

Letter to Unitholders

Brookfield Business Partners (“BBU”) generated strong earnings in the second quarter. Company EBITDA of \$237 million was 30% higher than the same quarter last year reflecting progress on several initiatives which position the business for long-term value creation. We closed our acquisitions of Clarios, Healthscope and Ouro Verde, and completed the sales of BGIS and our global executive relocation business.

The latest acquisitions as well as business integration initiatives position us well heading into 2020. We are positioned to increase value through both a combination of earnings and cash flow growth within our existing businesses, as well as new investments.

Progress on Strategic Initiatives

Healthscope Limited (“Healthscope”)

In June we closed our acquisition of Healthscope, the second largest private hospital operator in Australia and the largest pathology services provider in New Zealand. The company’s hospitals serve as critical social infrastructure and provide best-in-class essential services to the private healthcare sector in Australia. Healthscope’s market leading pathology services business, located in New Zealand, provides pathology testing services focused on the examination of blood, tissue and other biological samples to diagnose disease. The company provides pathology services to approximately 75% of the population in New Zealand. Healthscope has a proven track record as a high-quality, defensive and cash flow generative business. We plan to continue growing this business and improving its margins while providing the highest quality of care.

Prior to our acquisition, Healthscope invested approximately \$800 million in developments, redevelopments and expansion projects across 18 sites, the largest of which is the new Northern Beaches Hospital in Sydney. The underperformance of these investments and resultant pressure on Healthscope’s share price led to a hostile takeover bid.

We provided an alternative solution, working with management and alongside the Healthscope Board to structure a superior transaction. This is an approach that we have successfully employed in the past, where activist pressure enabled us to acquire great businesses that otherwise would never have been for sale. In these situations we offer tailored solutions that benefit the target company and its shareholders. As this type of activity increases in the market we believe that our friendly approach will lead to further opportunities for BBU.

With the close of our acquisition we are now working diligently to address operational challenges at the new developments, most significantly at Northern Beaches. Healthscope was contracted by the government to design, build, operate and maintain Northern Beaches which is licensed as a private hospital with the ability to treat public

and private patients. The ramp up in operations at the public portion of the hospital has been successful, reaching full capacity and serving as the hospital of choice within its catchment area. Despite this, it has been operating at a higher cost than anticipated. The private portion of the hospital remains in start-up phase, operating below capacity and behind schedule. We have developed a plan to stabilize and improve performance, including taking steps to improve capacity utilization of the private portion of the hospital, and improve operational discipline. We fully expect to achieve these improvements without compromising patient care and experience. While the current situation will take time to resolve, we believe Northern Beaches will generate significant value for Healthscope's portfolio over the long-term.

We also see opportunities to develop and grow Healthscope's high-quality portfolio leveraging our extensive experience in hospital construction. Healthscope is poised to benefit from the well-established and growing private healthcare sector in Australia which is supported by strong secular trends including a growing and aging population and government policies designed to improve private health insurance uptake.

We funded the \$4.1 billion acquisition of Healthscope with approximately \$1.0 billion of equity, of which BBU's share was approximately \$295 million for a 28% ownership. The remainder of the purchase price was funded with approximately \$1.4 billion in debt financing and \$1.7 billion from the sale and leaseback of 22 wholly owned freehold hospital properties.

Teekay Offshore LP (“Teekay Offshore”)

We have invested over \$1.2 billion in equity and debt to support Teekay Offshore over the last two years. Notwithstanding our support, and positive steps by the management team, the business has been challenged to raise capital on a cost-effective basis and thus cannot take advantage of growth opportunities. In our view, this is reflective of negative sentiment toward both the oil and gas industry and challenges faced by the industry within which Teekay Offshore operates.

In May, together with institutional partners, we acquired Teekay Corporation's remaining interest in Teekay Offshore for \$100 million. Our consortium currently holds approximately 73% of Teekay Offshore's outstanding units, of which 31% is owned by BBU. Our consortium recently submitted an offer to acquire the remaining issued and outstanding publicly held common units of Teekay Offshore.

We believe privatizing the company is the best course of action for the business to strengthen its balance sheet and focus management resources on executing their strategic plan. In response to our offer, Teekay Offshore convened an independent special committee of its board consisting of non-Brookfield affiliated directors to run an independent process to evaluate our offer. This special committee has engaged independent financial and legal advisors to support the process, and we expect to deal with this transaction in the third quarter of 2019.

Ouro Verde Locação e Serviços S.A. (“Ouro Verde”)

Subsequent to quarter end, together with institutional partners, we acquired 100% of Ouro Verde, a leading Brazilian fleet management company that leases more than 22,000 heavy-duty and light vehicles and provides related maintenance, operations, and other services to a diversified base of Brazilian and global corporate clients. Our acquisition was made by way of a recapitalization, where we invested \$131 million (BBU's share was \$50 million) to strengthen Ouro Verde's balance sheet in order to support its growth plans.

The business has demonstrated consistent performance across economic cycles given it provides services under multi-year inflation linked contracts and has high contract renewal rates with high-quality clients. The business

has established itself as one of the leading fleet management companies in Brazil, with a large multi-asset fleet, nationwide operations and long-term relationships with clients which positions it well for organic growth. Furthermore, once we get our operations in order, we believe there is an opportunity to consolidate the fragmented Brazilian fleet management industry.

Sales of Mature Businesses

During the quarter we completed the sale of BGIS, our global facilities management business, for net proceeds to BBU of approximately \$170 million which when combined with distributions received, equates to three and a half times our original investment. We also closed the sale of our executive relocations business, BGRS, for net proceeds of approximately \$230 million. The proceeds from these sales have been recycled into our recent investments.

Overview of Operational Performance

Company EBITDA was \$237 million for the second quarter 2019 and Company FFO was \$435 million, or \$3.35 per unit. Results from our operations in the quarter benefited from the contribution of new operations acquired over the past year, organic growth and business improvements.

Our Infrastructure Services segment performed well and generated Company EBITDA of \$88 million. Westinghouse contributed Company EBITDA of \$40 million and the business reported strong performance. Westinghouse remains on track to reach a run rate EBITDA of up to \$600 million by the end of this year. As we look forward, we remain optimistic of the prospects for the business and its ability to generate even higher levels of profitability. We recently appointed a new CEO, Patrick Fragman, who brings close to 30 years of deep expertise in global power and energy products and services. We look forward to working with Patrick and his management team to further enhance the value of the business over the longer-term. Given improved profitability, we refinanced Westinghouse's \$325 million second lien term loan and lowered the interest rate on its first lien term loan, reducing the company's blended annual interest rate by more than 50 bps.

Our Industrials segment generated Company EBITDA of \$108 million. At Clarios, our global manufacturer of automotive batteries, carve out activities are progressing well following the closing of our acquisition at the end of April. We established a new company board and implemented a transition services agreement with detailed governance and cost tracking mechanisms. We are working toward the set-up of new finance, treasury, tax, payroll and IT functions within the company. We are working closely with company management to build an overall strategic plan and execute on profit improvement initiatives in the company's North American operations and global joint ventures.

GrafTech, our global manufacturer of graphite electrodes, reported Company EBITDA of \$77 million which was lower than the same quarter last year primarily as a result of our reduced ownership of the business. The company continues to benefit from the stability of its multi-year take-or-pay contracts.

At BRK Ambiental, our Brazilian water and waste-water treatment operations, we reached an agreement to sell three industrial assets for approximately \$200 million. We expect to close this transaction later this year and proceeds from the sale will be used to support the continued buildout of higher growth municipal concessions.

Our business services segment contributed \$61 million of Company EBITDA in the second quarter. Multiplex, our construction services business, reported Company EBITDA of \$23 million with continued strong performance in

our Australian operations. During the quarter Multiplex delivered 11 projects and performed approximately \$1 billion of work. Significant contract wins include 1 The Esplanade office tower in Perth and 2 Dovehouse Street in London. In the UK, while Brexit concerns have resulted in pockets of weakness, we continue to bid on larger scale developments in our primary market, London. Our overall backlog at the end of the second quarter was still strong at approximately \$7 billion.

Evolving Disclosure

BBU has grown and evolved meaningfully since our launch three years ago, evidenced in part by the increased size and scale of our larger operations. Today our business comprises 25 operating companies with over 60,000 employees.

Beginning this quarter, we are focusing our discussion of operating performance on Company EBITDA and providing additional disclosure in our supplemental materials around our larger businesses to assist you in developing a more informed view of operating performance. We are providing additional information on the largest of our businesses within each operating segment. We remind you though, that our goal is to create long term intrinsic value growth per unit, and we fully expect earnings and cash flow volatility from quarter to quarter.

Consistent with prior years, we look forward to providing an update on our business at Brookfield's annual Investor Day on September 26th.

Liquidity

We recently completed an approximately \$840 million equity offering and successfully upsized our credit facilities from \$1.3 billion to \$1.6 billion. Pro-forma for the anticipated funding of closed transactions, we have record corporate liquidity of approximately \$2.4 billion, including approximately \$800 million in cash and liquid securities.

Looking Forward

Our outlook for the year remains positive. We believe BBU is well positioned to continue its growth and value creation activities. While the economic backdrop for our operations remains generally positive, our strong liquidity position will enable us to take advantage of volatility in capital markets should such a situation arise.

On behalf of everyone at BBU, thank you for your ongoing interest and support.

Sincerely,



Cyrus Madon

Chief Executive Officer

July 2019

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This letter to unitholders contains “forward-looking information” within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Brookfield Business Partners, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as “expects,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would” and “could.”

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of Brookfield Business Partners to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behavior of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; governmental investigations; litigation; changes in tax laws; ability to collect amounts owed; catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts and cyber terrorism; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States.

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

CAUTIONARY STATEMENT REGARDING THE USE OF NON-IFRS MEASURES

This letter to unitholders contains references to Non-IFRS Measures. When determining Company FFO and Company EBITDA, we include our unitholders' proportionate share of Company FFO and Company EBITDA for equity accounted investments. Company FFO and Company EBITDA are not generally accepted accounting measures under IFRS and therefore may differ from definitions used by other entities. We believe these metrics are useful supplemental measures that may assist investors in assessing the financial performance of Brookfield Business Partners and its subsidiaries. However, Company FFO and Company EBITDA should not be considered in isolation from, or as substitutes for, analysis of our financial statements prepared in accordance with IFRS.

References to Brookfield Business Partners are to Brookfield Business Partners L.P. together with its subsidiaries, controlled affiliates and operating entities. Brookfield Business Partners' results include publicly held limited partnership units, redemption-exchange units, general partnership units and special limited partnership units. More detailed information on certain references made in this letter to unitholders will be available in our Management's Discussion and Analysis of Financial Condition and Results of Operations for the second quarter ended June 30, 2019.