

BROOKFIELD BUSINESS PARTNERS L.P.

Q2 2018 Supplemental — Information

Second Quarter June 30, 2018

Brookfield

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, 2018.

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

Key Performance Metrics

| US\$ MILLIONS, unaudited | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|--------|---------------------------|-------|
| | 2018 | 2017 | 2018 | 2017 |
| Net income (loss) attributable to unitholders | \$ 119 | \$ (6) | \$ 193 | \$ 60 |
| Net income (loss) per limited partnership unit ^{2,3} | 0.60 | (0.06) | 0.07 | 0.55 |
| Company EBITDA ¹ | 182 | 54 | 373 | 47 |
| Company FFO ¹ | 177 | 43 | 315 | 138 |
| Company FFO per unit ² | 1.37 | 0.40 | 2.44 | 1.28 |

Key Balance Sheet Metrics

| US\$ MILLIONS, unaudited | As at | |
|------------------------------------|---------------|-------------------|
| | June 30, 2018 | December 31, 2017 |
| Total assets | \$ 17,041 | \$ 15,804 |
| Net debt (cash) | 3,206 | 2,159 |
| Equity attributable to others | 2,130 | 3,026 |
| Equity attributable to unitholders | 2,825 | 3,038 |

Acquisition

| Acquired Company | Segment | Invested Capital ⁴ | Economic Interest | Acquisition Date |
|----------------------------------|-----------------------|-------------------------------|-------------------|------------------|
| Schoeller Allibert ("Schoeller") | Industrial Operations | \$45 million | 14% | May 2018 |

Financial Performance - Three Months Ended June 30, 2018

- Company EBITDA increased by \$128 million to \$182 million, as a result of improved performance across all our operating segments, most notably due to significantly stronger results in our industrial segment, primarily attributable to GrafTech, our graphite electrode manufacturing business. Contributions from acquisitions completed in late 2017 and early 2018 also positively impacted current quarter results
- Company FFO increased by \$134 million to \$177 million, primarily due to the strong performance at GrafTech, combined with a net gain of \$46 million recognized on the disposition of our 33% ownership interest in Berkshire Hathaway HomeServices ("HomeServices")
- Net income attributable to unitholders was \$119 million, compared to a net loss of \$6 million in 2017
- Net debt was \$3,206 million compared to \$2,159 million at December 31, 2017. The increase is primarily due to a \$2,250 million senior secured term loan put in place at GrafTech during 2018, partially offset by higher corporate cash balance as at June 30, 2018
- Equity attributable to unitholders was \$2,825 million, compared to \$3,038 million at December 31, 2017. The decrease is primarily due to a \$260 million transition adjustment on the adoption of IFRS 15 and incentive distribution payments during the year, partially offset by a \$132 million after cash tax gain related to the GrafTech initial public offering ("IPO") in Q2-2018

- 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 2018 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, 2018 was 129.3 million (2017: 108.0 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.
- 4) Figures are presented as a net amount attributable to Brookfield Business Partners L.P.

Financial Performance - Six Months Ended June 30, 2018

- Company EBITDA increased by \$326 million to \$373 million, as a result of improved performance across all our operating segments, most notably due to significantly stronger results in our industrial segment, primarily attributable to GrafTech. Contributions from acquisitions completed in late 2017 and early 2018 also positively impacted the six months ended results
- Company FFO increased by \$177 million to \$315 million, primarily due to the factors contributing to the increase in Company EBITDA above, combined with a net gain of \$46 million recognized on the disposition of our 33% ownership interest in HomeServices. The prior period included a \$92 million net gain before taxes realized from the sale of our bath and shower manufacturing business
- Net income attributable to unitholders was \$193 million, compared to \$60 million in 2017

Subsequent Events

- In July, we supported Teekay to complete a \$500 million bond offering which yields 8.5% and comes due in 2023, enabling the company to substantially extend its debt maturities. Brookfield Business Partners subscribed for \$226 million of this bond, utilizing cash on hand. Concurrently, we converted a \$200 million promissory note (\$84 million at Brookfield Business Partners' share) due to us from Teekay into the same series of bonds. This note was bought by us for \$140 million when we recapitalized Teekay. On July 3, 2018, we exercised our general partner option to acquire control of Teekay Offshore's General Partner, Teekay Offshore GP. With the exercise of the option, Brookfield Business Partners now controls Teekay Offshore and will commence consolidating the company's financial results in Q3-2018
- On June 29, 2018, the Board of Directors approved a \$41 million incentive distribution payment to Brookfield, payable on September 28, 2018, based on the record date on August 31, 2018
- On August 2, 2018, the Board of Directors declared a quarterly distribution in the amount of \$0.0625 per unit, payable on September 28, 2018, to unitholders of record as at the close of business on August 31, 2018
- On August 1, 2018, we closed our acquisition of Westinghouse Electric Company ("Westinghouse") for a purchase price of approximately \$4 billion. This transaction was funded with \$920 million of equity, of which Brookfield Business Partners funded approximately \$405 million for a 44% ownership interest and the balance of equity was provided by institutional partners. The remaining capital was funded with \$3.1 billion of long-term debt financing

Statement of Operating Results

| US\$ MILLIONS, unaudited | Three Months Ended June 30, | |
|--|--------------------------------|----------|
| | 2018 | 2017 |
| Revenues | \$ 8,775 | \$ 4,870 |
| Direct operating costs | (8,200) | (4,673) |
| General and administrative expenses | (142) | (76) |
| Depreciation and amortization expense | (105) | (88) |
| Interest expense | (83) | (50) |
| Equity accounted income (loss), net | (7) | 14 |
| Impairment expense, net | — | (23) |
| Gain on acquisitions/dispositions, net | 90 | 9 |
| Other income (expense), net | (7) | (9) |
| Income (loss) before income tax | \$ 321 | \$ (26) |
| Income tax (expense) recovery | | |
| Current | (52) | (4) |
| Deferred | 39 | 4 |
| Net income (loss) | \$ 308 | \$ (26) |
| Attributable to: | | |
| Limited partners | \$ 40 | \$ (3) |
| Non-controlling interests attributable to: | | |
| Redemption-Exchange Units held by Brookfield Asset Management Inc. | 38 | (3) |
| Special Limited Partners | 41 | — |
| Interest of others | 189 | (20) |
| Net income (loss) | \$ 308 | \$ (26) |

Financial Performance - Three Months Ended June 30, 2018

- Financial performance for the three months ended June 30, 2018 included results from the following acquisitions which were either not reflected or only partially reflected in Q2-2017 results:
 - BRK Ambiental acquired in April 2017
 - Greenergy acquired in May 2017
 - Fuel Marketing Business acquired in July 2017
 - Teekay Offshore acquired in September 2017
 - GTA Gaming Operations ("One Toronto") acquired in January 2018
 - Schoeller acquired in May 2018
- Revenues and Direct operating costs** increased by \$3,905 million and \$3,527 million, respectively, primarily due to the acquisition of Greenergy, which accounted for \$3,008 million and \$2,991 million of the increase in revenue and direct costs, respectively. In addition, higher pricing at GrafTech contributed to the increase in revenue during the quarter
- General and administrative expenses** increased by \$66 million compared to the prior period primarily due to the businesses acquired during 2017 and 2018, which accounted for \$48 million of the increase in the quarter. In addition, management fees increased due to growth in the partnership's total capitalization
- Depreciation and amortization expense** increased by \$17 million primarily due to the 2017 and 2018 acquisitions

Statement of Operating Results

| US\$ MILLIONS, unaudited | Three Months Ended June 30, | |
|--|--------------------------------|----------|
| | 2018 | 2017 |
| Revenues | \$ 8,775 | \$ 4,870 |
| Direct operating costs | (8,200) | (4,673) |
| General and administrative expenses | (142) | (76) |
| Depreciation and amortization expense | (105) | (88) |
| Interest expense | (83) | (50) |
| Equity accounted income (loss), net | (7) | 14 |
| Impairment expense, net | — | (23) |
| Gain on acquisitions/dispositions, net | 90 | 9 |
| Other income (expense), net | (7) | (9) |
| Income (loss) before income tax | \$ 321 | \$ (26) |
| Income tax (expense) recovery | | |
| Current | (52) | (4) |
| Deferred | 39 | 4 |
| Net income (loss) | \$ 308 | \$ (26) |
| Attributable to: | | |
| Limited partners | \$ 40 | \$ (3) |
| Non-controlling interests attributable to: | | |
| Redemption-Exchange Units held by Brookfield Asset Management Inc. | 38 | (3) |
| Special Limited Partners | 41 | — |
| Interest of others | 189 | (20) |
| Net income (loss) | \$ 308 | \$ (26) |

Financial Performance - Three Months Ended June 30, 2018

- **Interest expense** increased by \$33 million, primarily due to the \$2,250 million senior secured term loan put in place in 2018 at GrafTech. In addition, interest expense increased due to higher borrowings related to the businesses acquired in 2017 and 2018
- **Equity accounted income, net** decreased by \$21 million, primarily due to an impairment loss recorded at Teekay Offshore during the quarter and the loss of contribution after the disposition of our ownership interest in HomeServices, partially offset by contribution from One Toronto acquired in Q1-2018
- **Impairment expense** recorded in Q2-2017 was primarily related to an investment within our energy segment, which was sold in Q3-2017
- **Gain on acquisitions/dispositions, net** recorded in Q2-2018 consisted primarily of the 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)
- **Total tax expense** increased by \$13 million, primarily due to higher taxable income at GrafTech and the tax recognized on the disposition of our ownership of HomeServices, combined with higher current tax expense in our construction segment as a result of a change in U.K. tax legislation and higher income in Australia

Statement of Financial Position

| US\$ MILLIONS, unaudited | As at | |
|---|------------------|----------------------|
| | June 30, 2018 | December 31, 2017 |
| Assets | | |
| Cash and cash equivalents | \$ 1,873 | \$ 1,106 |
| Financial assets | 946 | 784 |
| Accounts and other receivable, net | 4,454 | 4,362 |
| Inventory and other assets | 1,772 | 1,577 |
| Assets held for sale | 96 | 14 |
| Property, plant and equipment | 2,575 | 2,530 |
| Deferred income tax assets | 256 | 174 |
| Intangible assets | 2,909 | 3,094 |
| Equity accounted investments | 483 | 609 |
| Goodwill | 1,677 | 1,554 |
| Total assets | \$ 17,041 | \$ 15,804 |
| Liabilities and equity | | |
| Liabilities | | |
| Accounts payable and other | \$ 6,185 | \$ 5,638 |
| Liabilities associated with assets held for sale | 15 | — |
| Borrowings | 5,079 | 3,265 |
| Deferred income tax liabilities | 807 | 837 |
| Total liabilities | \$ 12,086 | \$ 9,740 |
| Equity | | |
| Limited partners | 1,477 | 1,585 |
| Non-controlling interests attributable to: Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc. | 1,348 | 1,453 |
| Interest of others | 2,130 | 3,026 |
| Total equity | \$ 4,955 | \$ 6,064 |
| Total liabilities and equity | \$ 17,041 | \$ 15,804 |

Financial Position as at June 30, 2018

- **Cash and cash equivalents** included \$927 million of corporate cash, \$393 million within our industrial operations, \$370 million at our construction operations, \$174 million at our business services operations, and \$9 million at our energy operations
- **Financial assets** increased by \$162 million primarily due to fair value adjustments on investment securities within our energy and industrials segment
- **Accounts and other receivable, net** increased by \$92 million primarily due to higher trades receivables at Greenergy and GrafTech, consistent with the increase in revenue
- **Inventory and other assets** increased by \$195 million million, primarily due to an increase in raw material and finished goods inventory on hand at GrafTech and higher inventory levels at Greenergy, combined with the acquisition of Schoeller
- **Assets held for sale** increased by \$82 million, primarily due to the reclassification of certain assets in our infrastructure support products manufacturing operations to held for sale
- **Property, plant and equipment** increased by \$45 million primarily due to the acquisition of Schoeller during the quarter, partially offset by the reclassification of assets in our infrastructure support products manufacturing operations to assets held for sale

Statement of Financial Position

| US\$ MILLIONS, unaudited | As at | |
|---|------------------|----------------------|
| | June 30, 2018 | December 31, 2017 |
| Assets | | |
| Cash and cash equivalents | \$ 1,873 | \$ 1,106 |
| Financial assets | 946 | 784 |
| Accounts and other receivable, net | 4,454 | 4,362 |
| Inventory and other assets | 1,772 | 1,577 |
| Assets held for sale | 96 | 14 |
| Property, plant and equipment | 2,575 | 2,530 |
| Deferred income tax assets | 256 | 174 |
| Intangible assets | 2,909 | 3,094 |
| Equity accounted investments | 483 | 609 |
| Goodwill | 1,677 | 1,554 |
| Total assets | \$ 17,041 | \$ 15,804 |
| Liabilities and equity | | |
| Liabilities | | |
| Accounts payable and other | \$ 6,185 | \$ 5,638 |
| Liabilities associated with assets held for sale | 15 | — |
| Borrowings | 5,079 | 3,265 |
| Deferred income tax liabilities | 807 | 837 |
| Total liabilities | \$ 12,086 | \$ 9,740 |
| Equity | | |
| Limited partners | 1,477 | 1,585 |
| Non-controlling interests attributable to: Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc. | 1,348 | 1,453 |
| Interest of others | 2,130 | 3,026 |
| Total equity | \$ 4,955 | \$ 6,064 |
| Total liabilities and equity | \$ 17,041 | \$ 15,804 |

Financial Position as at June 30, 2018

- **Deferred income tax assets** increased by \$82 million, primarily due to a transition adjustment recorded during Q1-2018 on the adoption of IFRS 15 in our construction business, combined with an increase at GrafTech from the recognition on prior period net operating losses and the acquisition of Schoeller in Q2-2018
- **Equity accounted investments** decreased by \$126 million, \$76 million of the decrease was due to the disposition of our interest in HomeServices during the quarter. The balance of the change was attributable to Quadrant from a distribution received and BRK Ambiental as a result of the finalization of the provisional amounts related to the initial accounting for the acquisition. These decreases were partially offset by the acquisition of our gaming operations, One Toronto, which is equity accounted
- **Goodwill** increased by \$123 million, primarily due to goodwill recognized on the acquisition of Schoeller
- **Borrowings** increased by \$1,814 million primarily due to a \$2,250 million senior secured term loan put in place during 2018 at GrafTech and the inclusion of borrowings at Schoeller, partially offset by debt paydowns in other operations
- **Deferred income tax liabilities** decreased by \$30 million, primarily due to a reduction in BRK Ambiental as a result of the finalization of the provisional amounts related to the initial accounting for the acquisition, partially offset by the deferred income tax liability recorded with the acquisition of Schoeller

Units Outstanding

| UNITS, unaudited | As at | | |
|---|--------------------|--------------------|--------------------|
| | June 30, 2018 | December 31, 2017 | June 30, 2017 |
| Limited partnership units | 66,185,798 | 66,185,798 | 51,845,298 |
| Redemption-exchange units | 63,095,497 | 63,095,497 | 56,150,497 |
| General partnership and special limited partnership units | 8 | 8 | 8 |
| Total units outstanding | 129,281,303 | 129,281,303 | 107,995,803 |

Reconciliation of Net Income per Unit

| US\$, unaudited | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|------------------|---------------------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net income (loss) per unitholder excluding incentive distribution ¹ | \$ 0.92 | \$ (0.06) | \$ 1.49 | \$ 0.55 |
| Incentive distribution per unit ¹ | (0.32) | — | (1.42) | — |
| Net income (loss) attributable to limited partnership unit^{1,2} | \$ 0.60 | \$ (0.06) | \$ 0.07 | \$ 0.55 |

Total Equity

| US\$, unaudited | As at | |
|-----------------------|-----------------|-------------------|
| | June 30, 2018 | December 31, 2017 |
| Business Services | \$ 1,104 | \$ 1,010 |
| Construction Services | 842 | 959 |
| Industrial Operations | 1,098 | 2,650 |
| Energy | 1,192 | 1,135 |
| Corporate and Other | 719 | 310 |
| Total Equity | \$ 4,955 | \$ 6,064 |

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, the volume weighted average price per unit was \$38.31 (exceeding the previous incentive distribution threshold of \$36.72/unit) and the units outstanding at quarter-end were 129 million units, resulting in a \$41 million incentive distribution payable
- Going forward the incentive distribution threshold is \$38.31/unit

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, 2018 was 129.3 million (2017: 108.0 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.



Operating Segments

- 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 growth, either organic growth of our current operations or through acquisitions where our expertise can surface and enhance value
- 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

| Segment | Description | Notable Subsidiaries | Economic Interest |
|------------------------------|--|----------------------------|-------------------|
| Business Services | Service businesses in commercial and residential real estate, fuel distribution and marketing and financial advisory | • BGRS | • 100% |
| | | • Real Estate Services | • 100% |
| | | • Greenergy | • 14% |
| | | • Fuel Marketing Business | • 26% |
| | | • BGIS | • 26% |
| | | • One Toronto | • 13% |
| Construction Services | Provide construction and related services globally, including design, program management and procurement | • Multiplex | • 100% |
| Industrial Operations | Industrials including manufacturing, metals and mining and water supply and treatment | • GrafTech International | • 30% |
| | | • BRK Ambiental | • 26% |
| | | • North American Palladium | • 23% |
| | | • Schoeller | • 14% |
| Energy | Oil and gas production, marine energy services, and related businesses | • Ember Resources | • 41% |
| | | • CWC Energy Services | • 56% |
| | | • Quadrant Energy | • 9% |
| | | • Teekay Offshore | • 25% |

Segmented Financial Information

The following tables present the financial results by operating segment:

| For the THREE MONTHS ended JUNE 30, US\$ MILLIONS, unaudited | Business Services | | Construction Services | | Industrial Operations | | Energy | | Corporate and Other | | Total | |
|---|-------------------|--------------|-----------------------|--------------|-----------------------|--------------|--------------|--------------|---------------------|---------------|---------------|--------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Revenues | \$ 6,726 | \$ 3,273 | \$ 1,133 | \$ 1,125 | \$ 855 | \$ 406 | \$ 57 | \$ 64 | \$ 4 | \$ 2 | \$ 8,775 | \$ 4,870 |
| Direct operating costs | (6,603) | (3,207) | (1,108) | (1,104) | (438) | (316) | (49) | (45) | (2) | (1) | (8,200) | (4,673) |
| General and administrative expenses | (61) | (30) | (11) | (11) | (49) | (22) | (5) | (4) | (16) | (9) | (142) | (76) |
| Equity accounted Company EBITDA | 7 | 11 | — | — | 4 | 1 | 52 | 12 | — | — | 63 | 24 |
| Company EBITDA attributable to others | (46) | (26) | — | — | (264) | (53) | (4) | (12) | — | — | (314) | (91) |
| Company EBITDA | \$ 23 | \$ 21 | \$ 14 | \$ 10 | \$ 108 | \$ 16 | \$ 51 | \$ 15 | \$ (14) | \$ (8) | \$ 182 | \$ 54 |
| Realized disposition gain, net | 55 | 1 | — | — | 35 | 8 | — | — | — | — | 90 | 9 |
| Interest expense | (22) | (9) | — | — | (55) | (34) | (6) | (7) | — | — | (83) | (50) |
| Equity accounted current taxes and interest | (1) | — | — | — | (1) | — | (18) | (1) | — | — | (20) | (1) |
| Current income taxes | (13) | (4) | (9) | 2 | (29) | (5) | (1) | — | — | 3 | (52) | (4) |
| Company FFO attributable to others (net of Company EBITDA attributable to others) | 19 | 8 | — | — | 36 | 23 | 5 | 4 | — | — | 60 | 35 |
| Company FFO | \$ 61 | \$ 17 | \$ 5 | \$ 12 | \$ 94 | \$ 8 | \$ 31 | \$ 11 | \$ (14) | \$ (5) | \$ 177 | \$ 43 |

Segmented Financial Information

The following tables present the financial results by operating segment:

| For the SIX MONTHS ended JUNE 30, US\$ MILLIONS, unaudited | Business Services | | Construction Services | | Industrial Operations | | Energy | | Corporate and Other | | Total | |
|---|-------------------|--------------|-----------------------|---------------|-----------------------|--------------|---------------|--------------|---------------------|----------------|---------------|---------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Revenues | \$ 13,030 | \$ 3,889 | \$ 2,176 | \$ 2,141 | \$ 1,602 | \$ 637 | \$ 154 | \$ 133 | \$ 7 | \$ 4 | \$ 16,969 | \$ 6,804 |
| Direct operating costs | (12,817) | (3,790) | (2,128) | (2,124) | (791) | (535) | (109) | (96) | (4) | (2) | (15,849) | (6,547) |
| General and administrative expenses | (118) | (53) | (21) | (22) | (79) | (37) | (10) | (8) | (32) | (18) | (260) | (138) |
| Equity accounted Company EBITDA | 15 | 15 | — | — | 9 | 1 | 98 | 26 | — | — | 122 | 42 |
| Company EBITDA attributable to others | (71) | (40) | — | 1 | (514) | (51) | (24) | (24) | — | — | (609) | (114) |
| Company EBITDA | \$ 39 | \$ 21 | \$ 27 | \$ (4) | \$ 227 | \$ 15 | \$ 109 | \$ 31 | \$ (29) | \$ (16) | \$ 373 | \$ 47 |
| Realized disposition gain, net | 55 | 6 | — | 2 | 51 | 237 | — | 36 | — | — | 106 | 281 |
| Interest expense | (41) | (13) | — | — | (114) | (43) | (14) | (13) | — | — | (169) | (69) |
| Equity accounted current taxes and interest | (1) | — | — | — | (2) | — | (36) | (2) | — | — | (39) | (2) |
| Current income taxes | (17) | (4) | (13) | 12 | (49) | (13) | (1) | (1) | — | 6 | (80) | — |
| Company FFO attributable to others (net of Company EBITDA attributable to others) | 34 | 11 | — | (1) | 79 | (109) | 11 | (20) | — | — | 124 | (119) |
| Company FFO | \$ 69 | \$ 21 | \$ 14 | \$ 9 | \$ 192 | \$ 87 | \$ 69 | \$ 31 | \$ (29) | \$ (10) | \$ 315 | \$ 138 |

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

| US\$ MILLIONS, unaudited | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|--------------|---------------------------|--------------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenues | \$ 1,191 | \$ 697 | \$ 2,308 | \$ 952 |
| Direct operating costs | (1,147) | (668) | (2,229) | (911) |
| General and administrative expenses | (28) | (19) | (55) | (35) |
| Equity accounted Company EBITDA | 7 | 11 | 15 | 15 |
| Company EBITDA | \$ 23 | \$ 21 | \$ 39 | \$ 21 |
| Realized disposition gain, net | 55 | — | 55 | 5 |
| Interest expense | (6) | (3) | (12) | (5) |
| Equity accounted current taxes and interest | (1) | — | (1) | — |
| Current income taxes | (10) | (1) | (12) | — |
| Company FFO | \$ 61 | \$ 17 | \$ 69 | \$ 21 |

The following table presents select balance sheet information of our Business Services segment on a proportionate basis:

| US\$ MILLIONS, unaudited | As at | |
|------------------------------------|---------------|-------------------|
| | June 30, 2018 | December 31, 2017 |
| Cash | \$ 87 | \$ 145 |
| Borrowings | 441 | 472 |
| Net debt (cash) | 354 | 327 |
| Equity attributable to unitholders | 511 | 448 |

Financial Results - Three Months Ended June 30, 2018

- Revenue and direct operating costs increased by \$494 million and \$479 million, respectively, primarily due to the incremental revenues and direct operating costs related to Greenergy, which was acquired in Q2-2017. Included within Greenergy's revenue and direct operating costs are flow through duty amounts, which are recorded gross in both accounts, without impact on business margin. In addition, the acquisition of our fuel marketing business in Q3-2017 contributed to the increase relative to the prior period
- Company EBITDA is consistent with prior year, the loss of contribution from the disposition of our ownership interest in HomeServices in Q2-2018 was offset by contribution from the acquisitions of our fuel marketing business and One Toronto in Q3-2017 and Q1-2018, respectively
- Company FFO increased by \$44 million, primarily due to a \$46 million, after tax, gain recognized on the disposition of our 33% ownership interest in HomeServices

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

| US\$ MILLIONS, unaudited | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|--------------|---------------------------|---------------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenues | \$ 1,133 | \$ 1,125 | \$ 2,176 | \$ 2,142 |
| Direct operating costs | (1,108) | (1,104) | (2,128) | (2,124) |
| General and administrative expenses | (11) | (11) | (21) | (22) |
| Equity accounted Company EBITDA | — | — | — | — |
| Company EBITDA | \$ 14 | \$ 10 | \$ 27 | \$ (4) |
| Realized disposition gain, net | — | — | — | — |
| Interest expense | — | — | — | — |
| Equity accounted current taxes and interest | — | — | — | — |
| Current income taxes | (9) | 2 | (13) | 13 |
| Company FFO | \$ 5 | \$ 12 | \$ 14 | \$ 9 |

The following table presents select balance sheet information of our Construction Services segment on a proportionate basis:

| US\$ MILLIONS, unaudited | As at | |
|------------------------------------|---------------|-------------------|
| | June 30, 2018 | December 31, 2017 |
| Cash | \$ 370 | \$ 246 |
| Borrowings | 10 | 12 |
| Net debt (cash) | (360) | (234) |
| Equity attributable to unitholders | 842 | 959 |

Financial Results - Three Months Ended June 30, 2018

- Revenue and direct operating costs increased by \$8 million and \$4 million, respectively, as a result of higher turnover in our Australian operations compared to the prior period, partially offset by lower activity in the Middle East
- Company EBITDA increased by \$4 million primarily due to enhanced project performance in Australia and the U.K., which were partially offset by lower activity in the Middle East in Q2-2018
- Company FFO decreased by \$7 million, primarily due to a higher tax expense in Australia, consistent with higher contribution to results in Q2-2018. In addition, in our U.K. operations, changes in tax rules resulted in an overall increase in tax expense for the quarter
- During the quarter we performed approximately \$1.1 billion of work and delivered ten projects across our regions of operation. New business activity was particularly strong in Australia and our backlog at the end of the quarter was \$8.5 billion
- Equity attributable to unitholders includes a \$253 million transition adjustment recorded on the adoption of IFRS 15 on January 1, 2018 and \$150 million of additional capital provided to the business

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

| US\$ MILLIONS, unaudited | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|--------------|---------------------------|--------------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenues | \$ 227 | \$ 115 | \$ 451 | \$ 188 |
| Direct operating costs | (110) | (92) | (208) | (161) |
| General and administrative expenses | (10) | (7) | (18) | (12) |
| Equity accounted Company EBITDA | 1 | — | 2 | — |
| Company EBITDA | \$ 108 | \$ 16 | \$ 227 | \$ 15 |
| Realized disposition gain, net | 9 | 3 | 13 | 94 |
| Interest expense | (14) | (9) | (33) | (12) |
| Equity accounted current taxes and interest | — | — | — | — |
| Current income taxes | (9) | (2) | (15) | (10) |
| Company FFO | \$ 94 | \$ 8 | \$ 192 | \$ 87 |

The following table presents select balance sheet information of our Industrial Operations segment on a proportionate basis:

| US\$ MILLIONS, unaudited | As at | |
|------------------------------------|---------------|-------------------|
| | June 30, 2018 | December 31, 2017 |
| Cash | \$ 108 | \$ 46 |
| Borrowings | 1,012 | 407 |
| Net debt (cash) | 904 | 361 |
| Equity attributable to unitholders | 67 | 661 |

Financial Results - Three Months Ended June 30, 2018

- Revenue and direct operating costs increased by \$112 million and \$18 million, primarily due to increased results from GrafTech as a result of stronger pricing, combined with contributions from the acquisition of BRK Ambiental and Schoeller in Q2-2017 and Q2-2018, respectively
- Company EBITDA increased by \$92 million, primarily due to stronger pricing and operational performance at GrafTech and at our palladium mining operations, combined with a full quarter of contribution from BRK Ambiental
- Company FFO increased by \$86 million, primarily due to the factors described above and a gain recognized on the sale of a business unit in our infrastructure support products manufacturing operations
- Equity attributable to unitholders decreased by \$594 million, from \$661 million at December 31, 2017 to \$67 million at June 30, 2018 primarily due to distributions received from GrafTech of approximately \$885 million, offset by the \$132 million after cash tax gain recorded on the disposition of approximately 13% of the company through the initial public offering

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

| US\$ MILLIONS, unaudited | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|--------------|---------------------------|--------------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenues | \$ 28 | \$ 27 | \$ 76 | \$ 57 |
| Direct operating costs | (22) | (18) | (51) | (39) |
| General and administrative expenses | (2) | (1) | (5) | (3) |
| Equity accounted Company EBITDA | 47 | 7 | 89 | 16 |
| Company EBITDA | \$ 51 | \$ 15 | \$ 109 | \$ 31 |
| Realized disposition gain, net | — | — | — | 8 |
| Interest expense | (2) | (3) | (5) | (5) |
| Equity accounted current taxes and interest | (17) | (1) | (34) | (2) |
| Current income taxes | (1) | — | (1) | (1) |
| Company FFO | \$ 31 | \$ 11 | \$ 69 | \$ 31 |

The following table presents select balance sheet information of our Energy segment on a proportionate basis:

| US\$ MILLIONS, unaudited | As at | |
|------------------------------------|---------------|-------------------|
| | June 30, 2018 | December 31, 2017 |
| Cash | \$ 2 | \$ 2 |
| Borrowings | 157 | 153 |
| Net debt (cash) | 155 | 151 |
| Equity attributable to unitholders | 686 | 660 |

Financial Results - Three Months Ended June 30, 2018

- Revenue was consistent with prior year. Higher activity in our Canadian well-servicing operations as a result of a bolt-on acquisition in 2017 and an increase in ownership in this business was partially offset by lower realized gas prices and a decrease in production in our Canadian energy operations. Direct operating costs increased by \$4 million primarily due to increased activity in our Canadian well-servicing operations
- Company EBITDA increased by \$36 million primarily due to the contribution of equity accounted income from the acquisition of Teekay Offshore in September 2017
- Company FFO increased by \$20 million, primarily due to the aforementioned acquisition of Teekay Offshore

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

| US\$ MILLIONS, unaudited | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|---------------|---------------------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenues | \$ 4 | \$ 2 | \$ 7 | \$ 4 |
| Direct operating costs | (2) | (1) | (4) | (2) |
| General and administrative expenses | (16) | (9) | (32) | (18) |
| Equity accounted Company EBITDA | — | — | — | — |
| Company EBITDA | \$ (14) | \$ (8) | \$ (29) | \$ (16) |
| Realized disposition gain, net | — | — | — | — |
| Interest expense | — | — | — | — |
| Equity accounted current taxes and interest | — | — | — | — |
| Current income taxes | — | 3 | — | 6 |
| Company FFO | \$ (14) | \$ (5) | \$ (29) | \$ (10) |

The following table presents select balance sheet information of our Corporate and Other segment on a proportionate basis:

| US\$ MILLIONS, unaudited | As at | |
|------------------------------------|---------------|-------------------|
| | June 30, 2018 | December 31, 2017 |
| Cash | \$ 927 | \$ 392 |
| Borrowings | (2) | — |
| Net debt (cash) | (929) | (392) |
| Equity attributable to unitholders | 719 | 310 |

Financial Results - Three Months Ended June 30, 2018

- General and administrative expenses are comprised of management fees and corporate expenses, including audit and other expenses. The management fee was \$13 million compared to \$7 million in the prior year. The increase was due to growth in the partnership's total capitalization relative to the same period in 2017
 - 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
- Equity attributable to unitholders increased by \$409 million primarily due to distributions received, mainly from GrafTech, partially offset by capital provided to other business segments

Selected Segmented Financial Information

Brookfield

The following tables present selected income statement and balance sheet information by operating segment on a proportionate basis:

Statements of Operating Results

| US\$ MILLIONS, unaudited | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---------------------------|-----------------------------|--------------|---------------------------|---------------|
| | 2018 | 2017 | 2018 | 2017 |
| Company EBITDA by segment | | | | |
| Business Services | \$ 23 | \$ 21 | \$ 39 | \$ 21 |
| Construction Services | 14 | 10 | 27 | (4) |
| Industrial Operations | 108 | 16 | 227 | 15 |
| Energy | 51 | 15 | 109 | 31 |
| Corporate and Other | (14) | (8) | (29) | (16) |
| Company EBITDA | \$ 182 | \$ 54 | \$ 373 | \$ 47 |
| Company FFO by segment | | | | |
| Business Services | \$ 61 | \$ 17 | \$ 69 | \$ 21 |
| Construction Services | 5 | 12 | 14 | 9 |
| Industrial Operations | 94 | 8 | 192 | 87 |
| Energy | 31 | 11 | 69 | 31 |
| Corporate and Other | (14) | (5) | (29) | (10) |
| Company FFO | \$ 177 | \$ 43 | \$ 315 | \$ 138 |

Statements of Financial Position

| US\$ MILLIONS, unaudited | As at | |
|---|-----------------|-------------------|
| | June 30, 2018 | December 31, 2017 |
| Net debt (cash) by segment | | |
| Business Services | \$ 354 | \$ 327 |
| Construction Services | (360) | (234) |
| Industrial Operations | 904 | 361 |
| Energy | 155 | 151 |
| Corporate and Other | (929) | (392) |
| Net debt (cash) | \$ 124 | \$ 213 |
| Equity attributable to unitholders by segment | | |
| Business Services | \$ 511 | \$ 448 |
| Construction Services | 842 | 959 |
| Industrial Operations | 67 | 661 |
| Energy | 686 | 660 |
| Corporate and Other | 719 | 310 |
| Equity attributable to unitholders | \$ 2,825 | \$ 3,038 |



Appendix

Summary of Results by Quarter

Brookfield

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

| US\$ MILLIONS, unaudited | 2018 | | 2017 | | | | 2016 | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Revenues | \$ 8,775 | \$ 8,194 | \$ 8,379 | \$ 7,640 | \$ 4,870 | \$ 1,934 | \$ 2,232 | \$ 2,043 |
| Direct operating costs | (8,200) | (7,649) | (8,034) | (7,295) | (4,673) | (1,874) | (2,064) | (1,889) |
| General and administrative expenses | (142) | (118) | (107) | (95) | (76) | (62) | (72) | (70) |
| Depreciation and amortization expense | (105) | (106) | (109) | (109) | (88) | (65) | (67) | (71) |
| Interest expense | (83) | (86) | (67) | (66) | (50) | (19) | (19) | (24) |
| Equity accounted income, net | (7) | 17 | 8 | 37 | 14 | 10 | (7) | 28 |
| Impairment expense, net | — | — | (9) | — | (23) | (7) | (155) | — |
| Gain (loss) on acquisitions/dispositions, net | 90 | 16 | — | (14) | 9 | 272 | — | 29 |
| Other income (expense), net | (7) | (14) | (72) | (41) | (9) | 14 | 9 | 11 |
| Income (loss) before income tax | 321 | 254 | (11) | 57 | (26) | 203 | (143) | 57 |
| Income tax (expense) recovery | | | | | | | | |
| Current | (52) | (28) | (11) | (19) | (4) | 4 | (7) | (8) |
| Deferred | 39 | (10) | 16 | 6 | 4 | (4) | 16 | 3 |
| Net income (loss) | \$ 308 | \$ 216 | \$ (6) | \$ 44 | \$ (26) | \$ 203 | \$ (134) | \$ 52 |
| Attributable to: | | | | | | | | |
| Limited Partners | \$ 40 | \$ (35) | \$ (79) | \$ (8) | \$ (3) | \$ 32 | \$ (5) | \$ 9 |
| Non-controlling interests attributable to: | | | | | | | | |
| Redemption-Exchange Units held by Brookfield Asset Management Inc. | 38 | (34) | (83) | (8) | (3) | 34 | (6) | 11 |
| Special Limited Partners | 41 | 143 | 117 | 25 | — | — | — | — |
| Interest of others | 189 | 142 | 39 | 35 | (20) | 137 | (123) | 32 |
| Net income (loss) | \$ 308 | \$ 216 | \$ (6) | \$ 44 | \$ (26) | \$ 203 | \$ (134) | \$ 52 |

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 industrial operations segment. Net income is impacted by periodic gains and losses on acquisitions, monetization and impairments.

Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

Reconciliation of Proportionate Operating Results to Consolidated Operating Results

| For the THREE MONTHS ended JUNE 30, 2018 US\$ MILLIONS, unaudited | Attributable to unitholders | | | | | | Total | Attributable to Others | As per IFRS Financials |
|--|-----------------------------|-----------------------|-----------------------|--------------|---------------------|---------------|---------------|------------------------|------------------------|
| | Business Services | Construction Services | Industrial Operations | Energy | Corporate and Other | | | | |
| Revenues | \$ 1,191 | \$ 1,133 | \$ 227 | \$ 28 | \$ 4 | \$ 2,583 | \$ 6,192 | \$ 8,775 | |
| Direct operating costs | (1,147) | (1,108) | (110) | (22) | (2) | (2,389) | (5,811) | (8,200) | |
| General and administrative expenses | (28) | (11) | (10) | (2) | (16) | (67) | (75) | (142) | |
| Equity accounted Company EBITDA ¹ | 7 | — | 1 | 47 | — | 55 | 8 | 63 | |
| Company EBITDA | \$ 23 | \$ 14 | \$ 108 | \$ 51 | \$ (14) | \$ 182 | | | |
| Realized disposition gain (loss), net | 55 | — | 9 | — | — | 64 | 26 | 90 | |
| Interest expense | (6) | — | (14) | (2) | — | (22) | (61) | (83) | |
| Equity accounted current taxes and interest ¹ | (1) | — | — | (17) | — | (18) | (2) | (20) | |
| Current income taxes | (10) | (9) | (9) | (1) | — | (29) | (23) | (52) | |
| Company FFO | \$ 61 | \$ 5 | \$ 94 | \$ 31 | \$ (14) | \$ 177 | | | |
| Depreciation and amortization expense | | | | | | (32) | (73) | (105) | |
| Impairment expense, net | | | | | | — | — | — | |
| Other income (expense), net | | | | | | 11 | (18) | (7) | |
| Deferred income taxes | | | | | | 9 | 30 | 39 | |
| Non-cash items attributable to equity accounted investments ¹ | | | | | | (46) | (4) | (50) | |
| Net income (loss) | | | | | | \$ 119 | \$ 189 | \$ 308 | |

1) The sum of these amounts equates to equity accounted loss of \$7 million as per IFRS statement of operating results.

Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

Reconciliation of Proportionate Operating Results to Consolidated Operating Results

| For the SIX MONTHS ended JUNE 30, 2018 US\$ MILLIONS, unaudited | Attributable to unitholders | | | | | | Total | Attributable to Others | As per IFRS Financials |
|--|-----------------------------|-----------------------|-----------------------|---------------|---------------------|---------------|---------------|------------------------|------------------------|
| | Business Services | Construction Services | Industrial Operations | Energy | Corporate and Other | | | | |
| Revenues | \$ 2,308 | \$ 2,176 | \$ 451 | \$ 76 | \$ 7 | \$ 5,018 | \$ 11,951 | \$ 16,969 | |
| Direct operating costs | (2,229) | (2,128) | (208) | (51) | (4) | (4,620) | (11,229) | (15,849) | |
| General and administrative expenses | (55) | (21) | (18) | (5) | (32) | (131) | (129) | (260) | |
| Equity accounted Company EBITDA ¹ | 15 | — | 2 | 89 | — | 106 | 16 | 122 | |
| Company EBITDA | \$ 39 | \$ 27 | \$ 227 | \$ 109 | \$ (29) | 373 | | | |
| Realized disposition gain (loss), net | 55 | — | 13 | — | — | 68 | 38 | 106 | |
| Interest expense | (12) | — | (33) | (5) | — | (50) | (119) | (169) | |
| Equity accounted current taxes and interest ¹ | (1) | — | — | (34) | — | (35) | (4) | (39) | |
| Current income taxes | (12) | (13) | (15) | (1) | — | (41) | (39) | (80) | |
| Company FFO | \$ 69 | \$ 14 | \$ 192 | \$ 69 | \$ (29) | 315 | | | |
| Depreciation and amortization expense | | | | | | (67) | (144) | (211) | |
| Impairment expense, net | | | | | | — | — | — | |
| Other income (expense), net | | | | | | 5 | (26) | (21) | |
| Deferred income taxes | | | | | | 5 | 24 | 29 | |
| Non-cash items attributable to equity accounted investments ¹ | | | | | | (65) | (8) | (73) | |
| Net income (loss) | | | | | | \$ 193 | \$ 331 | 524 | |

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

Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

Reconciliation of Proportionate Operating Results to Consolidated Operating Results

| For the THREE MONTHS ended JUNE 30, 2017 US\$ MILLIONS, unaudited | Attributable to unitholders | | | | | | Total | Attributable to Others | As per IFRS Financials |
|--|-----------------------------|-----------------------|-----------------------|--------------|---------------------|---------------|----------------|------------------------|------------------------|
| | Business Services | Construction Services | Industrial Operations | Energy | Corporate and Other | | | | |
| Revenues | \$ 697 | \$ 1,125 | \$ 115 | \$ 27 | \$ 2 | \$ 1,966 | \$ 2,904 | \$ 4,870 | |
| Direct operating costs | (668) | (1,104) | (92) | (18) | (1) | (1,883) | (2,790) | (4,673) | |
| General and administrative expenses | (19) | (11) | (7) | (1) | (9) | (47) | (29) | (76) | |
| Equity accounted Company EBITDA ¹ | 11 | — | — | 7 | — | 18 | 6 | 24 | |
| Company EBITDA | \$ 21 | \$ 10 | \$ 16 | \$ 15 | \$ (8) | \$ 54 | | | |
| Realized disposition gain (loss), net | — | — | 3 | — | — | 3 | 6 | 9 | |
| Interest expense | (3) | — | (9) | (3) | — | (15) | (35) | (50) | |
| Equity accounted current taxes and interest ¹ | — | — | — | (1) | — | (1) | — | (1) | |
| Current income taxes | (1) | 2 | (2) | — | 3 | 2 | (6) | (4) | |
| Company FFO | \$ 17 | \$ 12 | \$ 8 | \$ 11 | \$ (5) | \$ 43 | | | |
| Depreciation and amortization expense | | | | | | (31) | (57) | (88) | |
| Impairment expense, net | | | | | | (9) | (14) | (23) | |
| Other income (expense), net | | | | | | (5) | (4) | (9) | |
| Deferred income taxes | | | | | | 2 | 2 | 4 | |
| Non-cash items attributable to equity accounted investments ¹ | | | | | | (6) | (3) | (9) | |
| Net income (loss) | | | | | | \$ (6) | \$ (20) | \$ (26) | |

1) The sum of these amounts equate to equity accounted income of \$14 million as per IFRS statement of operating results.

Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

Reconciliation of Proportionate Operating Results to Consolidated Operating Results

| For the SIX MONTHS ended JUNE 30, 2017 US\$ MILLIONS, unaudited | Attributable to unitholders | | | | | | Total | Attributable to Others | As per IFRS Financials |
|--|-----------------------------|-----------------------|-----------------------|--------------|---------------------|--------------|---------------|------------------------|------------------------|
| | Business Services | Construction Services | Industrial Operations | Energy | Corporate and Other | | | | |
| Revenues | \$ 952 | \$ 2,142 | \$ 188 | \$ 57 | \$ 4 | \$ 3,343 | \$ 3,461 | \$ 6,804 | |
| Direct operating costs | (911) | (2,124) | (161) | (39) | (2) | (3,237) | (3,310) | (6,547) | |
| General and administrative expenses | (35) | (22) | (12) | (3) | (18) | (90) | (48) | (138) | |
| Equity accounted Company EBITDA ¹ | 15 | — | — | 16 | — | 31 | 11 | 42 | |
| Company EBITDA | \$ 21 | \$ (4) | \$ 15 | \$ 31 | \$ (16) | \$ 47 | | | |
| Realized disposition gain (loss), net | 5 | — | 94 | 8 | — | 107 | 174 | 281 | |
| Interest expense | (5) | — | (12) | (5) | — | (22) | (47) | (69) | |
| Equity accounted current taxes and interest ¹ | — | — | — | (2) | — | (2) | — | (2) | |
| Current income taxes | — | 13 | (10) | (1) | 6 | 8 | (8) | — | |
| Company FFO | \$ 21 | \$ 9 | \$ 87 | \$ 31 | \$ (10) | 138 | | | |
| Depreciation and amortization expense | | | | | | (60) | (93) | (153) | |
| Impairment expense, net | | | | | | (11) | (19) | (30) | |
| Other income (expense), net | | | | | | 6 | (1) | 5 | |
| Deferred income taxes | | | | | | (3) | 3 | — | |
| Non-cash items attributable to equity accounted investments ¹ | | | | | | (10) | (6) | (16) | |
| Net income (loss) | | | | | | \$ 60 | \$ 117 | \$ 177 | |

1) The sum of these amounts equate to equity accounted income of \$24 million as per IFRS statement of operating results.

Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

Total Equity to Equity Attributable to Unitholders

| US\$ MILLIONS, unaudited | As at | |
|--|-----------------|-------------------|
| | June 30, 2018 | December 31, 2017 |
| Total equity | \$ 4,955 | \$ 6,064 |
| Less: Interest of others in operating subsidiaries | 2,130 | 3,026 |
| Equity attributable to unitholders | \$ 2,825 | \$ 3,038 |

Proportionate Borrowings to Proportionate Net Debt

| US\$ MILLIONS, unaudited | As at | | As at | | As at | |
|--------------------------|-------------------|-------------------|-----------------|-------------------|------------------------|-------------------|
| | June 30, 2018 | December 31, 2017 | June 30, 2018 | December 31, 2017 | June 30, 2018 | December 31, 2017 |
| | Borrowings | | Cash | | Net debt (cash) | |
| Business Services | \$ 441 | \$ 472 | \$ 87 | \$ 145 | \$ 354 | \$ 327 |
| Construction Services | 10 | 12 | 370 | 246 | (360) | (234) |
| Industrial Operations | 1,012 | 407 | 108 | 46 | 904 | 361 |
| Energy | 157 | 153 | 2 | 2 | 155 | 151 |
| Corporate and Other | (2) | — | 927 | 392 | (929) | (392) |
| Total | \$ 1,618 | \$ 1,044 | \$ 1,494 | \$ 831 | \$ 124 | \$ 213 |

Proportionate Balance Sheet Items to Consolidated Balance Sheet Items

| US\$ MILLIONS, unaudited | Attributable to unitholders | | | | | | | Attributable to Others | As per IFRS Financials |
|--------------------------|-----------------------------|-----------------------|-----------------------|--------|---------------------|----------|----------|------------------------|------------------------|
| | Business Services | Construction Services | Industrial Operations | Energy | Corporate and Other | Total | | | |
| Borrowings | | | | | | | | | |
| June 30, 2018 | \$ 441 | \$ 10 | \$ 1,012 | \$ 157 | \$ (2) | \$ 1,618 | \$ 3,461 | \$ 5,079 | |
| December 31, 2017 | 472 | 12 | 407 | 153 | — | 1,044 | 2,221 | 3,265 | |
| Cash | | | | | | | | | |
| June 30, 2018 | \$ 87 | \$ 370 | \$ 108 | \$ 2 | \$ 927 | \$ 1,494 | \$ 379 | \$ 1,873 | |
| December 31, 2017 | 145 | 246 | 46 | 2 | 392 | 831 | 275 | 1,106 | |

- 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. 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 2018 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 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. For further information on Company EBITDA see “Use of Non-IFRS Measures” of the 2018 6-K
- 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 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