

Letter to Unitholders

We had a busy start to the year, closing the acquisition of our Greater Toronto Area gaming operations and working towards the closing of Westinghouse Electric Company (“Westinghouse”) and Schoeller Allibert (“Schoeller”). These acquisitions diversify our business by industry and region, and have the potential to create meaningful value for Brookfield Business Partners. Overall, our business operations are progressing well. For the first quarter, we reported improved results in all segments due to performance improvements and acquisitions of a number of high quality operations.

Overview of Operational Performance

Brookfield Business Partners began the year with strong results, generating Company Funds from Operations¹ (“Company FFO”) of \$138 million, or \$1.07 per unit (excluding incentive distribution), and net income attributable to unitholders² of \$74 million or \$0.57 per unit (excluding incentive distribution). Results from our industrials segment improved significantly with exceptional performance at our graphite electrode manufacturing business, GrafTech International (“GrafTech”).

Industrials

This is the first quarter our results fully reflect the benefit from the contracting and operational initiatives we have implemented at GrafTech over the past two years. GrafTech’s impressive results this quarter have boosted Company FFO for this segment to \$98 million, a significant improvement over last year.

For those who are new to our GrafTech story, this is a company which we acquired in 2015 for an equity purchase price of \$855 million, our share of which was \$295 million for a 34% stake in the business. In the past year, as a result of increasing demand and consolidating supplies, pricing for both graphite electrodes and petroleum needle coke increased very substantially. This enabled us to negotiate multi-year take-or-pay agreements for much of GrafTech’s production at weighted average contract pricing of \$9,700 per metric tonne (over the next five years), double the historical average pricing. These long term contracts were only possible due to the unique advantage GrafTech has over other large-scale graphite electrode producers, which is that it manufactures most of its own petroleum needle coke, a critical material in the production of graphite electrodes.

All of this led us to complete a \$1.5 billion debt issuance at GrafTech in February that resulted in a distribution of \$384 million to Brookfield Business Partners. Following the end of the quarter, GrafTech issued a \$750 million (\$259 million to Brookfield Business Partners) dividend in the form of a promissory note and declared a cash dividend of \$160 million (\$55 million to Brookfield Business Partners). In April, we successfully completed an IPO

¹ Company FFO is presented as a net amount attributable to unitholders, is a non-IFRS measure and is calculated as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash gains or losses and other items. When determining Company FFO, we include our proportionate share of Company FFO for equity accounted investments.

² Attributable to limited partnership unitholders, general partnership unitholders, redemption-exchange unitholders and special limited partnership unitholders.

of Graftech for approximately 13% of the company at \$15 per share, implying an enterprise value of approximately \$7 billion. The offering generated gross proceeds of \$571 million, or \$197 million to Brookfield Business Partners. At this valuation, our investment is worth \$2.2 billion, an increase of over 6.5 times our initial investment of \$295 million, including proceeds in cash and notes of \$830 million already received.

North American Palladium also generated strong results this quarter, benefiting from significantly increased palladium production and pricing. Based on its improved competitive position, we are reviewing strategic alternatives for this business, including a potential sale.

BRK Ambiental, our water distribution, collection and treatment business, contributed positively to our results. To date, we have been focused on improving capital allocation and operations. Our long-term approach to creating value at BRK Ambiental involves re-establishing the business as the preferred partner to municipalities and accelerating growth through acquiring new concessions in Brazil. Wastewater collection, treatment and water management is a challenge for the country that impacts not only public health and the environment but also economic development. With only 50% of its population's sewage collected, the Brazilian government is committed to its initiative to enhance sewage collection and treatment, as well as water distribution across the country. Local governments are increasingly relying on private companies to fund their share of the capital required for growth, and as the largest private player in the water and sewage sector, BRK Ambiental is poised to be the preferred partner. The company has a robust pipeline of growth opportunities, and with the government's goal to provide universal water and sewage services by 2033, we expect to continue to further develop existing concessions and add new concessions to our pipeline to create significant value in this business.

Business Services

Our business services segment generated Company FFO of \$8 million in the quarter, with positive contributions from our facilities management business and our recently acquired gaming facilities.

During the quarter, together with our operating partner, we closed our transaction with the Ontario Lottery and Gaming Corporation to operate the three Toronto-area gaming facilities and successfully transitioned the operations of these sites to our new partnership. We secured approximately C\$1 billion of financing to transform these sites into attractive, premier entertainment destinations. An initial site plan was submitted and we have received city approval to redevelop Woodbine, our largest site, into a multi-use development with enhanced gaming, hotels, a performance venue, restaurants and retail shopping. At our two smaller sites, plans and approvals are more advanced and we expect our first redevelopment to be completed by the end of the year.

In February, Berkshire Hathaway exercised their option to acquire our 33% ownership interest in Berkshire Hathaway HomeServices ("HomeServices"), for proceeds of approximately \$130 million before tax. The transaction closed in April. Under normal circumstances, we would choose to continue our ownership of this business, however, we agreed to this arrangement in the context of a broader and highly successful transaction undertaken several years ago.

Our real estate services platform has a long history and has generated significant returns for many years. After holding an interest in Canadian real estate broker Royal LePage for over ten years, we privatized the company in 1999. We transitioned its operations to a franchise model, which reduced risk, and then monetized most of this business, as well as its commercial brokerage operations. In 2006, the residential real estate market in North America entered a multi-year decline at which point we executed a series of highly complementary acquisitions of U.S. franchise and brokerage companies, including GMAC and Prudential Real Estate and Relocation. We tripled the size of our real estate services business through the bottom of the housing cycle. In 2012, we sold our U.S. franchise business to Berkshire Hathaway for \$119 million and a one-third ownership of the combined Brookfield/Berkshire U.S. operations. This returned most of our cash investment back to us and expanded our global employee relocation business at little to no cost.

In total, we have invested \$225 million in this business and, based on what we believe the remaining operations are worth, have generated an IRR of more than 25% over a twenty year period. With our partnership successfully transitioned to Berkshire, we now have the opportunity to grow our business in the U.S., much like we did in our facilities management business when our Johnson Controls partnership ended a few years ago. This is an example of how platform companies can generate strong returns over decades.

Construction Services

Our construction services operations generated \$9 million of Company FFO for the first quarter with improved performance over the prior year. We should start to return to more normalized operating results as a few projects with challenges come to an end. Our European and Australian businesses are progressing well. In Australia, a substantial majority of our projects are relatively new and should generate strong margins. In the U.K. we have a robust backlog, and continue to win new projects at healthy margins. In the Middle East, we have refocused into a smaller, more bespoke business and strengthened our commercial strategy for new contracts.

New business activity continues to be strong. During the quarter we secured over \$1 billion of new work, most notably the Quay Quarter tower, a 50-story commercial tower development in Sydney; Melbourne Grand, a residential development; and the third tower of Transit City, a residential development in Toronto. Our backlog remains close to \$9 billion, record highs.

Energy

Our energy segment reported first quarter Company FFO of \$38 million, with improved results at our existing operations and incremental contributions from our acquisition of Teekay Offshore in late 2017. In the current weak pricing environment for natural gas, Ember, our Western Canadian operation, is focusing on sustainably reducing costs, hedging commodity exposures and diversifying its markets. Quadrant, our Australian joint venture, continues to benefit from its hedging program and contracted production base. This quarter, Quadrant paid a \$100 million dividend, or \$9 million to Brookfield Business Partners. Since our acquisition of Quadrant in June 2015, we have recovered over 80% of our capital through dividends.

During the quarter, Teekay Offshore, our marine oilfield services company, completed three growth projects. We expect these projects to contribute positively to our results through 2018. Teekay Offshore is a high cash flow generation business underpinned by medium to long term, fixed rate contracts and our plan is to deleverage the company over the next three years.

Update on Strategic Initiatives

As we have demonstrated over the last year, our strategy is to grow by acquiring high quality businesses for value and improving the operations of new and existing businesses.

Westinghouse Electric Company

In January 2018, together with institutional partners, we reached a definitive agreement to acquire Westinghouse, for a purchase price of approximately \$4.6 billion. Westinghouse is a U.S.-based company that is among the world's leading suppliers of infrastructure services to nuclear power generating facilities, providing engineering, maintenance, facilities management and repair services to its global customer base. Westinghouse does not own or operate nuclear electricity generation facilities and most of its profit is generated from regularly scheduled services provided under long-term contracts. The company has exited its unsuccessful construction business, which had forced it to seek bankruptcy protection in 2017.

We have been working through the regulatory approval process and bankruptcy court procedures necessary to close this transaction. In March, we received court approval for the amended plan of reorganization, a significant

milestone toward our acquisition of Westinghouse. We expect to complete this transaction during the third quarter and as we do with all our acquisitions, are crafting a detailed plan to ensure smooth transition of ownership.

Schoeller Allibert Group B.V.

In January, together with institutional partners, we reached a definitive agreement to acquire a controlling interest in Schoeller for total consideration of €205 million with the minority interest held by the Schoeller family. Brookfield Business Partners will fund approximately €40 million of the equity on closing using existing liquidity. As one of Europe's largest manufacturers of returnable plastic packaging systems, Schoeller has a strong competitive position serving a diverse customer base and we believe our global platform will help drive value and grow the business. We expect to close this acquisition during the second quarter of 2018.

Capital Position

At the end of the first quarter our liquidity was \$1.4 billion. In May, we increased our revolving unsecured credit facilities by \$325 million to an aggregate of \$575 million. This brought our total liquidity, after accounting for our closed and announced transactions, and including the dividend from GrafTech, to approximately \$1.7 billion. At the corporate level, our credit facilities remain undrawn. Our intention is to not utilize corporate debt, except as a bridge for acquisitions or working capital needs, with longer term debt placed at the operating company level.

In closing, we believe our business is well positioned to continue its strong performance through this year, and we expect our industrials segment to contribute significantly to our results. We remain focused on growing our current operations through business improvements and tuck-in opportunities, and are looking to diversify and add scale through acquisitions of high quality businesses from our robust pipeline of global opportunities.

On behalf of everyone at Brookfield Business Partners, thank you for your ongoing interest and support.

Sincerely,



Cyrus Madon
Chief Executive Officer

May 7, 2018

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 and its subsidiaries, 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 cyberterrorism; 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.

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This letter to unitholders contains references to Company FFO. When determining Company FFO, we include our unitholders' proportionate share of Company FFO for equity accounted investments. Company FFO is not a generally accepted accounting measure under IFRS and therefore may differ from definitions of Company FFO or Funds from Operations used by other entities. We believe that this is a useful supplemental measure that may assist investors in assessing the financial performance of Brookfield Business Partners and its subsidiaries. Company FFO should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute 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 unless the context reflects otherwise. 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 First Quarter 2018.