

BROOKFIELD BUSINESS PARTNERS L.P.

# Q2 2019 Supplemental — Information

Second Quarter June 30, 2019

All amounts in this Supplemental Information are in U.S. dollars unless otherwise specified. Unless otherwise indicated, the statistical and financial data in this document is presented as at June 30, 2019.

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION**

This Supplemental Information 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. In some cases, forward-looking statements can be identified by terms 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 exchanges rate; 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 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; changes in tax laws, catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts; 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 USE OF NON-IFRS MEASURES**

This Supplemental Information contains references to Company FFO and Company EBITDA. When determining Company FFO and Company EBITDA, we include our unitholders’ proportionate share for equity accounted investments. Our definition of Company FFO and Company EBITDA may differ from definitions of Company FFO, Funds from Operations or Company EBITDA used by other entities. We believe that Company FFO and Company EBITDA are useful supplemental measures that may assist investors in assessing the financial performance of Brookfield Business Partners and its subsidiaries. Company FFO and Company EBITDA should not be considered as the sole measures 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, 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 Supplemental Information will be available in our Management’s Discussion and Analysis of Financial Condition and Results of Operations for the quarter ended June 30, 2019.*



# Overview

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## Key Performance Metrics

US\$ MILLIONS, unaudited	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income (loss) attributable to unitholders	\$ 107	\$ 119	\$ 169	\$ 193
Net income (loss) per limited partnership unit <sup>2,3</sup>	0.82	0.60	1.30	0.07
Company EBITDA <sup>1</sup>	237	182	503	373
Company FFO <sup>1</sup>	435	177	640	315
Company FFO per unit <sup>2</sup>	3.35	1.37	4.94	2.44
Company FFO excluding gain (loss) on acquisitions/dispositions <sup>1</sup>	138	124	343	258
Company FFO excluding gain (loss) on acquisitions/dispositions per unit <sup>2</sup>	1.06	0.96	2.65	2.00

## Financial Performance - Three Months Ended June 30, 2019

- Company EBITDA increased by \$55 million from \$182 million in Q2-2018 to \$237 million in Q2-2019. The increase was primarily due to stronger results in our infrastructure services segment as a result of the acquisition of Westinghouse in Q3-2018 and in our business services segment with higher contributions from our construction services business and contributions from Healthscope Limited ("Healthscope") which was acquired in Q2-2019. This increase was partially offset by a decrease in our industrials segment due to lower contributions from GrafTech and a \$50 million negative impact of higher than normal costs associated with the write-up of inventory as part of our purchase price accounting on the acquisition of Clarios. The adoption of IFRS 16 increased Company EBITDA by approximately \$21 million in Q2-2019
- Company FFO increased by \$258 million from \$177 million in Q2-2018 to \$435 million in Q2-2019. The increase was primarily due to the gains recognized on the disposition of our facilities management business ("BGIS") and our executive relocation business ("BGRS") in Q2-2019, combined with the factors contributing to the increase in Company EBITDA. The increase in Company FFO was partially offset by higher interest expense due to incremental borrowings related to our acquisitions of Westinghouse, Clarios and Healthscope. The prior period included a gain recognized on the disposition of our 33% ownership interest in Berkshire Hathaway HomeServices ("HomeServices"). The adoption of IFRS 16 increased Company FFO by approximately \$17 million in Q2-2019
- Net income attributable to unitholders was \$107 million, compared to net income of \$119 million in the prior period. The decrease was primarily due to impairment losses related to our investment in Teekay Offshore during the quarter, higher depreciation and amortization expense as a result of the acquisition of Westinghouse and Clarios, combined with transaction costs associated with the acquisition of Clarios and Healthscope during the quarter

1) Company EBITDA and Company FFO are non-IFRS measures and are key measures of our financial performance that we use to assess operating results and our business performance. Company EBITDA and Company FFO are presented as a net amount attributable to unitholders. For further information on Company EBITDA and Company FFO, see "Definitions" at the back of the Supplemental and "Use of Non-IFRS Measures" of the 2019 6-K. These terms are consistently used throughout the Supplemental.

2) Average number of partnership units outstanding on a fully diluted time weighted average basis, assuming the exchange of redemption exchange units held by Brookfield Asset Management for limited partnership units, for the three and six months ended June 30, 2019 was 129.9 and 129.5 million, respectively (2018: 129.3 million).

3) Income (loss) attributed to limited partnership units on a fully diluted basis is reduced by incentive distributions declared to special limited partnership unitholders during the three and six months ended June 30, 2018.

## Key Balance Sheet Metrics

US\$ MILLIONS, unaudited	As at	
	June 30, 2019	December 31, 2018
Total assets	\$ 48,329	\$ 27,318
Consolidated non-recourse borrowings, net of cash <sup>1</sup>	19,576	8,917
Proportionate non-recourse borrowings, net of cash <sup>1</sup>	5,431	2,453
Corporate borrowings	nil	nil
Equity attributable to others	5,404	3,531
Equity attributable to unitholders	3,886	2,963

## Partnership Units

UNITS, unaudited	As at		
	June 30, 2019	December 31, 2018	June 30, 2018
Limited partnership units	79,933,771	66,185,798	66,185,798
Redemption-exchange units	69,705,497	63,095,497	63,095,497
General partnership and special limited partnership units	8	8	8
Total units outstanding	149,639,276	129,281,303	129,281,303

## Financial Position - June 30, 2019

- Total assets increased from \$27,318 million at December 31, 2018 to \$48,329 million at June 30, 2019 primarily due to the acquisition of Clarios and Healthscope, partially offset by the disposition of BGIS and BGRS in Q2-2019
- As at June 30, 2019, Brookfield Business Partners ("BBU") had corporate borrowings of \$nil (December 31, 2018: \$nil) and access to undrawn credit facilities, totaling \$1,550 million (December 31, 2018: \$1,325 million)
- Proportionate non-recourse borrowings, net of cash represents total borrowings within each of our businesses without recourse to other businesses or to BBU. The increase is primarily related to acquisitions completed during the quarter that are consolidated in our results

## Equity Offering

- On June 20, 2019, we issued 8,760,000 limited partnership units ("units"), on a bought deal basis, at a price of \$39.40 per unit for gross proceeds of approximately \$345 million (the "Offering")
- Brookfield Asset Management Inc. ("BAM"), concurrent with the Offering, purchased 6,610,000 redemption-exchange units of BBU's holding limited partnership ("REUs"), for a total amount of approximately \$250 million
- BBU, concurrent with the Offering, issued 5,077,000 units by way of a private placement, for gross proceeds of approximately \$200 million

1) A breakdown by segment is provided on Page 34 of this supplemental.

## Acquisitions

Portfolio Company	Segment	Invested Capital <sup>1</sup>	Economic Interest	Acquisition Date
Clarios	Industrials	\$860 million	29%	April 2019
Healthscope	Business Services	\$295 million	28%	June 2019

## Monetizations

Portfolio Company	Segment	Proceeds (net of tax) <sup>1</sup>	Gain (net of tax) <sup>1</sup>	Disposition Date
BGIS	Business Services	\$171 million	\$137 million	May 2019
BGRS	Business Services	\$231 million	\$160 million	June 2019

## Other Developments

- In April 2019, completed a secondary sale of shares of North American Palladium, our palladium mining operations. We sold approximately 5.7 million shares for \$10 per share, which generated net proceeds of approximately \$15 million for BBU and reduced our ownership in the business to 20%
- In April 2019, together with institutional partners, Brookfield recapitalized Cardone Industries ("Cardone") for approximately \$195 million, which is being used to support near term liquidity requirements in the business. BBU's share of Cardone is 35% and our investment was classified as a financial asset as at June 30, 2019
- In May 2019, we acquired Teekay Corporation's remaining interest in Teekay Offshore as well as warrants, loans and their remaining GP interest for \$100 million. BBU's share was approximately \$45 million. This increased BBU's ownership interest in Teekay Offshore from 25% to 31%
- In May 2019, we invested approximately \$75 million of additional capital into Ember Resources ("Ember"). BBU's share was approximately \$45 million, increasing our ownership interest in Ember to 46%

## Subsequent Events

- On July 8, 2019, Brookfield Business Partners, together with institutional partners, announced the closing of the acquisition of 100% of the equity capital of Ouro Verde Locação e Serviços S.A. ("Ouro Verde"). BBU will fund approximately \$50 million of the acquisition from existing liquidity
- On July 23, 2019, the underwriters, as part of the equity offering in the second quarter, partially exercised their over-allotment option and purchased 1,070,000 units for additional gross proceeds to BBU of approximately \$42 million
- On July 31, 2019 the Board of Directors declared a quarterly distribution in the amount of \$0.0625 per unit, payable on September 30, 2019 to unitholders of record as at the close of business on August 30, 2019

1) Figures presented are attributable to limited partnership unitholders, general partnership unitholders, redemption-exchange unitholders and special limited partnership unitholders.

US\$ MILLIONS, unaudited	Three Months Ended June 30,	
	2019	2018
Revenues	\$ 10,717	\$ 8,775
Direct operating costs	(9,776)	(8,200)
General and administrative expenses	(211)	(142)
Depreciation and amortization expense	(441)	(105)
Interest income (expense), net	(313)	(83)
Equity accounted income (loss), net	23	(7)
Impairment expense, net	(324)	—
Gain (loss) on acquisitions/dispositions, net	522	90
Other income (expense), net	(181)	(7)
Income (loss) before income tax	\$ 16	\$ 321
Income tax (expense) recovery		
Current	(93)	(52)
Deferred	41	39
Net income (loss)	\$ (36)	\$ 308
<b>Attributable to:</b>		
Limited partners	\$ 55	\$ 40
Non-controlling interests attributable to:		
Redemption-Exchange Units held by Brookfield Asset Management Inc.	52	38
Special Limited Partners	—	41
Interest of others	(143)	189
Net income (loss)	\$ (36)	\$ 308

## Financial Performance - Three Months Ended June 30, 2019

- **Revenues and direct operating costs** increased by \$1,942 million and \$1,576 million, respectively, primarily due to the acquisition of Clarios and Westinghouse in Q2-2019 and Q3-2018, respectively
- **General and administrative expenses** increased by \$69 million compared to the prior period primarily due to the acquisition of Clarios, and Westinghouse in Q2-2019 and Q3-2018, respectively
- **Depreciation and amortization expense** increased by \$336 million compared to the prior period primarily due to the acquisition of Clarios and Westinghouse in Q2-2019 and Q3-2018, respectively, combined with the consolidation of Teekay Offshore in Q3-2018
- **Interest expense, net** increased by \$230 million, primarily due to the acquisition of Clarios and Healthscope in Q2-2019, combined with the acquisition of Westinghouse and consolidation of Teekay Offshore in Q3-2018
- **Equity accounted income (loss), net** of \$23 million is comprised of our investment in One Toronto and equity accounted investments within the Teekay Offshore and Clarios business operations. The equity accounted loss of \$7 million in the prior period was due to the recognition of an impairment loss on vessels at Teekay Offshore, which was equity accounted in Q2-2018

# Statement of Operating Results

US\$ MILLIONS, unaudited	Three Months Ended June 30,	
	2019	2018
Revenues	\$ 10,717	\$ 8,775
Direct operating costs	(9,776)	(8,200)
General and administrative expenses	(211)	(142)
Depreciation and amortization expense	(441)	(105)
Interest income (expense), net	(313)	(83)
Equity accounted income (loss), net	23	(7)
Impairment expense, net	(324)	—
Gain (loss) on acquisitions/dispositions, net	522	90
Other income (expense), net	(181)	(7)
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Redemption-Exchange Units held by Brookfield Asset Management Inc.	52	38
Special Limited Partners	—	41
Interest of others	(143)	189
Net income (loss)	\$ (36)	\$ 308

## Financial Performance - Three Months Ended June 30, 2019

- **Impairment expense, net** of \$324 million is primarily comprised of impairments related to our investment in Teekay Offshore
- **Gain (loss) on acquisitions/dispositions, net** of \$522 million is primarily comprised of the disposition of BGIS (\$341 million before tax) and BGRS (\$180 million before tax) in Q2-2019. Q2-2018 included gains recognized on the dispositions of our ownership interest in HomeServices (\$55 million before tax) and a business unit in our infrastructure support products manufacturing operations (\$35 million before tax)
- **Other expense, net** recorded in Q2-2019 of \$181 million includes transaction costs associated with the acquisition of Clarios and Healthscope in Q2-2019, combined with restructuring costs at Westinghouse and unrealized losses on derivatives at Teekay Offshore
- **Total tax expense** increased by \$39 million, as a result of the acquisition of Clarios in Q2-2019 and the tax associated with the disposition of BGIS and BGRS during the quarter

# Statement of Financial Position

US\$ MILLIONS, unaudited	As at	
	June 30, 2019	December 31, 2018
<b>Assets</b>		
Cash and cash equivalents	\$ 2,940	\$ 1,949
Financial assets	1,199	1,369
Accounts and other receivable, net	5,888	5,160
Inventory and other assets	5,182	3,075
Assets held for sale	516	63
Property, plant and equipment	13,859	6,947
Deferred income tax assets	573	280
Intangible assets	11,663	5,523
Equity accounted investments	1,394	541
Goodwill	5,115	2,411
	<b>\$ 48,329</b>	<b>\$ 27,318</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Corporate borrowings	nil	nil
Accounts payable and other	14,430	9,082
Liabilities associated with assets held for sale	250	9
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	22,516	10,866
Deferred income tax liabilities	1,843	867
	<b>\$ 39,039</b>	<b>\$ 20,824</b>
<b>Equity</b>		
Limited partners	2,150	1,548
Non-controlling interests attributable to: Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,736	1,415
Interest of others	5,404	3,531
	<b>\$ 9,290</b>	<b>\$ 6,494</b>
	<b>\$ 48,329</b>	<b>\$ 27,318</b>

## Financial Position as at June 30, 2019

- **Cash and cash equivalents** included \$1,274 million of corporate cash, \$866 million in our industrials segment, \$428 million at our business services operations, and \$372 million at our infrastructure services operations
- **Financial assets** decreased by \$170 million primarily due to fair value movements in derivatives at Greenergy and due to the sale of public securities recorded as a financial asset in our corporate segment, the disposition of BGIS and lower restricted cash at Westinghouse, partially offset by the acquisition of Clarios in Q2-2019
- **Accounts and other receivable, net** increased by \$728 million primarily due to the acquisition of Clarios in Q2-2019, an increase in trade receivables at Greenergy due to an increase in fuel prices at the end of the quarter and at Multiplex primarily in the Australian operations, partially offset by the disposition of BGIS and BGRS
- **Inventory and other assets** increased by \$2,107 million, primarily due to the acquisition of Clarios and Healthscope in Q2-2019, combined with an increase at Greenergy as a result of an increase in fuel prices at the end of the quarter
- **Assets held for sale** increased by \$453 million, primarily due to the classification of BRK Ambiental's industrial assets as held for sale during the quarter
- **Property, plant and equipment** increased by \$6,912 million primarily due to the acquisition of Clarios and Healthscope in Q2-2019, combined with the recognition of right of use lease assets recorded on the adoption of IFRS 16 on January 1, 2019, partially offset by an impairment recorded on vessels at Teekay Offshore

# Statement of Financial Position

Brookfield

US\$ MILLIONS, unaudited	As at	
	June 30, 2019	December 31, 2018
<b>Assets</b>		
Cash and cash equivalents	\$ 2,940	\$ 1,949
Financial assets	1,199	1,369
Accounts and other receivable, net	5,888	5,160
Inventory and other assets	5,182	3,075
Assets held for sale	516	63
Property, plant and equipment	13,859	6,947
Deferred income tax assets	573	280
Intangible assets	11,663	5,523
Equity accounted investments	1,394	541
Goodwill	5,115	2,411
	<b>\$ 48,329</b>	<b>\$ 27,318</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Corporate borrowings	nil	nil
Accounts payable and other	14,430	9,082
Liabilities associated with assets held for sale	250	9
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	22,516	10,866
Deferred income tax liabilities	1,843	867
	<b>\$ 39,039</b>	<b>\$ 20,824</b>
<b>Equity</b>		
Limited partners	2,150	1,548
Non-controlling interests attributable to: Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,736	1,415
Interest of others	5,404	3,531
	<b>\$ 9,290</b>	<b>\$ 6,494</b>
	<b>\$ 48,329</b>	<b>\$ 27,318</b>

## Financial Position as at June 30, 2019

- **Deferred income tax assets and liabilities** increased by \$293 million and \$976 million, respectively, primarily due to the acquisition of Clarios and Healthscope in Q2-2019
- **Intangible assets** increased by \$6,140 million, primarily due to the acquisition of Healthscope and Clarios in Q2-2019, partially offset by the disposition of BGIS
- **Equity accounted investments** increased by \$853 million, primarily due to the acquisition of Clarios in Q2-2019
- **Goodwill** increased by \$2,704 million, primarily due to the acquisition of Clarios and Healthscope in Q2-2019, partially offset by an impairment related to our investment in Teekay Offshore and the disposition of BGIS and BGRS in Q2-2019
- **Accounts payable and other** increased by \$5,348 million, primarily due to the acquisition of Clarios and Healthscope in Q2-2019 and the recognition of lease liabilities recorded on the adoption of IFRS 16
- **Liabilities associated with assets held for sale** increased by \$241 million due to the classification of BRK Ambiental's industrial assets as held for sale during the quarter
- **Non-recourse borrowings in subsidiaries of Brookfield Business Partners** increased by \$11,650 million primarily due to the acquisition of Clarios and Healthscope in Q2-2019, partially offset by debt repayments at GrafTech and the disposition of BGIS and BGRS in Q2-2019

## Units Outstanding

UNITS, unaudited	As at		
	June 30, 2019	December 31, 2018	June 30, 2018
Limited partnership units	79,933,771	66,185,798	66,185,798
Redemption-exchange units	69,705,497	63,095,497	63,095,497
General partnership and special limited partnership units	8	8	8
<b>Total units outstanding</b>	<b>149,639,276</b>	<b>129,281,303</b>	<b>129,281,303</b>

## Reconciliation of Net Income per Unit

US\$, unaudited	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income (loss) per unitholder excluding incentive distribution <sup>1</sup>	\$ 0.82	\$ 0.92	\$ 1.30	\$ 1.49
Incentive distribution per unit <sup>1</sup>	—	(0.32)	—	(1.42)
Net income (loss) attributable to limited partnership unit <sup>1,2</sup>	\$ 0.82	\$ 0.60	\$ 1.30	\$ 0.07

## Total Equity

US\$, unaudited	As at	
	June 30, 2019	December 31, 2018
Business Services	\$ 1,502	\$ 2,064
Infrastructure Services	1,672	2,511
Industrials	4,720	1,785
Corporate and Other	1,396	134
<b>Total Equity</b>	<b>\$ 9,290</b>	<b>\$ 6,494</b>

## Incentive Distribution Right ("IDR")

- The Special Limited Partner is entitled to an incentive distribution of 20% based on the volume-weighted average increase in unit price of the partnership's unit over an incentive distribution threshold. The IDR is recorded as a distribution in equity once approved by the partnership's board
- During the second quarter of 2019, the volume weighted average price per unit was \$38.64, which was below the previous incentive distribution threshold of \$41.96/unit resulting in an incentive distribution of \$nil

## Equity Offering

- Total units outstanding increased from 129,281,303 to 149,639,276 as a result of the equity offering completed in June 2019

1) Average number of partnership units outstanding on a fully diluted time weighted average basis, assuming the exchange of redemption exchange units held by Brookfield Asset Management for limited partnership units, for the three and six months ended June 30, 2019 was 129.9 and 129.5 million, respectively (2018: 129.3 million).

2) Income (loss) attributed to limited partnership units on a fully diluted basis is reduced by incentive distributions declared to special limited partnership unitholders during the three and six months ended June 30, 2018.

## Corporate Liquidity

As at

US\$, unaudited	June 30, 2019	December 31, 2018
Corporate cash and financial assets	\$ 1,503	\$ 888
Committed corporate credit facilities	1,550	1,325
<b>Total liquidity</b>	<b>\$ 3,053</b>	<b>\$ 2,213</b>

The following table presents our proportionate share of cash within each segment:

## Proportionate Cash

As at

US\$, unaudited	June 30, 2019	December 31, 2018
Business Services	\$ 299	\$ 335
Infrastructure Services	138	113
Industrials	239	66
Corporate and Other	1,274	621
<b>Total</b>	<b>\$ 1,950</b>	<b>\$ 1,135</b>

## Liquidity Position

- We maintain a strong and flexible balance sheet with sufficient liquidity to take advantage of attractive opportunities as they arise and support our businesses
- On an ongoing basis, principal sources of liquidity include:
  - Cash and public securities at the corporate level
  - Undrawn corporate credit facilities
  - Cash flows from our operations
  - Monetization of mature businesses
  - Access to capital markets
- Total corporate liquidity was \$3,053 million at June 30, 2019 and included:
  - \$1,274 million of cash
  - \$229 million of financial assets comprised of public securities
  - \$1,550 million of corporate credit facilities, which are all undrawn
- Proforma liquidity taking into account the acquisition of Clarios and Healthscope is approximately \$2,400 million, including approximately \$850 million of cash and financial assets and \$1,550 million of undrawn corporate credit facilities

# Proportionate Non-Recourse Borrowings

The following table presents our proportionate non-recourse borrowings, net of cash:

US\$ MILLIONS, unaudited	As at	
	June 30, 2019	December 31, 2018
<b>Proportionate non-recourse borrowings</b>		
Business Services	\$ 989	\$ 534
Infrastructure Services	2,164	2,003
Industrials	4,228	1,051
Corporate and Other	nil	nil
	<b>\$ 7,381</b>	<b>\$ 3,588</b>
<b>Proportionate share of cash</b>		
Business Services	\$ 299	\$ 335
Infrastructure Services	138	113
Industrials	239	66
Corporate and Other	1,274	621
	<b>\$ 1,950</b>	<b>\$ 1,135</b>
<b>Proportionate non-recourse borrowings, net of cash</b>		
Business Services	\$ 690	\$ 199
Infrastructure Services	2,026	1,890
Industrials	3,989	985
Corporate and Other	(1,274)	(621)
	<b>\$ 5,431</b>	<b>\$ 2,453</b>

- Our approach to financial risk management is designed to protect our overall business:
  - No debt at the corporate level
  - Operating segment borrowings with no recourse to BBU and a level of debt that is sustainable for the underlying business
  - Long dated debt with average debt maturity of 5.9 years
- Proportionate non-recourse borrowings, net of cash of \$5,431 million represents debt within each of our consolidated operations at BBU's underlying ownership interest in the business. This debt has no recourse across businesses or to BBU
  - The increase from \$2,453 million to \$5,431 million is primarily related to acquisitions completed during the quarter, including Clarios in April 2019 and Healthscope in June 2019



## Operating Segments

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- Our strategy is to acquire and manage high-quality businesses that benefit from barriers to entry and/or low production costs
- We target long-term capital appreciation driven by both organic growth and acquisitions where we can leverage our expertise to improve operations and enhance cash flows
- Our business is principally focused on operations where the broader Brookfield platform provides us with a competitive advantage

Segment	Description	Notable Portfolio Companies	Economic Interest <sup>1</sup>
<b>Business Services</b>	Service businesses in commercial and residential real estate, construction, health services and fuel distribution and marketing	• Real Estate Services	• 28-100%
		• Multiplex (Construction Services)	• 100%
		• Healthscope	• 28%
		• Greenergy (Fuel Distribution Business)	• 14%
		• Fuel Marketing Business	• 26%
		• One Toronto (Entertainment Facilities)	• 13%
<b>Infrastructure Services</b>	Infrastructure businesses servicing the power generation and offshore oil production industries	• Westinghouse	• 44%
		• Teekay Offshore	• 31%
<b>Industrials</b>	Industrial businesses including manufacturing, metals and mining, water and wastewater services, and natural gas production	• GrafTech International	• 27%
		• BRK Ambiental	• 26%
		• Clarios	• 29%
		• North American Palladium	• 20%
		• Schoeller	• 14%
		• Ember Resources	• 46%
		• CWC Energy Services	• 56%

1) As at June 30, 2019, does not include impact of subsequent events.

The following tables present our proportionate share of the Business Services segment<sup>1</sup>:

US\$ MILLIONS, unaudited	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues	\$ 2,296	\$ 2,324	\$ 4,436	\$ 4,484
Direct operating costs	(2,215)	(2,255)	(4,284)	(4,357)
General and administrative expenses	(31)	(39)	(65)	(76)
Equity accounted Company EBITDA	11	7	19	15
<b>Company EBITDA</b>	<b>\$ 61</b>	<b>\$ 37</b>	<b>\$ 106</b>	<b>\$ 66</b>
Realized disposition gain, net	336	55	336	55
Other income (expense), net	—	—	—	—
Interest income (expense), net	(9)	(6)	(12)	(12)
Equity accounted current taxes and interest	(1)	(1)	(2)	(1)
Current income taxes	(45)	(19)	(54)	(25)
<b>Company FFO</b>	<b>\$ 342</b>	<b>\$ 66</b>	<b>\$ 374</b>	<b>\$ 83</b>

US\$ MILLIONS, unaudited	As at	
	June 30, 2019	December 31, 2018
Cash	\$ 299	\$ 335
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	989	534
Net debt (cash) <sup>2</sup>	\$ 690	\$ 199
Equity attributable to unitholders	1,117	1,493

## Financial Results - Three Months Ended June 30, 2019

- Revenue and direct operating costs decreased by \$28 million and \$40 million, respectively. The disposition of BGIS and BGRS during the quarter resulted in lower revenues and direct costs which was offset by contributions from Healthscope, which we acquired on June 6, 2019. In addition, revenue and direct operating costs were lower at Greenergy by \$76 million and \$77 million, respectively, primarily due to lower volume and prices. The decrease was partially offset by contributions from our construction services business where revenue and direct operating costs increased by \$49 million and \$45 million, respectively, primarily due to higher project activity in Australia in the quarter
- Company EBITDA increased by \$24 million, primarily due to higher contributions from our construction services business, particularly in Australia, and from Healthscope, which contributed \$5 million to Company EBITDA, following the acquisition of the business in Q2-2019
- Company FFO increased by \$276 million, primarily due to the factors described above as well as the gains recognized on the sale of BGIS and BGRS, partially offset by the gain recognized in the prior period on the disposition of our 33% ownership interest in HomeServices
- During the quarter, our construction services business delivered eleven projects across its regions of operation. The backlog in our construction services business at the end of the quarter was approximately \$7 billion, 86% of which is in Australia and the U.K.
- The breakdown of financial results from our construction business has been provided on Page 28 of this Supplemental

1) The comparative figures have been updated to conform with the resegmentation of our business as of Q4-2018.

2) Proportionate debt at our construction services business as at June 30, 2019 and December 31, 2018 was \$30 million and \$36 million, respectively. Proportionate cash at our construction services business as at June 30, 2019 and December 31, 2018 was \$231 million and \$237 million, respectively.

The following table presents our proportionate share of the Infrastructure Services segment<sup>1</sup>:

US\$ MILLIONS, unaudited	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues	\$ 437	\$ 3	\$ 944	\$ 5
Direct operating costs	(342)	—	(705)	—
General and administrative expenses	(17)	—	(31)	—
Equity accounted Company EBITDA	10	38	15	73
<b>Company EBITDA</b>	<b>\$ 88</b>	<b>\$ 41</b>	<b>\$ 223</b>	<b>\$ 78</b>
Realized disposition gain, net	—	—	—	—
Other income (expense), net	—	—	(1)	—
Interest income (expense), net	(34)	—	(70)	—
Equity accounted current taxes and interest	(1)	(15)	(1)	(30)
Current income taxes	1	—	5	—
<b>Company FFO</b>	<b>\$ 54</b>	<b>\$ 26</b>	<b>\$ 156</b>	<b>\$ 48</b>

US\$ MILLIONS, unaudited	As at	
	June 30, 2019	December 31, 2018
Cash	\$ 138	\$ 113
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	2,164	2,003
Net debt (cash) <sup>2</sup>	\$ 2,026	\$ 1,890
Equity attributable to unitholders	633	977

## Financial Results - Three Months Ended June 30, 2019

- Revenue and direct operating costs increased by \$434 million and \$342 million, respectively, due to the acquisition of Westinghouse and the consolidation of Teekay Offshore in Q3-2018. Teekay Offshore was equity accounted during Q2-2018
- Company EBITDA increased by \$47 million from \$41 million to \$88 million in Q2-2019
  - Westinghouse contributed \$40 million to Company EBITDA in Q2-2019. The business continued to benefit from a strong spring outage season at customer plants. Westinghouse typically ships to customers in late Q1 and early Q2 for the spring outage season. In 2019, a high number of fuel assemblies were delivered in the first quarter and second quarter shipment volumes were approximately 20% lower than Q1-2019. Results during the quarter benefited from the provision of engineering services for new plant project activity in the U.S, which was offset by additional cost accruals from a project in Europe. The business also continues to benefit from productivity gains as a result of the business improvement initiatives underway
  - Teekay Offshore contributed \$48 million to Company EBITDA. During the quarter, we acquired Teekay Corporation's remaining interest in Teekay Offshore as well as warrants, loans and their remaining GP interest for \$100 million. This increased our ownership percentage from 25% to 31%
- Company FFO increased by \$28 million, primarily due to the contribution from Westinghouse discussed above

1) The comparative figures have been updated to conform with the resegmentation of our business as of Q4-2018.

2) Proportionate debt at Westinghouse as at June 30, 2019 and December 31, 2018 was \$1,302 million and \$1,305 million, respectively. Proportionate cash at Westinghouse as at June 30, 2019 and December 31, 2018 was \$75 million and \$57 million, respectively.

The following table presents our proportionate share of the Industrials segment<sup>1</sup>:

US\$ MILLIONS, unaudited	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues	\$ 569	\$ 252	\$ 819	\$ 522
Direct operating costs	(446)	(132)	(578)	(259)
General and administrative expenses	(19)	(12)	(31)	(23)
Equity accounted Company EBITDA	4	10	5	18
<b>Company EBITDA</b>	<b>\$ 108</b>	<b>\$ 118</b>	<b>\$ 215</b>	<b>\$ 258</b>
Realized disposition gain, net	—	9	—	13
Other income (expense), net	(5)	—	(5)	—
Interest income (expense), net	(44)	(16)	(62)	(38)
Equity accounted current taxes and interest	(1)	(2)	(1)	(4)
Current income taxes	(12)	(10)	(20)	(16)
<b>Company FFO</b>	<b>\$ 46</b>	<b>\$ 99</b>	<b>\$ 127</b>	<b>\$ 213</b>

US\$ MILLIONS, unaudited	As at	
	June 30, 2019	December 31, 2018
Cash	\$ 239	\$ 66
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	4,228	1,051
Net debt (cash) <sup>2</sup>	\$ 3,989	\$ 985
Equity attributable to unitholders	740	359

## Financial Results - Three Months Ended June 30, 2019

- Revenue and direct operating costs increased by \$317 million and \$314 million, respectively, primarily due to the acquisition of Clarios in Q2-2019
- Company EBITDA decreased by \$10 million due to lower contributions from GrafTech, primarily a result of our decreased ownership of the business compared to the prior period
- Included within our industrials segment are results from Clarios, following the acquisition of the business on April 30, 2019. Clarios is a global market leader in automotive batteries operating in three key regions, North America and LATAM (Americas) where the business has historically generated approximately 60% of its revenue, EMEA which accounts for another 25% of revenue as well as the APAC region, including China, which accounts for approximately 15% of revenue. The business services Original Equipment Manufacturers (OEM) customers, as well as Original Equipment Services (OES) and aftermarket customers providing numerous products grouped into two primary categories, standard technology or SLI (Starting, Lighting, Ignition) and advanced technology which includes AGM (Absorbent Glass Mat batteries) and EFB (Enhanced Flooded Batteries)
  - The EBITDA results in the quarter were negatively impacted by higher than normal costs associated with the write-up of inventory as part of our purchase price accounting on the acquisition. The net negative impact of the purchase price accounting adjustment was approximately \$50 million for the quarter. We anticipate one more quarter of high costs as the current inventory continues to flow through production
- Company FFO decreased by \$53 million, primarily due to the factors described above, as well as higher interest expense from higher borrowings related to the acquisition of Clarios in Q2-2019. Prior year results included a \$9 million gain realized on the sale of a business unit in our infrastructure support products manufacturing operations
- A reconciliation of financial results from our Industrials segment has been provided on Page 29 of this Supplemental

1) The comparative figures have been updated to conform with the resegmentation of our business as of Q4-2018.

The following table presents our proportionate share of the Corporate and Other segment:

US\$ MILLIONS, unaudited	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues	\$ —	\$ 4	\$ —	\$ 7
Direct operating costs	(2)	(2)	(4)	(4)
General and administrative expenses	(18)	(16)	(37)	(32)
Equity accounted Company EBITDA	—	—	—	—
<b>Company EBITDA</b>	<b>\$ (20)</b>	<b>\$ (14)</b>	<b>\$ (41)</b>	<b>\$ (29)</b>
Realized disposition gain, net	—	—	—	—
Other income (expense), net	—	—	—	—
Interest income (expense), net	8	—	14	—
Equity accounted current taxes and interest	—	—	—	—
Current income taxes	5	—	10	—
<b>Company FFO</b>	<b>\$ (7)</b>	<b>\$ (14)</b>	<b>\$ (17)</b>	<b>\$ (29)</b>

US\$ MILLIONS, unaudited	As at	
	June 30, 2019	December 31, 2018
Cash	\$ 1,274	\$ 621
Corporate borrowings	nil	nil
Net debt (cash)	\$ (1,274)	\$ (621)
Equity attributable to unitholders	1,396	134

## Financial Results - Three Months Ended June 30, 2019

- General and administrative expenses are comprised of management fees and corporate expenses, including audit and other expenses. Management fees were \$12 million compared to \$13 million in the prior year
  - Our base management fee is equal to 0.3125% quarterly (1.25% annually) of the total capitalization, plus recourse debt, net of cash held by corporate entities

# Summary of Selected Segmented Financial Information

The following tables present selected financial results by operating segment on a proportionate basis:

## Statements of Operating Results<sup>1</sup>

US\$ MILLIONS, unaudited	Three Months Ended June 30,		Six Months Ended June 30,		Trailing Twelve Months Ended June 30,	
	2019	2018	2019	2018	2019	2018
Company EBITDA by segment						
Business Services	\$ 61	\$ 37	\$ 106	\$ 66	\$ 168	\$ 152
Infrastructure Services	88	41	223	78	439	113
Industrials	108	118	215	258	448	355
Corporate and Other	(20)	(14)	(41)	(29)	(82)	(54)
<b>Company EBITDA</b>	<b>\$ 237</b>	<b>\$ 182</b>	<b>\$ 503</b>	<b>\$ 373</b>	<b>\$ 973</b>	<b>\$ 566</b>
Company FFO by segment						
Business Services	\$ 342	\$ 66	\$ 374	\$ 83	\$ 422	\$ 145
Infrastructure Services	54	26	156	48	301	69
Industrials	46	99	127	213	386	258
Corporate and Other	(7)	(14)	(17)	(29)	(51)	(43)
<b>Company FFO</b>	<b>\$ 435</b>	<b>\$ 177</b>	<b>\$ 640</b>	<b>\$ 315</b>	<b>\$ 1,058</b>	<b>\$ 429</b>

## Statements of Financial Position

US\$ MILLIONS, unaudited	As at	
	June 30, 2019	December 31, 2018
Equity attributable to unitholders by segment		
Business Services	\$ 1,117	\$ 1,493
Infrastructure Services	633	977
Industrials	740	359
Corporate and Other	1,396	134
<b>Equity attributable to unitholders</b>	<b>\$ 3,886</b>	<b>\$ 2,963</b>

1) The comparative figures have been updated to conform with the resegmentation of our business as of Q4-2018.

# Significant Subsidiaries

The following tables present selected financial results for our significant subsidiaries:

Segment	Portfolio Company	Company EBITDA			Company FFO		
		Three Months Ended March 31, 2019	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019	Three Months Ended March 31, 2019	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Business Services	Multiplex	\$ 23	\$ 23	\$ 46	\$ 18	\$ 16	\$ 34
	Healthscope	—	5	5	—	—	—
	Other	22	33	55	14	326	340
Infrastructure Services	Westinghouse	92	40	132	72	18	90
	Teekay Offshore	43	48	91	30	36	66
Industrials	Clarios	—	4	4	—	(35)	(35)
	GrafTech	77	77	154	61	62	123
	Other	30	27	57	20	19	39
Corporate		(21)	(20)	(41)	(10)	(7)	(17)
<b>Total</b>		<b>\$ 266</b>	<b>\$ 237</b>	<b>\$ 503</b>	<b>\$ 205</b>	<b>\$ 435</b>	<b>\$ 640</b>

# Significant Subsidiaries

The following tables present selected financial results for our significant subsidiaries:

Segment	Portfolio Company	Company EBITDA			Company FFO		
		Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
Business Services	Multiplex	\$ 13	\$ 14	\$ 27	\$ 9	\$ 5	\$ 14
	Healthscope	—	—	—	—	—	—
	Other	16	23	39	8	61	69
Infrastructure Services	Westinghouse	—	—	—	—	—	—
	Teekay Offshore	37	41	78	22	26	48
Industrials	Clarios	—	—	—	—	—	—
	GrafTech	104	90	194	89	75	164
	Other	36	28	64	25	24	49
Corporate		(15)	(14)	(29)	(15)	(14)	(29)
<b>Total</b>		<b>\$ 191</b>	<b>\$ 182</b>	<b>\$ 373</b>	<b>\$ 138</b>	<b>\$ 177</b>	<b>\$ 315</b>



# Appendix

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# Acquisitions since Spin-Off

The following tables summarizes acquisitions we have completed since spin-off of the partnership on June 20, 2016:

Segment	Portfolio Company	Acquisition Date	Invested Capital <sup>1</sup>	Economic Interest <sup>2</sup>
<b>Business Services</b>	Greenery	May 2017	\$45 million	14%
	Fuel Marketing Business	July 2017	\$43 million	26%
	One Toronto	January 2018	\$6 million	13%
	Imagine	October 2018	\$21 million	31%
	Healthscope	June 2019	\$295 million	28%
<b>Infrastructure Services</b>	Teekay Offshore	September 2017	\$317 million	31%
	Westinghouse	August 2018	\$405 million	44%
<b>Industrials</b>	BRK Ambiental	April 2017	\$383 million	26%
	Schoeller	May 2018	\$45 million	14%
	Clarios	April 2019	\$860 million	29%

1) Figures are presented net to Brookfield Business Partners L.P.

2) As at June 30, 2019, does not include impact of subsequent events.

# Summary of Results by Quarter

The following table presents our results from operations for the eight most recent quarters

US\$ MILLIONS, unaudited	2019		2018				2017	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenues	\$ 10,717	\$ 9,201	\$ 10,209	\$ 9,990	\$ 8,775	\$ 8,194	\$ 8,379	\$ 7,640
Direct operating costs	(9,776)	(8,193)	(9,205)	(9,080)	(8,200)	(7,649)	(8,034)	(7,295)
General and administrative expenses	(211)	(178)	(209)	(174)	(142)	(118)	(107)	(95)
Depreciation and amortization expense	(441)	(311)	(286)	(251)	(105)	(106)	(109)	(109)
Interest income (expense), net	(313)	(184)	(181)	(148)	(83)	(86)	(67)	(66)
Equity accounted income, net	23	7	9	(9)	(7)	17	8	37
Impairment expense, net	(324)	—	(38)	(180)	—	—	(9)	—
Gain (loss) on acquisitions/dispositions, net	522	(2)	147	247	90	16	—	(14)
Other income (expense), net	(181)	(90)	(73)	(42)	(7)	(14)	(72)	(41)
Income (loss) before income tax	\$ 16	\$ 250	\$ 373	\$ 353	\$ 321	\$ 254	\$ (11)	\$ 57
Income tax (expense) recovery								
Current	(93)	(30)	(63)	(43)	(52)	(28)	(11)	(19)
Deferred	41	(19)	84	(25)	39	(10)	16	6
Net income (loss)	\$ (36)	\$ 201	\$ 394	\$ 285	\$ 308	\$ 216	\$ (6)	\$ 44
<b>Attributable to:</b>								
Limited Partners	\$ 55	\$ 32	\$ 70	\$ (1)	\$ 40	\$ (35)	\$ (79)	\$ (8)
Non-controlling interests attributable to:								
Redemption-Exchange Units held by Brookfield Asset Management Inc.	52	30	66	—	38	(34)	(83)	(8)
Special Limited Partners	—	—	—	94	41	143	117	25
Interest of others	(143)	139	258	192	189	142	39	35
Net income (loss)	\$ (36)	\$ 201	\$ 394	\$ 285	\$ 308	\$ 216	\$ (6)	\$ 44

Revenue and operating costs vary from quarter to quarter primarily due to acquisitions of businesses, fluctuations in foreign exchange rates, business and economic cycles, and weather and seasonality in underlying operations. Broader economic factors and commodity market volatility, in particular, can have a significant impact on a number of our operations. Net income is impacted by periodic gains and losses on acquisitions, monetizations and impairments.

# Segmented Financial Information

The following tables present a reconciliation of consolidated operating results by segment to Company EBITDA and Company FFO<sup>1</sup>:

For the THREE MONTHS ended JUNE 30, US\$ MILLIONS, unaudited	Business Services		Infrastructure Services		Industrials		Corporate and Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues	\$ 7,345	\$ 7,859	\$ 1,105	\$ 3	\$ 2,267	\$ 909	\$ —	\$ 4	\$ 10,717	\$ 8,775
Direct operating costs	(7,169)	(7,711)	(838)	—	(1,767)	(487)	(2)	(2)	(9,776)	(8,200)
General and administrative expenses	(67)	(72)	(41)	—	(85)	(54)	(18)	(16)	(211)	(142)
Equity accounted Company EBITDA	11	7	35	38	17	18	—	—	63	63
Company EBITDA attributable to others	(59)	(46)	(173)	—	(324)	(268)	—	—	(556)	(314)
<b>Company EBITDA</b>	<b>\$ 61</b>	<b>\$ 37</b>	<b>\$ 88</b>	<b>\$ 41</b>	<b>\$ 108</b>	<b>\$ 118</b>	<b>\$ (20)</b>	<b>\$ (14)</b>	<b>\$ 237</b>	<b>\$ 182</b>
Realized disposition gain, net	522	55	—	—	—	35	—	—	522	90
Other income (expense), net	—	—	4	—	—	—	—	—	4	—
Interest income (expense), net	(38)	(22)	(97)	—	(186)	(61)	8	—	(313)	(83)
Equity accounted current taxes and interest	(2)	(1)	(5)	(15)	(3)	(4)	—	—	(10)	(20)
Current income taxes	(47)	(22)	—	—	(51)	(30)	5	—	(93)	(52)
Company FFO attributable to others (net of Company EBITDA attributable to others)	(154)	19	64	—	178	41	—	—	88	60
<b>Company FFO</b>	<b>\$ 342</b>	<b>\$ 66</b>	<b>\$ 54</b>	<b>\$ 26</b>	<b>\$ 46</b>	<b>\$ 99</b>	<b>\$ (7)</b>	<b>\$ (14)</b>	<b>\$ 435</b>	<b>\$ 177</b>

1) The comparative figures have been updated to conform with the resegmentation of our business as of Q4-2018.

# Segmented Financial Information

The following tables present a reconciliation of consolidated operating results by segment to Company EBITDA and Company FFO<sup>1</sup>:

For the SIX MONTHS ended JUNE 30, US\$ MILLIONS, unaudited	Business Services		Infrastructure Services		Industrials		Corporate and Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues	\$ 14,280	\$ 15,206	\$ 2,394	\$ 5	\$ 3,244	\$ 1,751	\$ —	\$ 7	\$ 19,918	\$ 16,969
Direct operating costs	(13,947)	(14,945)	(1,730)	—	(2,288)	(900)	(4)	(4)	(17,969)	(15,849)
General and administrative expenses	(134)	(139)	(75)	—	(143)	(89)	(37)	(32)	(389)	(260)
Equity accounted Company EBITDA	19	15	56	73	21	34	—	—	96	122
Company EBITDA attributable to others	(112)	(71)	(422)	—	(619)	(538)	—	—	(1,153)	(609)
<b>Company EBITDA</b>	<b>\$ 106</b>	<b>\$ 66</b>	<b>\$ 223</b>	<b>\$ 78</b>	<b>\$ 215</b>	<b>\$ 258</b>	<b>\$ (41)</b>	<b>\$ (29)</b>	<b>\$ 503</b>	<b>\$ 373</b>
Realized disposition gain, net	522	55	—	—	(2)	51	—	—	520	106
Other income (expense), net	—	—	—	—	2	—	—	—	2	—
Interest income (expense), net	(58)	(41)	(198)	—	(255)	(128)	14	—	(497)	(169)
Equity accounted current taxes and interest	(3)	(1)	(8)	(30)	(4)	(8)	—	—	(15)	(39)
Current income taxes	(57)	(30)	9	—	(85)	(50)	10	—	(123)	(80)
Company FFO attributable to others (net of Company EBITDA attributable to others)	(136)	34	130	—	256	90	—	—	250	124
<b>Company FFO</b>	<b>\$ 374</b>	<b>\$ 83</b>	<b>\$ 156</b>	<b>\$ 48</b>	<b>\$ 127</b>	<b>\$ 213</b>	<b>\$ (17)</b>	<b>\$ (29)</b>	<b>\$ 640</b>	<b>\$ 315</b>

1) The comparative figures have been updated to conform with the resegmentation of our business as of Q4-2018.

# Reconciliation of Business Services

The following table presents our proportionate share of our Business Services segment's financial results, showing the contribution from our construction services business:

US\$ MILLIONS, unaudited	Three Months Ended June 30,						Six Months Ended June 30,					
	Construction Services	Other Business Services	2019 Total	Construction Services	Other Business Services	2018 Total	Construction Services	Other Business Services	2019 Total	Construction Services	Other Business Services	2018 Total
Revenues	\$ 1,183	\$ 1,113	\$ 2,296	\$ 1,133	\$ 1,191	\$ 2,324	\$ 2,275	\$ 2,161	\$ 4,436	\$ 2,176	\$ 2,308	\$ 4,484
Direct operating costs	(1,154)	(1,061)	(2,215)	(1,108)	(1,147)	(2,255)	(2,212)	(2,072)	(4,284)	(2,128)	(2,229)	(4,357)
General and administrative expenses	(6)	(25)	(31)	(11)	(28)	(39)	(17)	(48)	(65)	(21)	(55)	(76)
Equity accounted Company EBITDA	—	11	11	—	7	7	—	19	19	—	15	15
<b>Company EBITDA</b>	<b>\$ 23</b>	<b>\$ 38</b>	<b>\$ 61</b>	<b>\$ 14</b>	<b>\$ 23</b>	<b>\$ 37</b>	<b>\$ 46</b>	<b>\$ 60</b>	<b>\$ 106</b>	<b>\$ 27</b>	<b>\$ 39</b>	<b>\$ 66</b>
Realized disposition gain, net	—	336	336	—	55	55	—	336	336	—	55	55
Other income (expense), net	—	—	—	—	—	—	—	—	—	—	—	—
Interest income (expense), net	—	(9)	(9)	—	(6)	(6)	—	(12)	(12)	—	(12)	(12)
Equity accounted current taxes and interest	—	(1)	(1)	—	(1)	(1)	—	(2)	(2)	—	(1)	(1)
Current income taxes	(7)	(38)	(45)	(9)	(10)	(19)	(12)	(42)	(54)	(13)	(12)	(25)
<b>Company FFO</b>	<b>\$ 16</b>	<b>\$ 326</b>	<b>\$ 342</b>	<b>\$ 5</b>	<b>\$ 61</b>	<b>\$ 66</b>	<b>\$ 34</b>	<b>\$ 340</b>	<b>\$ 374</b>	<b>\$ 14</b>	<b>\$ 69</b>	<b>\$ 83</b>

# Reconciliation of Industrials

The following table presents our proportionate share of our Industrials segment's financial results, showing the contribution from our previously disclosed Industrials segment:

US\$ MILLIONS, unaudited	Three Months Ended June 30,						Six Months Ended June 30,					
	Energy <sup>1</sup>	Other Industrials <sup>2</sup>	2019 Total	Energy <sup>1</sup>	Other Industrials <sup>2</sup>	2018 Total	Energy <sup>1</sup>	Other Industrials <sup>2</sup>	2019 Total	Energy <sup>1</sup>	Other Industrials <sup>2</sup>	2018 Total
Revenues	\$ 19	\$ 550	\$ 569	\$ 25	\$ 227	\$ 252	\$ 51	\$ 768	\$ 819	\$ 71	\$ 451	\$ 522
Direct operating costs	(18)	(428)	(446)	(22)	(110)	(132)	(40)	(538)	(578)	(51)	(208)	(259)
General and administrative expenses	(2)	(17)	(19)	(2)	(10)	(12)	(4)	(27)	(31)	(5)	(18)	(23)
Equity accounted Company EBITDA	—	4	4	9	1	10	—	5	5	16	2	18
<b>Company EBITDA</b>	<b>\$ (1)</b>	<b>\$ 109</b>	<b>\$ 108</b>	<b>\$ 10</b>	<b>\$ 108</b>	<b>\$ 118</b>	<b>\$ 7</b>	<b>\$ 208</b>	<b>\$ 215</b>	<b>\$ 31</b>	<b>\$ 227</b>	<b>\$ 258</b>
Realized disposition gain, net	—	—	—	—	9	9	—	—	—	—	13	13
Other income (expense), net	—	(5)	(5)	—	—	—	—	(5)	(5)	—	—	—
Interest income (expense), net	(3)	(41)	(44)	(2)	(14)	(16)	(5)	(57)	(62)	(5)	(33)	(38)
Equity accounted current taxes and interest	—	(1)	(1)	(2)	—	(2)	—	(1)	(1)	(4)	—	(4)
Current income taxes	—	(12)	(12)	(1)	(9)	(10)	—	(20)	(20)	(1)	(15)	(16)
<b>Company FFO</b>	<b>\$ (4)</b>	<b>\$ 50</b>	<b>\$ 46</b>	<b>\$ 5</b>	<b>\$ 94</b>	<b>\$ 99</b>	<b>\$ 2</b>	<b>\$ 125</b>	<b>\$ 127</b>	<b>\$ 21</b>	<b>\$ 192</b>	<b>\$ 213</b>

1) Energy comprises investments previously disclosed in our Energy segment, which has been reallocated to Industrials under the resegmentation of our business as of Q4-2018.

2) Other industrials includes the previously disclosed Industrials.

# Reconciliation of Non-IFRS Measures to IFRS Measures

## Proportionate Operating Results to Consolidated Operating Results

For the THREE MONTHS ended JUNE 30, 2019 US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 2,296	\$ 437	\$ 569	\$ —	\$ 3,302	\$ 7,415	\$ 10,717	
Direct operating costs	(2,215)	(342)	(446)	(2)	(3,005)	(6,771)	(9,776)	
General and administrative expenses	(31)	(17)	(19)	(18)	(85)	(126)	(211)	
Equity accounted Company EBITDA <sup>1</sup>	11	10	4	—	25	38	63	
<b>Company EBITDA</b>	<b>\$ 61</b>	<b>\$ 88</b>	<b>\$ 108</b>	<b>\$ (20)</b>	<b>237</b>			
Realized disposition gain (loss), net <sup>2</sup>	336	—	—	—	336	186	522	
Other income (expense), net <sup>3</sup>	—	—	(5)	—	(5)	9	4	
Interest income (expense), net	(9)	(34)	(44)	8	(79)	(234)	(313)	
Equity accounted current taxes and interest <sup>1</sup>	(1)	(1)	(1)	—	(3)	(7)	(10)	
Current income taxes	(45)	1	(12)	5	(51)	(42)	(93)	
<b>Company FFO</b>	<b>\$ 342</b>	<b>\$ 54</b>	<b>\$ 46</b>	<b>\$ (7)</b>	<b>435</b>			
Depreciation and amortization expense					(138)	(303)	(441)	
Impairment expense, net					(128)	(196)	(324)	
Gain on acquisition and disposition <sup>2</sup>					—	—	—	
Other income (expense), net <sup>3</sup>					(71)	(114)	(185)	
Deferred income taxes					19	22	41	
Non-cash items attributable to equity accounted investments <sup>1</sup>					(10)	(20)	(30)	
<b>Net income (loss)</b>					<b>\$ 107</b>	<b>\$ (143)</b>	<b>(36)</b>	

1) The sum of these amounts equates to equity accounted income of \$23 million as per IFRS statement of operating results.

2) The sum of these amounts equates to the gain on disposition of \$522 million as per IFRS statement of operating results.

3) The sum of these amounts equates to the other expense of \$181 million as per IFRS statement of operating results.

# Reconciliation of Non-IFRS Measures to IFRS Measures

## Proportionate Operating Results to Consolidated Operating Results

For the SIX MONTHS ended JUNE 30, 2019 US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 4,436	\$ 944	\$ 819	\$ —	\$ 6,199	\$ 13,719	\$ 19,918	
Direct operating costs	(4,284)	(705)	(578)	(4)	(5,571)	(12,398)	(17,969)	
General and administrative expenses	(65)	(31)	(31)	(37)	(164)	(225)	(389)	
Equity accounted Company EBITDA <sup>1</sup>	19	15	5	—	39	57	96	
<b>Company EBITDA</b>	<b>\$ 106</b>	<b>\$ 223</b>	<b>\$ 215</b>	<b>\$ (41)</b>	<b>503</b>			
Realized disposition gain (loss), net <sup>2</sup>	336	—	—	—	336	184	520	
Other income (expense), net <sup>3</sup>	—	(1)	(5)	—	(6)	8	2	
Interest income (expense), net	(12)	(70)	(62)	14	(130)	(367)	(497)	
Equity accounted current taxes and interest <sup>1</sup>	(2)	(1)	(1)	—	(4)	(11)	(15)	
Current income taxes	(54)	5	(20)	10	(59)	(64)	(123)	
<b>Company FFO</b>	<b>\$ 374</b>	<b>\$ 156</b>	<b>\$ 127</b>	<b>\$ (17)</b>	<b>640</b>			
Depreciation and amortization expense					(236)	(516)	(752)	
Impairment expense, net					(128)	(196)	(324)	
Gain on acquisition and disposition <sup>2</sup>					—	—	—	
Other income (expense), net <sup>3</sup>					(101)	(172)	(273)	
Deferred income taxes					12	10	22	
Non-cash items attributable to equity accounted investments <sup>1</sup>					(18)	(33)	(51)	
<b>Net income (loss)</b>					<b>\$ 169</b>	<b>\$ (4)</b>	<b>165</b>	

1) The sum of these amounts equates to equity accounted income of \$30 million as per IFRS statement of operating results.

2) The sum of these amounts equates to the gain on disposition of \$520 million as per IFRS statement of operating results.

3) The sum of these amounts equates to the other expense of \$271 million as per IFRS statement of operating results.

# Reconciliation of Non-IFRS Measures to IFRS Measures

## Proportionate Operating Results to Consolidated Operating Results

For the THREE MONTHS ended JUNE 30, 2018 <sup>4</sup> US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 2,324	\$ 3	\$ 252	\$ 4	\$ 2,583	\$ 6,192	\$ 8,775	
Direct operating costs	(2,255)	—	(132)	(2)	(2,389)	(5,811)	(8,200)	
General and administrative expenses	(39)	—	(12)	(16)	(67)	(75)	(142)	
Equity accounted Company EBITDA <sup>1</sup>	7	38	10	—	55	8	63	
<b>Company EBITDA</b>	\$ 37	\$ 41	\$ 118	\$ (14)	182			
Realized disposition gain (loss), net <sup>2</sup>	55	—	9	—	64	26	90	
Other income (expense), net <sup>3</sup>	—	—	—	—	—	—	—	
Interest income (expense), net	(6)	—	(16)	—	(22)	(61)	(83)	
Equity accounted current taxes and interest <sup>1</sup>	(1)	(15)	(2)	—	(18)	(2)	(20)	
Current income taxes	(19)	—	(10)	—	(29)	(23)	(52)	
<b>Company FFO</b>	\$ 66	\$ 26	\$ 99	\$ (14)	177			
Depreciation and amortization expense					(32)	(73)	(105)	
Impairment expense, net					—	—	—	
Gain on acquisition and disposition <sup>2</sup>					—	—	—	
Other income (expense), net <sup>3</sup>					11	(18)	(7)	
Deferred income taxes					9	30	39	
Non-cash items attributable to equity accounted investments <sup>4</sup>					(46)	(4)	(50)	
<b>Net income (loss)</b>					\$ 119	\$ 189	308	

- 1) The sum of these amounts equates to equity accounted loss of \$7 million as per IFRS statement of operating results.
- 2) The sum of these amounts equates to the gain on disposition of \$90 million as per IFRS statement of operating results.
- 3) The sum of these amounts equates to the other expense of \$7 million as per IFRS statement of operating results.
- 4) The figures have been updated to conform with the resegmentation of our business as of Q4-2018.

# Reconciliation of Non-IFRS Measures to IFRS Measures

## Proportionate Operating Results to Consolidated Operating Results

For the SIX MONTHS ended JUNE 30, 2018 <sup>4</sup> US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 4,484	\$ 5	\$ 522	\$ 7	\$ 5,018	\$ 11,951	\$ 16,969	
Direct operating costs	(4,357)	—	(259)	(4)	(4,620)	(11,229)	(15,849)	
General and administrative expenses	(76)	—	(23)	(32)	(131)	(129)	(260)	
Equity accounted Company EBITDA <sup>1</sup>	15	73	18	—	106	16	122	
<b>Company EBITDA</b>	\$ 66	\$ 78	\$ 258	\$ (29)	\$ 373			
Realized disposition gain (loss), net <sup>2</sup>	55	—	13	—	68	38	106	
Other income (expense), net <sup>3</sup>	—	—	—	—	—	—	—	
Interest income (expense), net	(12)	—	(38)	—	(50)	(119)	(169)	
Equity accounted current taxes and interest <sup>1</sup>	(1)	(30)	(4)	—	(35)	(4)	(39)	
Current income taxes	(25)	—	(16)	—	(41)	(39)	(80)	
<b>Company FFO</b>	\$ 83	\$ 48	\$ 213	\$ (29)	\$ 315			
Depreciation and amortization expense					(67)	(144)	(211)	
Impairment expense, net					—	—	—	
Gain on acquisition and disposition <sup>2</sup>					—	—	—	
Other income (expense), net <sup>3</sup>					5	(26)	(21)	
Deferred income taxes					5	24	29	
Non-cash items attributable to equity accounted investments <sup>1</sup>					(65)	(8)	(73)	
<b>Net income (loss)</b>					\$ 193	\$ 331	\$ 524	

1) The sum of these amounts equates to equity accounted income of \$10 million as per IFRS statement of operating results.

2) The sum of these amounts equates to the gain on disposition of \$106 million as per IFRS statement of operating results.

3) The sum of these amounts equates to the other expense of \$21 million as per IFRS statement of operating results.

4) The figures have been updated to conform with the resegmentation of our business as of Q4-2018.

# Reconciliation of Non-IFRS Measures to IFRS Measures

## Total Equity Reconciliation to Equity Attributable to Unitholders

US\$ MILLIONS, unaudited	As at	
	June 30, 2019	December 31, 2018
Total equity	\$ 9,290	\$ 6,494
Less: Interest of others in operating subsidiaries	5,404	3,531
<b>Equity attributable to unitholders</b>	<b>\$ 3,886</b>	<b>\$ 2,963</b>

## Proportionate Balance Sheet Items Reconciliation to Consolidated Balance Sheet Items

US\$ MILLIONS, unaudited	Attributable to unitholders						Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other	Total			
<b>Cash</b>								
June 30, 2019	\$ 299	\$ 138	\$ 239	\$ 1,274	\$ 1,950	\$ 990	\$ 2,940	
December 31, 2018	335	113	66	621	1,135	814	1,949	
<b>Non-recourse borrowings</b>								
June 30, 2019	\$ 989	\$ 2,164	\$ 4,228	nil	\$ 7,381	\$ 15,135	\$ 22,516	
December 31, 2018	534	2,003	1,051	nil	3,588	7,278	10,866	
<b>Non-recourse borrowings, net of cash</b>								
June 30, 2019	\$ 690	\$ 2,026	\$ 3,989	\$ (1,274)	\$ 5,431	\$ 14,145	\$ 19,576	
December 31, 2018	199	1,890	985	(621)	2,453	6,464	8,917	

- Company Funds From Operations (Company FFO), where applicable, is a key measure of our financial performance and we use Company FFO to assess our business performance. Company FFO is a non-IFRS measure which does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Company FFO is calculated as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash gains or losses as appropriate, and other items. Company FFO is presented net to unitholders. When determining Company FFO, we include our proportionate share of Company FFO of equity accounted investments. For further information on Company FFO see “Use of Non IFRS Measures” of the 2019 6-K
- Company EBITDA, where applicable, is a key measure of our financial performance and we use Company EBITDA to assess operating results and our business performance. Company EBITDA is non-IFRS measure which does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Company FFO is further adjusted as Company EBITDA to exclude the impact of realized disposition gains (losses), interest income (expense), current income taxes, the impact of realized disposition gains (losses), current income taxes and interest income (expense) related to equity accounted investments, and other items. Company EBITDA is presented net to unitholders. When determining Company EBITDA, we include our proportionate share of Company EBITDA of equity accounted investments. For further information on Company EBITDA see “Use of Non-IFRS Measures” of the 2019 6-K
- Equity accounted Company EBITDA is exclusive of non-cash items, realized disposition gains, current income taxes and interest income and interest expenses included within equity accounted income, and other items
- Equity attributable to unitholders is exclusive of the equity interest of others in our operating subsidiaries
- Net income (loss) attributable to unitholders is exclusive of the net income (loss) attributable to others in our operating subsidiaries
- Unitholders are defined as limited partnership unitholders, general partnership unitholders, special limited partnership unitholders, and redemption-exchange unitholders
- Net debt is calculated by subtracting cash and cash equivalents from borrowings
- Proportionate share is our economic interest in the financial position and operating results at our subsidiaries, excluding our equity accounted investments