determine the fair market value. If the departing general partner and the successor general partner cannot agree upon an expert within 45 days of the general partner's departure, then an expert chosen by agreement of the experts selected by each of them will determine the fair market value.

If the option described above is not exercised by either the departing general partner or the successor general partner, the departing general partner's general partnership interests will automatically convert into BIP Interests pursuant to a valuation of those interests as determined by an investment banking firm or other independent expert selected in the manner described in the preceding paragraph.

v. Transfer of the General Partnership Interest

BIP GP may transfer all or any part of its general partnership interests without first obtaining approval of any BIP Securityholder. As a condition of this transfer, the transferee must assume the rights and duties of BIP GP to whose interest that transferee has succeeded, agree to be bound by the provisions of the Limited Partnership Agreement and furnish an opinion of counsel regarding limited liability, tax matters, and the Investment Company Act (and similar legislation in other jurisdictions). Any transfer of the general partnership interest is subject to prior notice to and approval of the relevant Bermuda regulatory authorities. At any time, the members of BIP GP may sell or transfer all or part of their shares in BIP GP without the approval of the BIP Securityholders.

w. Partnership Name

If BIP GP ceases to be the general partner of BIP and BIP's new general partner is not an affiliate of Brookfield Asset Management, BIP will be required by the Limited Partnership Agreement to change the name of BIP to a name that does not include "Brookfield" and which could not be capable of confusion in any way with such name. The Limited Partnership Agreement explicitly provides that this obligation shall be enforceable and waivable by BIP GP notwithstanding that it may have ceased to be the general partner of BIP.

x. Transactions with Interested Parties

BIP GP, the Service Provider and their respective partners, members, shareholders, directors, officers, employees and shareholders, which are referred to as "interested parties," may become limited partners or beneficially interested in limited partners and may hold, dispose of or otherwise deal with the BIP Interests or Preferred Units with the same rights they would have if BIP GP was not a party to the Limited Partnership Agreement. An interested party will not be liable to account either to other interested parties or to BIP, BIP's partners or any other persons for any profits or benefits made or derived by or in connection with any such transaction.

The Limited Partnership Agreement permits an interested party to sell investments to, purchase assets from, vest assets in and enter into any contract, arrangement or transaction with BIP, BILP, any of the Holding Entities, any operating entity or any other holding vehicle established by BIP and may be interested in any such contract, transaction or arrangement and shall not be liable to account either to BIP, BILP, any of the Holding Entities, any Operating Entity or any other holding vehicle established by BIP or any other person in respect of any such contract, transaction or arrangement, or any benefits or profits made or derived therefrom, by virtue only of the relationship between the parties concerned, subject to any approval requirements that are contained in BIP's conflicts protocol.

y. Outside Activities of BIP GP and Conflicts of Interest

Under the Limited Partnership Agreement, BIP GP is required to maintain as its sole activity the role of general partner of BIP. BIP GP is not permitted to engage in any activity or incur or guarantee any debts or liabilities except in connection with or incidental to its performance as general partner or incurring, guaranteeing, acquiring, owning or disposing of debt or equity securities of BILP, a Holding Entity or any other holding vehicle established by BIP.

The Limited Partnership Agreement provides that each person who is entitled to be indemnified by BIP (other than BIP GP), as described below under "Indemnification; Limitation on Liability," has the right to engage in businesses of every type and description and other activities for profit, and to engage in and possess interests in business ventures of any and every type or description, irrespective of whether (i) such activities are similar to BIP's affairs or activities or (ii) such affairs and activities directly compete with, or disfavour or exclude, BIP GP, BIP, BILP, any Holding Entity, any operating entity or any other holding vehicle established by BIP. Such business interests, activities and engagements will be deemed not to constitute a breach of the Limited Partnership Agreement or any duties stated or implied by law or equity, including fiduciary duties, owed to any of BIP GP, BIP, BILP, any Holding Entity, any Operating Entity and any other holding vehicle established by BIP (or any of their respective investors), and shall be deemed not to be a breach of BIP GP's fiduciary duties or any other obligation of any type whatsoever of BIP GP. None of BIP GP, BIP, BILP, any Holding Entity, any operating entity, any other holding vehicle established by BIP or any other person shall have any rights by virtue of the Limited Partnership Agreement or the partnership relationship established thereby or otherwise in any business ventures of any person who is entitled to be indemnified by BIP as described below under "Indemnification; Limitation on Liability."

BIP GP and the other indemnified persons described in the preceding paragraph do not have any obligation under the Limited Partnership Agreement or as a result of any duties stated or implied by law or equity, including fiduciary duties, to present business or investment opportunities to BIP, BILP, any Holding Entity, any operating entity or any other holding vehicle established by BIP. These provisions will not affect any obligation of an indemnified person to present business or investment opportunities to BIP, BILP, any Holding Entity, any operating entity or any other holding vehicle established by BIP pursuant to a separate written agreement between such persons.

Any conflicts of interest and potential conflicts of interest that are approved by a majority of BIP GP's independent directors from time to time will be deemed approved by all partners. Pursuant to BIP's conflicts protocol, independent directors may grant approvals for any of the transactions described above in the form of general guidelines, policies or procedures in which case no further special approval will be required in connection with a particular transaction or matter permitted thereby.

z. Indemnification; Limitations on Liability

Under the Limited Partnership Agreement, BIP is required to indemnify to the fullest extent permitted by law BIP GP, the Service Provider and any of their respective affiliates (and their respective officers, directors, agents, shareholders, partners, members and employees), any person who serves on a governing body of BILP, a Holding Entity, operating entity or any other holding vehicle established by BIP and any other person designated by BIP GP as an indemnified person, in each case, against all losses, claims, damages, liabilities, costs or expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, incurred by an indemnified person in connection with BIP's investments and activities or by reason of their holding such positions, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the indemnified person's bad faith, fraud or wilful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful. In addition, under the Limited Partnership Agreement:

- the liability of such persons has been limited to the fullest extent permitted by law, except to the extent that their conduct involves bad faith, fraud or wilful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful; and
- any matter that is approved by the independent directors of BIP GP will not constitute a breach of the Limited Partnership Agreement or any duties stated or implied by law or equity, including fiduciary duties.

The Limited Partnership Agreement requires BIP to advance funds to pay the expenses of an indemnified person in connection with a matter in which indemnification may be sought until it is determined that the indemnified person is not entitled to indemnification.

aa. Accounts, Reports and Other Information

BIP prepares its financial statements in accordance with IFRS. BIP's financial statements must be made publicly available together with a statement of the accounting policies used in their preparation, such information as may be required by applicable laws and regulations and such information as BIP GP deems appropriate. BIP's annual financial statements must be audited by an independent accountant firm of international standing and made publicly available within such period of time as is required to comply with applicable laws and regulations, including any rules of any applicable securities exchange. BIP's quarterly financial statements may be unaudited and are made available publicly as and within the time period required by applicable laws and regulations.

BIP GP is also required to use commercially reasonable efforts to prepare and send to the limited partners of BIP on an annual basis, additional information regarding BIP, including Schedule K 1 (or equivalent) and information related to the passive foreign investment company status of any non U.S. corporation that BIP controls and, where reasonably possible, any other non U.S. corporation in which BIP holds an interest. However, unitholders and preferred unitholders that do not ordinarily have U.S. federal tax filing requirements will not receive a Schedule K 1 and related information unless such unitholders and preferred unitholders request it within 60 days after the close of each calendar year. BIP GP will, where reasonably possible, prepare and send information required by the non U.S. limited partners of BIP for U.S. federal income tax reporting purposes, including information related to investments in "U.S. real property interests," as that term is defined in Section 897 of the U.S. Internal Revenue Code. BIP GP will also, where reasonably possible and applicable, prepare and send information required by limited partners of BIP for Canadian federal income tax purposes.

bb.Governing Law; Submission to Jurisdiction

The Limited Partnership Agreement is governed by and will be construed in accordance with the laws of Bermuda. Under the Limited Partnership Agreement, each of BIP's partners (other than governmental entities prohibited from submitting to the jurisdiction of a particular jurisdiction) will submit to the non-exclusive jurisdiction of any court in Bermuda in any dispute, suit, action or proceeding arising out of or relating to the Limited Partnership Agreement. Each partner waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein and further waives, to the fullest extent permitted by law, any claim of inconvenient forum, improper venue or that any such court does not have jurisdiction over the partner. Any final judgment against a partner in any proceedings brought in a court in Bermuda will be conclusive and binding upon the partner and may be enforced in the courts of any other jurisdiction of which the partner is or may be subject, by suit upon such judgment. The foregoing submission to jurisdiction and waivers will survive the dissolution, liquidation, winding up and termination of BIP.

cc. Transfers of Units

BIP is not required to recognise any transfer of the BIP Interests or Preferred Units until certificates, if any, evidencing such units are surrendered for registration of transfer. Each person to whom a BIP Interest or Preferred Unit is transferred (including any nominee holder or an agent or representative acquiring such unit for the account of another person) will be admitted to BIP as a partner with respect to the BIP Interest or Preferred Unit so transferred subject to and in accordance with the terms of the Limited Partnership Agreement. Any transfer of a BIP Interest or Preferred Unit will not entitle the transferee to share in the profits and losses of BIP, to receive distributions, to receive allocations of income, gain, loss, deduction or credit or any similar item or to any other rights to which the transferor was entitled until the transferee becomes a partner and a party to the Limited Partnership Agreement.

By accepting a BIP Interest or Preferred Unit for transfer in accordance with the Limited Partnership Agreement, each transferee will be deemed to have:

- executed the Limited Partnership Agreement and become bound by the terms thereof;
- granted an irrevocable power of attorney to BIP GP and any officer thereof to act as such partner's agent and attorney in fact to execute, swear to, acknowledge, deliver, file and record in the appropriate public offices:
- all agreements, certificates, documents and other instruments relating to the existence or qualification of BIP as an exempted limited partnership (or a partnership in which the limited partners have limited liability) in Bermuda and in all jurisdictions in which BIP may conduct activities and affairs or own property; any amendment, change, modification or restatement of the Limited Partnership Agreement, subject to the requirements of the Limited Partnership Agreement; the dissolution and liquidation of BIP; the admission, withdrawal or removal of any partner of BIP or any capital contribution of any partner of BIP; the determination of the rights, preferences and privileges of any class or series of units or other partnership interests of BIP, and to a merger or consolidation of BIP; and
- subject to the requirements of the Limited Partnership Agreement, all ballots, consents, approvals, waivers, certificates, documents and other instruments necessary or appropriate, in the sole discretion of BIP GP or the liquidator of BIP, to make, evidence, give, confirm or ratify any voting consent, approval, agreement or other action that is made or given by BIP's partners or is consistent with the terms of the Limited Partnership Agreement or to effectuate the terms or intent of the Limited Partnership Agreement;
- made the consents and waivers contained in the Limited Partnership Agreement, including with respect to the approval of the transactions and agreements entered into in connection with BIP's formation and the spin off; and
- ratified and confirmed all contracts, agreements, assignments and instruments entered into on behalf of BIP in accordance with the Limited Partnership Agreement.

The transfer of any BIP Interest or Preferred Unit and the admission of any new partner to BIP will not constitute any amendment to the Limited Partnership Agreement.

dd. Transfer Agent and Registrar

Computershare Trust Company, N.A. in New York, New York, U.S.A. and Computershare Investor Services Inc. in Toronto, Ontario, Canada have been appointed to act as transfer agent and registrar for the purpose of registering the BIP Interests and Class A Preferred Units, respectively, and transfers of the BIP Interests and Class A Preferred Units, respectively, as provided in the Limited Partnership Agreement.

CORPORATE DIRECTORY

Nitro Corporation Pty Ltd

Level 22, 135 King Street
Sydney NSW 2000

BIP Share Registry

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3001

Australian Legal Advisor

Herbert Smith Freehills
ANZ Tower
161 Castlereagh Street
Sydney NSW 2000

Canadian and US Legal Advisors

Torys LLP
79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada

1114 Avenue of the Americas, 23rd Floor
New York, New York
10036 7703 USA

Financial Advisor

Citigroup Global Markets Australia Pty Limited
Level 23, 2 Park Street
Sydney NSW 2000

Macquarie Capital (Australia) Limited
Level 23, 101 Collins Street
Melbourne VIC 3000

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