

BROOKFIELD BUSINESS PARTNERS L.P.

Q1 2017 Supplemental Information

First Quarter March 31, 2017

Brookfield

Important Cautionary Notes

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 March 31, 2017.

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 L.P. and its subsidiaries, 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 L.P. and its subsidiaries 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 L.P. 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.



Overview

Q1-2017 Highlights

Key Performance Metrics

US\$ MILLIONS, UNAUDITED	Three months ended Mar. 31	
	2017	2016
Net income (loss) attributable to unitholders ¹	\$ 66	\$ (5)
Company EBITDA ^{1,2}	(7)	51
Company FFO ^{1,2}	95	37

Key Balance Sheet Metrics

US\$ MILLIONS, UNAUDITED	As at	
	Mar. 31, 2017	Dec. 31, 2016
Total assets	\$ 8,119	\$ 8,193
Borrowings	1,417	1,551
Equity attributable to unitholders ¹	2,571	2,501

Units outstanding

UNITS	As at	
	Mar. 31, 2017	Dec. 31, 2016
Limited partner units	51,845,298	51,845,298
Redemption-exchange units	56,150,497	56,150,497
General partner and Special LP units	8	8
Total units outstanding	107,995,803	107,995,803

Financial Performance

- Net income attributable to unitholders for Q1-2017 was \$66 million, compared to a net loss of \$5 million for the same period in 2016. Our net income benefited from disposition gains, primarily on the sale of our bath and shower manufacturing business
- Our Q1-2017 Company EBITDA was negative \$7 million, compared to \$51 million in Q1-2016. The decrease was due to:
 - margin downgrades on three projects at our construction services operation;
 - a decrease in equity accounted income from our Australian energy operation resulting from a partial sell down to institutional partners in 2016; and
 - lower contribution from our financial advisory services business, due to a high level of activity in Q1-2016
- Company FFO was \$95 million for the quarter, compared to \$37 million in Q1-2016. Our Company FFO for the quarter benefited from the previously mentioned disposition gains
- Total assets decreased due to lower financial assets and the sale of Maax, offset by a higher cash balance. Borrowings decreased as we repaid financing in our industrials and energy segments from proceeds generated from investment security dispositions completed during the quarter

1) Attributable to parent company prior to the Spin-off on June 20, 2016, and to limited partnership unitholders, general partnership unitholders, and redemption-exchange unitholders post Spin-off. Post Spin-off, equity is also attributable to preferred shareholders and Special LP unitholders.

2) Company FFO 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 of equity accounted investment. Company FFO is further adjusted as Company EBITDA to exclude the impact of realized disposition gains (losses), interest expense, current income taxes, and realized disposition gain, current income taxes and interest expenses related to equity accounted investments. Company EBITDA and Company FFO are presented net to unitholders. For further information on Company FFO and Company EBITDA see "Use of Non IFRS Measures" on page 5 of the 2016 20-F. These terms are consistently used throughout the Supplemental.

Business services and industrials company focused on long-term capital appreciation

- Focus on owning and operating high-quality businesses that benefit from barriers to entry and/or low production costs
- We target long-term growth, either organic growth of our current operations or acquisitions where our operational expertise can surface value and enhance earnings
- Our business is principally focused on operations where the broader Brookfield platform provides us with a competitive advantage, and where we are able to leverage the history and pedigree of Brookfield as an owner and operator of real assets
- We have flexibility to invest in multiple industries in a variety of forms, meaning we may acquire debt or equity securities, or provide financing to companies, in addition to business acquisitions

Current operations in four primary segments

Construction	Business Services	Energy	Industrials
<p>Provide construction and related services globally, including:</p> <ul style="list-style-type: none">• Design• Program Management• Procurement	<p>Provide business services to global clients, including:</p> <ul style="list-style-type: none">• Real Estate Services• Logistics• Facilities Management• Financial Advisory Services	<p>Energy supply chain operations:</p> <ul style="list-style-type: none">• Oil & Gas Production – low cost, low decline, long-life assets• Oilfield Services	<p>Industrial manufacturing operations:</p> <ul style="list-style-type: none">• Graphite Electrode Production• Pre-cast Concrete Construction Products• Aggregates• Specialty Metals

Statement of Operating Results

Brookfield

US\$ MILLIONS, UNAUDITED	Three months ended Mar. 31	
	2017	2016
Revenues	\$ 1,934	\$ 1,677
Direct operating costs	(1,874)	(1,569)
General and administrative expenses	(62)	(62)
Depreciation and amortization expense	(65)	(72)
Interest expense	(19)	(24)
Equity accounted income, net	10	27
Impairment expense, net	(7)	-
Gain on acquisitions/dispositions, net	272	-
Other income (expense), net	14	(10)
Income (loss) before income tax	203	(33)
Income tax (expense) recovery		
Current	4	(3)
Deferred	(4)	7
Net income (loss)	\$ 203	\$ (29)
Attributable to:		
Limited partners	\$ 32	\$ -
Brookfield Asset Management Inc.	-	(5)
Non-controlling interests attributable to:		
Redemption-Exchange Units held by Brookfield Asset Management Inc.	34	-
Interest of others	137	(24)
	\$ 203	\$ (29)

Revenues – Increased by \$257 million compared to the prior period, primarily due to higher activity in our construction services operations in the UK, as well as the acquisitions made in late 2016 within our facilities management business

Direct operating costs – Increased by \$305 million compared to Q1-2016, driven by our construction services segment where direct operating costs have increased due to higher activity and margin downgrades on three projects in Australia, and at our facilities management business, which increased in line with revenue

Depreciation and amortization expense – Decreased by \$7 million primarily due to lower expense in our energy segment as a result of higher reserves based on updated reserve studies

General and administrative expenses – In line with the same period in the prior year. G&A expenses decreased in our industrials segment as a result of the sale of our bath and shower products manufacturing business, offset by management fees and corporate expenses of \$9 million for the three months ended March 31, 2017, which were not included in the prior year, as these expenses relate to periods post spin-off

Equity accounted income, net – Decreased by \$17 million compared to the prior period, as contribution from our Australian energy operation decreased due to a reorganization and partial sell down of the business, which occurred in 2016

Statement of Operating Results

Brookfield

US\$ MILLIONS, UNAUDITED	Three months ended Mar. 31	
	2017	2016
Revenues	\$ 1,934	\$ 1,677
Direct operating costs	(1,874)	(1,569)
General and administrative expenses	(62)	(62)
Depreciation and amortization expense	(65)	(72)
Interest expense	(19)	(24)
Equity accounted income, net	10	27
Impairment expense, net	(7)	-
Gain on acquisitions/dispositions, net	272	-
Other income (expense), net	14	(10)
Income (loss) before income tax	203	(33)
Income tax (expense) recovery		
Current	4	(3)
Deferred	(4)	7
Net income (loss)	\$ 203	\$ (29)
Attributable to:		
Limited partners	\$ 32	\$ -
Brookfield Asset Management Inc.	-	(5)
Non-controlling interests attributable to:		
Redemption-Exchange Units held by Brookfield Asset Management Inc.	34	-
Interest of others	137	(24)
	\$ 203	\$ (29)

Impairment expense, net – The impairment expense of \$7 million relates to the reduction in value of assets held for sale within our industrials segment

Gain on dispositions, net – During Q1-2017 we recorded net gains on dispositions of \$272 million primarily composed of:

- In January 2017, we sold our bath and shower products manufacturing business, recognizing a net gain on the disposition of \$228 million
- During the quarter, we also disposed of investment securities held in our energy segment, recognizing a gain of \$36 million (\$10 million, net to BBU)
- In addition, we sold part of our precast business within the infrastructure support products operations, recognizing a gain of \$5 million

Other income (expense), net – Other income of \$14 million in Q1-2017 primarily related to net unrealized gains on hedges in our Canadian energy operation, partially offset by a loss on revaluation of an investment security within our energy segment. Other expenses of \$10 million in Q1-2016 primarily related to a write down of inventory in our graphite electrode manufacturing business

Statement of Financial Position

Brookfield

US\$ MILLIONS, UNAUDITED	As at	
	Mar. 31, 2017	Dec. 31, 2016
Assets		
Cash and cash equivalents	\$ 1,205	\$ 1,050
Financial assets	375	539
Accounts and other receivable, net	1,890	1,797
Inventory and other assets	658	647
Assets held for sale	76	264
Property, plant and equipment	2,095	2,096
Deferred income tax assets	121	111
Intangible assets	361	371
Equity accounted investments	147	166
Goodwill	1,191	1,152
Total assets	\$ 8,119	\$ 8,193
Liabilities and equity		
Liabilities		
Accounts payable and other	\$ 2,566	\$ 2,457
Liabilities associated with assets held for sale	21	66
Borrowings	1,417	1,551
Deferred income tax liabilities	94	81
Total liabilities	4,098	4,155
Equity		
Limited partners	1,240	1,206
Non-controlling interests attributable to:		
Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,331	1,295
Interest of others	1,450	1,537
Total equity	4,021	4,038
Total liabilities and equity	\$ 8,119	\$ 8,193

Cash and cash equivalents – Primarily comprised of corporate cash and cash equivalents of \$634 million, available for general corporate purposes and to fund growth opportunities. We also had \$251 million of cash and cash equivalents within our business services operations, \$185 million at our construction operations, \$94 million at our energy operations and \$41 million at our industrial operations

Financial assets – Primarily comprised of securities positions held in our energy and business services segments. The \$164 million decrease relative to December 31, 2016, was primarily related to the disposition of investment securities in our energy segment

Assets held for sale – The balance decreased compared to December 31, 2016, primarily due to the disposition of our bath and shower products manufacturing operation in January 2017

Equity accounted investments – The decrease compared to the prior period was mainly due to a dividend paid out by our Western Australian energy operations

Borrowings – The decrease relative to December 31, 2016, was primarily due to the repayment of financing in our industrials and energy segment from proceeds generated on the disposition of investments securities during the quarter



Operating Segments

Construction Services

The following table presents our Construction Services segment's financial results:

US\$ MILLIONS, UNAUDITED	Three months ended Mar. 31	
	2017	2016
Revenues	\$ 1,016	\$ 888
Direct operating costs	(1,020)	(856)
General and administrative expenses	(11)	(10)
Equity accounted Company EBITDA	-	-
Company EBITDA attributable to others	1	-
Company EBITDA	(14)	22
Realized disposition gain	2	-
Interest expense	-	-
Current income taxes	10	-
Company FFO attributable to others (net of Company EBITDA attributable to others)	(1)	-
Company FFO	\$ (3)	\$ 22

US\$ MILLIONS, UNAUDITED	As at	
	Mar. 31, 2017	Dec. 31, 2016
Total assets	\$ 2,432	\$ 2,275
Borrowings	7	7
Equity attributable to unitholders	943	877

Financial Results

- Revenue from our construction services operations in Q1-2017 was \$1,016 million, representing an increase of \$128 million compared to the same period in 2016
- Margin downgrades on three Australian projects reduced Company EBITDA to a \$14 million net deficit in our construction services segment. Excluding these three projects, the business is performing at targeted levels on an overall basis across our portfolio of over 100 projects and continues to benefit from both regional and product diversity
 - Company EBITDA was also negatively impacted by foreign currency variation and marginally higher G&A and corporate overhead
 - Company EBITDA was \$22 million in the prior year and included \$9 million of earnings from a fee and margin uplifts at completion of two projects in Australia
- Company FFO was negative \$3 million in the current quarter and included a \$10 million income tax recovery, as a result of the aforementioned operating losses
- Backlog remains at \$7.3 billion, representing 1.8 years of work, as we continue to win projects at targeted margins. We are also preferred bidders on over \$4.7 billion of work, which we look to contract over the next year

Business Services

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The following table presents our Business Services segment's financial results:

US\$ MILLIONS, UNAUDITED	Three months ended Mar. 31	
	2017	2016
Revenues	\$ 616	\$ 451
Direct operating costs	(583)	(418)
General and administrative expenses	(23)	(24)
Equity accounted Company EBITDA	4	3
Company EBITDA attributable to others	(14)	(6)
Company EBITDA	-	6
Realized disposition gain	5	-
Interest expense	(4)	(4)
Current income taxes	-	(2)
Company FFO attributable to others (net of Company EBITDA attributable to others)	3	2
Company FFO	\$ 4	\$ 2

US\$ MILLIONS, UNAUDITED	As at	
	Mar. 31, 2017	Dec. 31, 2016
Total assets	\$ 1,738	\$ 1,690
Borrowings	507	472
Equity attributable to unitholders	352	357

Financial Results

- Revenue from our business services segment in Q1-2017 was \$616 million, representing an increase of \$165 million compared to the same period in 2016. The increase was primarily related to a higher volume of project work in our Australian facilities management operations, as well as incremental revenue from our recent facilities management operations acquisitions in Canada and in the U.S. This was partially offset by a decrease in revenue in our financial advisory services operations due to a lower level of activity compared to Q1-2016
- Company EBITDA was \$6 million lower than the prior year, primarily due to a decrease in contribution from our financial advisory service operations, which fluctuates from quarter to quarter
- Company FFO of \$4 million for the quarter was \$2 million higher than Q1-2016. The lower Company EBITDA was offset by a gain of \$5 million realized in our relocation services business from the strategic sale of a portfolio of contracts

The following table presents our Energy segment's financial results:

US\$ MILLIONS, UNAUDITED	Three months ended Mar. 31	
	2017	2016
Revenues	\$ 69	\$ 66
Direct operating costs	(51)	(43)
General and administrative expenses	(4)	(4)
Equity accounted Company EBITDA	14	59
Company EBITDA attributable to others	(12)	(55)
Company EBITDA	16	23
Realized disposition gain, net	36	-
Interest expense	(6)	(8)
Realized disposition gain, current income taxes and interest expenses related to equity accounted investments	(1)	(6)
Current income taxes	(1)	(1)
Company FFO attributable to others (net of Company EBITDA attributable to others)	(24)	10
Company FFO	\$ 20	\$ 18

US\$ MILLIONS, UNAUDITED	As at	
	Mar. 31, 2017	Dec. 31, 2016
Total assets	\$ 1,493	\$ 1,596
Borrowings	409	545
Equity attributable to unitholders	364	344

Financial Results

- Revenue generated by our energy segment in Q1-2017 was \$69 million, representing an increase of \$3 million compared to the same period in 2016. The increase was primarily related to our contract drilling and well-servicing operations, as a result of higher activity during the quarter, which was offset by lower interest income from a corporate bond investment which was converted to an equity position in October 2016
- Company EBITDA decreased to \$16 million compared to \$23 million in the prior period, primarily because the contribution from our Australia energy operation decreased due to a partial sell down, which occurred in 2016
- Company FFO increased to \$20 million in the quarter from \$18 million in the prior period. The current quarter benefited from the disposition of investment securities, resulting in a net realized disposition gain of \$10 million. This was offset by the decreased contribution from our Western Australian energy operations, as previously described

Industrial Operations

The following table presents our Industrial Operations segment's financial results:

US\$ MILLIONS, UNAUDITED	Three months ended Mar. 31	
	2017	2016
Revenues	\$ 231	\$ 272
Direct operating costs	(219)	(252)
General and administrative expenses	(15)	(24)
Company EBITDA attributable to others	2	4
Company EBITDA	(1)	-
Realized disposition gains, net	229	-
Interest expense	(9)	(12)
Realized disposition gain, current income taxes and interest expenses related to equity accounted investments	-	-
Current income taxes	(8)	-
Company FFO attributable to others (net of Company EBITDA attributable to others)	(132)	7
Company FFO	\$ 79	\$ (5)

US\$ MILLIONS, UNAUDITED	As at	
	Mar. 31, 2017	Dec. 31, 2016
Total assets	\$ 1,816	\$ 2,047
Borrowings	494	527
Equity attributable to unitholders	300	372

Financial Results

- Revenue from our industrial operations segment for Q1-2017 was \$231 million, representing a decrease of \$41 million compared to the same period in 2016. The decrease was primarily due to the sale of our bath and shower manufacturing business in January 2017. This decrease was offset by higher revenue in our graphite electrode business resulting from higher sales volumes, as well as an increase in revenue from our palladium mining operations due to an increase in the price of palladium relative to Q1-2016
- Company EBITDA was \$1 million lower when compared to the prior period. The decrease was primarily due to the sale of our bath and shower manufacturing business, offset by a higher contribution from our palladium mining and graphite electrode manufacturing business operations
- Company FFO was \$79 million in the current quarter, compared to a loss of \$5 million in the prior period. During the quarter we realized a net gain of \$82 million on the sale of our bath and shower products manufacturing business

Corporate and Other

Brookfield

The following table presents our Corporate and Other segment's financial results:

US\$ MILLIONS, UNAUDITED	Three months ended Mar. 31	
	2017	2016
Revenues	\$ 2	\$ -
Direct operating costs	(1)	-
General and administrative expenses	(9)	-
Company EBITDA attributable to others	-	-
Company EBITDA	(8)	-
Realized disposition gain	-	-
Interest expense	-	-
Current income taxes	3	-
Company FFO attributable to others (net of Company EBITDA attributable to others)	-	-
Company FFO	\$ (5)	\$ -

US\$ MILLIONS, UNAUDITED	As at	
	Mar. 31, 2017	Dec. 31, 2016
Total assets	\$ 640	\$ 585
Borrowings	-	-
Equity attributable to unitholders	612	551

Financial Results

- General and administrative expenses in Q1-2017 included management fees and corporate expenses, including audit and other expenses
 - Our base management fee is equal to 0.3125% quarterly (1.25% annually) of our market value plus third party recourse debt (debt with recourse to Brookfield Business Partners), net of cash held at corporate entities
- Total assets include cash proceeds at the corporate level from the December 2016 equity offering. These funds will be used for general corporate purposes and to fund future growth opportunities



Appendix

Summary of Results by Quarter

Brookfield

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

US\$ MILLIONS, UNAUDITED	2017	2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	\$ 1,934	\$ 2,232	\$ 2,043	\$ 2,008	\$ 1,677	\$ 2,087	\$ 1,891	\$ 1,630
Direct operating costs	(1,874)	(2,064)	(1,889)	(1,864)	(1,569)	(1,909)	(1,716)	(1,484)
General and administrative expenses	(62)	(72)	(70)	(65)	(62)	(68)	(67)	(48)
Depreciation and amortization expense	(65)	(67)	(71)	(76)	(72)	(70)	(73)	(61)
Interest expense	(19)	(19)	(24)	(23)	(24)	(29)	(16)	(10)
Equity accounted income, net	10	(7)	28	20	27	(35)	30	6
Impairment expense, net	(7)	(155)	-	(106)	-	(7)	(88)	-
Gain on acquisitions/dispositions, net	272	-	29	28	-	-	-	7
Other income (expense), net	14	9	11	(21)	(10)	21	66	(14)
Income (loss) before income tax	203	(143)	57	(99)	(33)	(10)	27	26
Income tax (expense) recovery								
Current	4	(7)	(8)	(7)	(3)	(17)	(11)	(10)
Deferred	(4)	16	3	15	7	(14)	(1)	3
Net (loss) income	\$ 203	\$ (134)	\$ 52	\$ (91)	\$ (29)	\$ (41)	\$ 15	\$ 19
Attributable to:								
Limited Partners	32	\$ (5)	\$ 9	\$ (1)	\$ -	\$ -	\$ -	\$ -
Brookfield Asset Management Inc.	-	-	-	(30)	(5)	2	20	8
Non-controlling interests attributable to:								
Redemption-Exchange Units held by Brookfield Asset Management Inc.	34	(6)	11	(2)	-	-	-	-
Interest of others	137	(123)	32	(58)	(24)	(43)	(5)	11
	\$ 203	\$ (134)	\$ 52	\$ (91)	\$ (29)	\$ (41)	\$ 15	\$ 19

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, specifically within our energy and industrials segment. Seasonality primarily affects our construction operations and some of our business services, which typically have stronger performance in the latter half of the year. Our energy operations are also impacted by seasonality, usually generating stronger results in the first and fourth quarters. Net income is impacted by periodic gains and losses on acquisitions, monetization and impairments.

Historical Statements of Operating Results

Brookfield

The following table presents our results from operations for the twelve month period ending December 31, 2016, 2015 and 2014

US\$ MILLIONS, UNAUDITED	Year ended December 31		
	2016	2015	2014
Revenues	\$ 7,960	\$ 6,753	\$ 4,622
Direct operating costs	(7,386)	(6,132)	(4,099)
General and administrative expenses	(269)	(224)	(179)
Depreciation and amortization expense	(286)	(257)	(147)
Interest expense	(90)	(65)	(28)
Equity accounted income, net	68	4	26
Impairment expense, net	(261)	(95)	(45)
Gain on acquisitions/dispositions, net	57	269	-
Other income (expenses), net	(11)	70	13
Income before income tax	(218)	323	163
Income tax (expense) recovery			
Current	(25)	(49)	(27)
Deferred	41	(5)	9
Net (loss) income	\$ (202)	\$ 269	\$ 145
Attributable to:			
Limited partners	\$ 3	\$ -	\$ -
Brookfield Asset Management Inc.	(35)	208	93
Non-controlling interests attributable to:			
Redemption-Exchange Units held by Brookfield Asset Management Inc.	3	-	-
Interest of others	(173)	61	52
	\$ (202)	\$ 269	\$ 145

Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

Reconciliation of Segmented Company EBITDA and Company FFO to Net Income

FOR THE THREE MONTHS ENDED MAR.31, 2017 US\$ MILLIONS, UNAUDITED	Construction Services	Business Services	Energy	Industrial Operations	Corporate and Other	As per IFRS Financials
Revenues	\$ 1,016	\$ 616	\$ 69	\$ 231	\$ 2	\$ 1,934
Direct operating costs	(1,020)	(583)	(51)	(219)	(1)	(1,874)
General and administrative expenses	(11)	(23)	(4)	(15)	(9)	(62)
Equity accounted Company EBITDA ¹	-	4	14	-	-	18
Company EBITDA attributable to others ²	1	(14)	(12)	2	-	(23)
Company EBITDA	(14)	-	16	(1)	(8)	(7)
Interest expense	-	(4)	(6)	(9)	-	(19)
Realized disposition gains, net	2	5	36	229	-	272
Realized disposition gain, current income taxes and interest expenses related to equity accounted investments ¹	-	-	(1)	-	-	(1)
Current income taxes	10	-	(1)	(8)	3	4
Company FFO attributable to others (net of Company EBITDA attributable to others) ²	(1)	3	(24)	(132)	-	(154)
Company FFO³	(3)	4	20	79	(5)	95
Depreciation and amortization expense						(65)
Impairment expense, net						(7)
Deferred income taxes						(4)
Other income (expense), net						14
Non-cash items attributable to equity accounted investments ¹						(7)
Non-cash items attributable to others ²						40
Net income attributable to unitholders³						\$ 66

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

2) Total cash and non-cash items attributable to the interest of others equals a net gain of \$137 million as per IFRS statement of operating results

3) Attributable to limited partnership unitholders, general partnership unitholders, redemption-exchange unitholders, and to parent company prior to the Spin-off

Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

Reconciliation of Segmented Company EBITDA and Company FFO to Net Income

FOR THE THREE MONTHS ENDED MAR.31, 2016 US\$ MILLIONS, UNAUDITED	Construction Services	Business Services	Energy	Industrial Operations	Corporate and Other	As per IFRS Financials
Revenues	\$ 888	\$ 451	\$ 66	\$ 272	\$ -	\$ 1,677
Direct operating costs	(856)	(418)	(43)	(252)	-	(1,569)
General and administrative expenses	(10)	(24)	(4)	(24)	-	(62)
Equity accounted Company EBITDA ¹	-	3	59	-	-	62
Company EBITDA attributable to others ²	-	(6)	(55)	4	-	(57)
Company EBITDA	22	6	23	-	-	51
Interest expense	-	(4)	(8)	(12)	-	(24)
Realized disposition gain	-	-	-	-	-	-
Realized disposition gain, current income taxes and interest expenses related to equity accounted investments ¹	-	-	(6)	-	-	(6)
Current income taxes	-	(2)	(1)	-	-	(3)
Company FFO attributable to others (net of Company EBITDA attributable to others) ²	-	2	10	7	-	19
Company FFO attributable to parent company	22	2	18	(5)	-	37
Depreciation and amortization expense						(72)
Impairment expense, net						-
Gain on acquisition/disposition, net						-
Deferred income taxes						7
Other income (expense), net						(10)
Non-cash items attributable to equity accounted investments ¹						(29)
Non-cash items attributable to others ²						62
Net income attributable to parent company						\$ (5)

1) The sum of these amounts equate to equity accounted income of \$27 million as per IFRS statement of operating results

2) Total cash and non-cash items attributable to the interest of others equals a net loss of \$24 million as per IFRS statement of operating results

Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

Reconciliation of total equity attributable to unitholders

US\$ MILLIONS, UNAUDITED	As at	
	Mar. 31, 2017	Dec. 31, 2016
Total equity	\$ 4,021	\$ 4,038
Less: Interest of others in operating subsidiaries	1,450	1,537
Equity attributable to unitholders	\$ 2,571	\$ 2,501

Equity attributable to unitholders by segment

US\$ MILLIONS, UNAUDITED	As at	
	Mar. 31, 2017	Dec. 31, 2016
Construction Services	\$ 943	\$ 877
Business Services	352	357
Energy	364	344
Industrial Operations	300	372
Corporate and Other	612	551
Equity attributable to unitholders	\$ 2,571	\$ 2,501

- **Company Funds From Operations (Company FFO)**, where applicable, is a key measure of our financial performance and we use Company FFO to assess operating results and 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 and other items. Company FFO is presented net to unitholders, or net to parent company. 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” on page 5 of the 2016 20-F.
- **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 expense, current income taxes, and realized disposition gain, current income taxes and interest expenses related to equity accounted investments. Company EBITDA is presented net to unitholders, or net to parent company. For further information on Company EBITDA see “Use of Non IFRS Measures” on page 5 of the 2016 20-F.
- **Equity accounted Company EBITDA** is exclusive of non-cash items, realized disposition gains, current income taxes and interest expenses included within equity accounted income.
- **Equity attributable to unitholders** is exclusive of the equity interest of others in our operating subsidiaries.
- **Net (loss) income attributable to unitholders** is exclusive of the net (loss) income attributable to others in our operating subsidiaries.
- **Unitholders** are defined as the parent company prior to the Spin-off on June 20, 2016 and as limited partnership unitholders, general partnership unitholders, and redemption-exchange unitholders post Spin-off.