

BROOKFIELD BUSINESS PARTNERS L.P.

# Q3 2018 Supplemental — Information

Three Months Ended September 30, 2018

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 September 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, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods. In some cases, forward-looking statements can be identified by terms such as “expects,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would” and “could.”

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

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

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

## **CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS MEASURES**

This Supplemental Information contains references to Company FFO and Company EBITDA. When determining Company FFO and Company EBITDA, we include our unitholders’ proportionate share for equity accounted investments. Our definition of Company FFO and Company EBITDA may differ from definitions of Company FFO, Funds from Operations or Company EBITDA used by other entities. We believe that Company FFO and Company EBITDA are useful supplemental measures that may assist investors in assessing the financial performance of Brookfield Business Partners and its subsidiaries. Company FFO and Company EBITDA should not be considered as the sole measures of our performance and should not be considered in isolation from, or as a substitute for, analysis of our financial statements prepared in accordance with IFRS.

*References to Brookfield Business Partners are to Brookfield Business Partners L.P. together with its subsidiaries, controlled affiliates and operating entities. Brookfield Business Partners’ results include publicly held limited partnership units, redemption-exchange units, general partnership units and special limited partnership units. More detailed information on certain references made in this Supplemental Information will be available in our Management’s Discussion and Analysis of Financial Condition and Results of Operations for the quarter ended September 30, 2018.*



# Overview

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## Key Performance Metrics

US\$ MILLIONS, unaudited	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income (loss) attributable to unitholders	\$ 93	\$ 9	\$ 286	\$ 69
Net income (loss) per limited partnership unit <sup>2,3</sup>	—	(0.15)	0.06	0.40
Company EBITDA <sup>1</sup>	231	85	604	132
Company FFO <sup>1</sup>	170	46	485	184
Company FFO per unit <sup>2</sup>	1.31	0.42	3.75	1.70

## Key Balance Sheet Metrics

US\$ MILLIONS, unaudited	As at	
	September 30, 2018	December 31, 2017
Total assets	\$ 27,626	\$ 15,804
Net debt (cash)	9,095	2,159
Equity attributable to others	3,571	3,026
Equity attributable to unitholders	2,905	3,038

## Acquisition

Acquired Company	Segment	Invested Capital <sup>4</sup>	Economic Interest	Acquisition Date
Westinghouse Electric Company ("Westinghouse")	Infrastructure Services	\$405 million	44%	August 2018

## Financial Performance - Three Months Ended September 30, 2018

- Company EBITDA increased by \$146 million to \$231 million, due to stronger results in our industrial segment, primarily attributable to GrafTech, our graphite electrode manufacturing business and contributions from acquisitions completed in 2018 and late 2017
- Company FFO increased by \$124 million to \$170 million, primarily due to the factors contributing to the increase in Company EBITDA above. In addition, prior period included a \$16 million loss recognized on the sale of Insignia
- Net income attributable to unitholders was \$93 million, compared to net income of \$9 million in the prior period
- Total assets increased from \$15,804 million at December 31, 2017 to \$27,626 million at September 30, 2018 primarily due to acquisitions completed during the year. In Q3-2018 we exercised our general partner option to acquire control of Teekay Offshore and we closed the acquisition of Westinghouse. Both of these businesses are now consolidated in our results. Net debt increased from \$2,159 million to \$9,095 million due to the new business acquisitions and the senior secured term loan put in place at GrafTech earlier this year
- Equity attributable to unitholders was \$2,905 million, compared to \$3,038 million at December 31, 2017. The decrease is primarily due to a \$260 million IFRS 15 transition adjustment recorded at the beginning of the year and incentive distribution payments during the year, partially offset by net income generated during the year and a \$241 million after cash tax gain realized on the sale of our interest in GrafTech during the year

- 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.
- 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 nine months ended September 30, 2018 was 129.3 million (2017: 108.9 for the three months ended and 108.3 for the nine months ended September 30, 2017).
- 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 nine months ended September 30, 2018 and 2017.
- Figures are presented as a net amount attributable to Brookfield Business Partners L.P.

## Financial Performance - Nine Months Ended September 30, 2018

- Company EBITDA increased by \$472 million to \$604 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 2018 and late 2017 also positively impacted results for the nine months ended September 30, 2018
- Company FFO increased by \$301 million to \$485 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 the U.S. brokerage business ("HomeServices") during Q2-2018. The prior period included an \$82 million net gain realized on the sale of our bath and shower manufacturing business and a \$16 million net loss realized on the sale of a business
- Net income attributable to unitholders was \$286 million, compared to \$69 million in 2017

## Subsequent Events

- On September 28 2018, the Board of Directors approved a \$94 million incentive distribution payment to Brookfield, payable on December 31, 2018
- On November 1, 2018, the Board of Directors declared a quarterly distribution in the amount of \$0.0625 per unit, payable on December 31, 2018, to unitholders of record as at the close of business on November 30, 2018
- On October 1, 2018, we closed the acquisition of a 50.1% controlling interest in Imagine Communications Group Limited ("Imagine"). Brookfield Business Partners will have a 30% ownership interest
- In October 2018, we finalized a \$240 million senior secured term loan to Cardone Industries ("Cardone"), Brookfield Business Partners funded approximately \$50 million

# Statement of Operating Results

US\$ MILLIONS, unaudited	Three Months Ended September 30,	
	2018	2017
Revenues	\$ 9,990	\$ 7,640
Direct operating costs	(9,080)	(7,295)
General and administrative expenses	(174)	(95)
Depreciation and amortization expense	(251)	(109)
Interest income (expense), net	(148)	(66)
Equity accounted income (loss), net	(9)	37
Impairment expense, net	(180)	—
Gain (loss) on acquisitions/dispositions, net	247	(14)
Other income (expense), net	(42)	(41)
Income (loss) before income tax	\$ 353	\$ 57
Income tax (expense) recovery		
Current	(43)	(19)
Deferred	(25)	6
Net income (loss)	\$ 285	\$ 44
<b>Attributable to:</b>		
Limited partners	\$ (1)	\$ (8)
Non-controlling interests attributable to:		
Redemption-Exchange Units held by Brookfield Asset Management Inc.	—	(8)
Special Limited Partners	94	25
Interest of others	192	35
Net income (loss)	\$ 285	\$ 44

## Financial Performance - Three Months Ended September 30, 2018

- Financial performance for the three months ended September 30, 2018 included results from the following acquisitions which were either not reflected or only partially reflected in Q3-2017 results:
  - Fuel Marketing Business acquired in July 2017
  - Teekay Offshore acquired in September 2017 and equity accounted, subsequent change of control on July 3rd, 2018 and consolidated starting Q3-2018
  - GTA Gaming Operations ("One Toronto") acquired in January 2018
  - Schoeller Allibert ("Schoeller") acquired in May 2018
  - Westinghouse acquired in August 2018
- Revenues and Direct operating costs** increased by \$2,350 million and \$1,785 million, respectively, primarily due to the acquisition of Westinghouse and the consolidation of Teekay Offshore during the quarter and higher contribution from GrafTech and our fuel distribution business, Greenergy. The acquisitions completed during 2018 and late 2017, as detailed above, accounted for \$1,294 million of the increase in revenue and \$922 million of the increase in direct operating costs
- General and administrative expenses** increased by \$79 million compared to the prior period primarily due to the businesses acquired during 2018 and late 2017, as detailed above

# Statement of Operating Results

US\$ MILLIONS, unaudited	Three Months Ended September 30,	
	2018	2017
Revenues	\$ 9,990	\$ 7,640
Direct operating costs	(9,080)	(7,295)
General and administrative expenses	(174)	(95)
Depreciation and amortization expense	(251)	(109)
Interest income (expense), net	(148)	(66)
Equity accounted income (loss), net	(9)	37
Impairment expense, net	(180)	—
Gain (loss) on acquisitions/dispositions, net	247	(14)
Other income (expense), net	(42)	(41)
Income (loss) before income tax	\$ 353	\$ 57
Income tax (expense) recovery		
Current	(43)	(19)
Deferred	(25)	6
Net income (loss)	\$ 285	\$ 44
<b>Attributable to:</b>		
Limited partners	\$ (1)	\$ (8)
Non-controlling interests attributable to:		
Redemption-Exchange Units held by Brookfield Asset Management Inc.	—	(8)
Special Limited Partners	94	25
Interest of others	192	35
Net income (loss)	\$ 285	\$ 44

## Financial Performance - Three Months Ended September 30, 2018

- **Depreciation and amortization expense** increased by \$142 million primarily due to the businesses acquired during 2018 and late 2017, as detailed before
- **Interest income (expense), net** increased by \$82 million, primarily due to higher borrowings related to the acquisition of Westinghouse and the consolidation of Teekay Offshore. In addition, interest expense increased due to the senior secured term loan put in place this year at GrafTech
- **Equity accounted income (loss), net** decreased by \$46 million, primarily due to the reclassification of our Australian energy assets, Quadrant Energy ("Quadrant") to held for sale during the quarter
- **Impairment expense, net** of \$180 million in Q3-2018 is related to an impairment recorded in property, plant and equipment at our Canadian energy operations as a result of a continued decline in natural gas pricing
- **Gain (loss) on acquisitions/dispositions, net** recorded in Q3-2018 is primarily due to the step-up gain recognized from the change in control and associated change in accounting from equity accounted investment to consolidation at Teekay Offshore. The prior period loss was mainly comprised of a loss on the sale of a business, partially offset by a realized gain on the disposition of an investment security in our business services segment
- **Total tax expense** increased by \$55 million, primarily due to higher taxable income at GrafTech, the acquisition of Westinghouse and the derecognition of tax attributes within our energy segment

# Statement of Financial Position

Brookfield

US\$ MILLIONS, unaudited	As at	
	September 30, 2018	December 31, 2017
<b>Assets</b>		
Cash and cash equivalents	\$ 1,770	\$ 1,106
Financial assets	1,252	784
Accounts and other receivable, net	5,430	4,362
Inventory and other assets	3,362	1,577
Assets held for sale	145	14
Property, plant and equipment	7,067	2,530
Deferred income tax assets	217	174
Intangible assets	5,427	3,094
Equity accounted investments	536	609
Goodwill	2,420	1,554
<b>Total assets</b>	<b>\$ 27,626</b>	<b>\$ 15,804</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Accounts payable and other	\$ 9,386	\$ 5,638
Liabilities associated with assets held for sale	12	—
Borrowings	10,865	3,265
Deferred income tax liabilities	887	837
<b>Total liabilities</b>	<b>\$ 21,150</b>	<b>\$ 9,740</b>
<b>Equity</b>		
Limited partners	1,519	1,585
Non-controlling interests attributable to: Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,386	1,453
Interest of others	3,571	3,026
<b>Total equity</b>	<b>\$ 6,476</b>	<b>\$ 6,064</b>
<b>Total liabilities and equity</b>	<b>\$ 27,626</b>	<b>\$ 15,804</b>

## Financial Position as at September 30, 2018

- **Cash and cash equivalents** included \$517 million at our business services operations, \$444 million of corporate cash, \$299 million at our industrial operations, \$274 million at our infrastructure services operations, and \$236 million at our energy operations
- **Financial assets** increased by \$468 million primarily due to the acquisition of Westinghouse and a fair value adjustment on an investment security within our energy segment, partially offset by the elimination of warrants held in Teekay Offshore, as we now consolidate the business
- **Accounts and other receivable, net** increased by \$1,068 million primarily due to the acquisition of Westinghouse and the consolidation of Teekay Offshore, combined with an increase at Greenergy primarily a result of an increase in fuel prices
- **Inventory and other assets** increased by \$1,785 million, primarily due to the acquisition of Westinghouse and Schoeller and the consolidation of Teekay Offshore
- **Assets held for sale** increased by \$131 million, primarily due to the reclassification of Quadrant and certain assets in our infrastructure support products manufacturing operation to held for sale
- **Property, plant and equipment** increased by \$4,537 million primarily due to the acquisitions of Westinghouse and Schoeller and the consolidation of Teekay Offshore, partially offset by an impairment recorded in our Canadian energy operations

# Statement of Financial Position

Brookfield

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	September 30, 2018	December 31, 2017
<b>Assets</b>		
Cash and cash equivalents	\$ 1,770	\$ 1,106
Financial assets	1,252	784
Accounts and other receivable, net	5,430	4,362
Inventory and other assets	3,362	1,577
Assets held for sale	145	14
Property, plant and equipment	7,067	2,530
Deferred income tax assets	217	174
Intangible assets	5,427	3,094
Equity accounted investments	536	609
Goodwill	2,420	1,554
<b>Total assets</b>	<b>\$ 27,626</b>	<b>\$ 15,804</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Accounts payable and other	\$ 9,386	\$ 5,638
Liabilities associated with assets held for sale	12	—
Borrowings	10,865	3,265
Deferred income tax liabilities	887	837
<b>Total liabilities</b>	<b>\$ 21,150</b>	<b>\$ 9,740</b>
<b>Equity</b>		
Limited partners	1,519	1,585
Non-controlling interests attributable to: Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,386	1,453
Interest of others	3,571	3,026
<b>Total equity</b>	<b>\$ 6,476</b>	<b>\$ 6,064</b>
<b>Total liabilities and equity</b>	<b>\$ 27,626</b>	<b>\$ 15,804</b>

## Financial Position as at September 30, 2018

- **Deferred income tax assets** increased by \$43 million, primarily due to an increase in U.S. deferred tax assets at GrafTech and the acquisition of Schoeller
- **Intangible assets** increased by \$2,333 million, primarily due to the acquisitions of Westinghouse and Schoeller, partially offset by a reduction at BRK Ambiental due to foreign exchange movements
- **Equity accounted investments** decreased by \$73 million, primarily due to the disposition of our 33% ownership interest in HomeServices during Q2-2018, combined with the reclassification of Quadrant to held for sale
- **Goodwill** increased by \$866 million, primarily due to the consolidation of Teekay Offshore, combined with goodwill recognized on the acquisition of Westinghouse and Schoeller
- **Accounts payable and other** increased by \$3,748 million, primarily due to the acquisitions of Westinghouse and Schoeller and the consolidation of Teekay Offshore, combined with an increase at Greenergy as a result of an increase in fuel prices
- **Borrowings** increased by \$7,600 million primarily due to the inclusion of borrowings at Schoeller, Westinghouse, and Teekay Offshore, combined with the senior secured term loan put in place during the year at GrafTech
- **Deferred income tax liabilities** increased by \$50 million, primarily due to the deferred income tax liability recorded with the acquisition of Westinghouse and Schoeller, partially offset by a reduction in BRK Ambiental due to foreign exchange movements

## Units Outstanding

UNITS, unaudited	As at		
	September 30, 2018	December 31, 2017	September 30, 2017
Limited partnership units	66,185,798	66,185,798	65,185,298
Redemption-exchange units	63,095,497	63,095,497	63,095,497
General partnership and special limited partnership units	8	8	8
<b>Total units outstanding</b>	<b>129,281,303</b>	129,281,303	128,280,803

## Reconciliation of Net Income per Unit

US\$, unaudited	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income (loss) per unitholder excluding incentive distribution <sup>1</sup>	\$ 0.72	\$ 0.08	\$ 2.21	\$ 0.63
Incentive distribution per unit <sup>1</sup>	(0.72)	(0.23)	(2.15)	(0.23)
<b>Net income (loss) attributable to limited partnership unit<sup>1,2</sup></b>	<b>\$ —</b>	<b>\$ (0.15)</b>	<b>\$ 0.06</b>	<b>\$ 0.40</b>

## Total Equity

US\$, unaudited	As at	
	September 30, 2018	December 31, 2017 <sup>3</sup>
Business Services	\$ 1,965	\$ 1,969
Infrastructure Services	918	—
Industrial Operations	991	2,650
Energy	2,399	1,135
Corporate and Other	203	310
<b>Total Equity</b>	<b>\$ 6,476</b>	<b>\$ 6,064</b>

## Incentive Distribution Right ("IDR")

- The Special Limited Partner is entitled to an incentive distribution of 20% based on the volume-weighted average increase in unit price of the partnership's unit over an incentive distribution threshold. The IDR is recorded as a distribution in equity once approved by the partnership's board
- During the second quarter, the volume weighted average price per unit was \$41.96 (exceeding the previous incentive distribution threshold of \$38.31/unit) and the units outstanding at quarter-end were 129 million units, resulting in a \$94 million incentive distribution payable
- Going forward the incentive distribution threshold is \$41.96/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 nine months ended September 30, 2018 was 129.3 million (2017: 108.9 for the three months ended and 108.3 for the nine months ended September 30, 2017).  
 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 nine months ended September 30, 2018.  
 3) The comparative figures have been updated to conform with the new segment presentation.

## Corporate Liquidity

US\$, unaudited	As at	
	September 30, 2018	December 31, 2017
Corporate cash and financial assets	\$ 664	\$ 392
Committed corporate credit facilities	1,325	675
<b>Total liquidity</b>	<b>\$ 1,989</b>	<b>\$ 1,067</b>

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

## Proportionate Cash

US\$, unaudited	As at	
	September 30, 2018	December 31, 2017 <sup>1</sup>
Business Services	\$ 399	\$ 391
Infrastructure Services	121	—
Industrial Operations	79	46
Energy	60	2
Corporate and Other	444	392
<b>Total</b>	<b>\$ 1,103</b>	<b>\$ 831</b>

## Liquidity Position

- We maintain a strong and flexible balance sheet with sufficient liquidity to take advantage of attractive opportunities as they arise and support our businesses
- Total liquidity was \$1,989 million at September 30, 2018 and included:
  - \$444 million of cash at the corporate level
  - \$220 million of financial assets comprised of public securities
  - \$1,325 million of corporate credit facilities, which are all undrawn
- On an ongoing basis, principal sources of liquidity include:
  - Cash and public securities at the corporate level
  - Undrawn corporate credit facilities
  - Cash flows from our operations
  - Monetization of mature businesses
  - Access to capital markets

1) The comparative figures have been updated to conform with the new segment presentation.



## Operating Segments

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- Our strategy is to acquire and manage high-quality businesses that benefit from barriers to entry and/or low production costs
- We target long-term 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
- With the acquisition of Westinghouse on August 1, 2018 we introduced a new segment, Infrastructure Services and given the proportionate scale of the business, we now include our construction services business, Multiplex, within Business Services

Segment	Description	Notable Subsidiaries	Economic Interest
<b>Business Services</b>	Service businesses in commercial and residential real estate, construction, fuel distribution and marketing, and financial advisory	• BGRS	• 100%
		• Real Estate Services	• 100%
		• Multiplex	• 100%
		• Greenergy	• 14%
		• Fuel Marketing Business	• 26%
		• BGIS	• 26%
<b>Infrastructure Services</b>	Provide services to infrastructure assets and operations around the globe	• One Toronto	• 13%
		• Westinghouse	• 44%
<b>Industrial Operations</b>	Industrials including manufacturing, metals and mining and water and wastewater services	• GrafTech International	• 27%
		• BRK Ambiental	• 26%
		• North American Palladium	• 23%
		• Schoeller	• 14%
<b>Energy</b>	Oil and gas production, marine energy services, and related businesses	• Ember Resources	• 41%
		• CWC Energy Services	• 56%
		• Quadrant Energy <sup>1</sup>	• 9%
		• Teekay Offshore	• 25%

1) Classified as held-for-sale during Q3-2018

# Segmented Financial Information

The following tables present the financial results by operating segment:

For the THREE MONTHS ended SEPTEMBER 30, US\$ MILLIONS, unaudited	Business Services		Infrastructure Services		Industrial Operations		Energy		Corporate and Other		Total	
	2018	2017 <sup>1</sup>	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues	\$ 7,923	\$ 7,070	\$ 740	\$ —	\$ 937	\$ 503	\$ 390	\$ 66	\$ —	\$ 1	\$ 9,990	\$ 7,640
Direct operating costs	(7,784)	(6,909)	(574)	—	(504)	(335)	(216)	(50)	(2)	(1)	(9,080)	(7,295)
General and administrative expenses	(64)	(50)	(16)	—	(65)	(29)	(11)	(4)	(18)	(12)	(174)	(95)
Equity accounted Company EBITDA	8	8	—	—	3	—	23	14	—	—	34	22
Company EBITDA attributable to others	(51)	(72)	(84)	—	(272)	(103)	(132)	(12)	—	—	(539)	(187)
<b>Company EBITDA</b>	<b>\$ 32</b>	<b>\$ 47</b>	<b>\$ 66</b>	<b>\$ —</b>	<b>\$ 99</b>	<b>\$ 36</b>	<b>\$ 54</b>	<b>\$ 14</b>	<b>\$ (20)</b>	<b>\$ (12)</b>	<b>\$ 231</b>	<b>\$ 85</b>
Realized disposition gain, net	—	11	—	—	(3)	—	—	(48)	—	—	(3)	(37)
Other income (expense), net	—	—	—	—	—	—	(11)	—	—	—	(11)	—
Interest income (expense), net	(9)	(15)	(35)	—	(60)	(44)	(48)	(7)	4	—	(148)	(66)
Equity accounted current taxes and interest	(1)	—	—	—	(1)	—	(6)	(2)	—	—	(8)	(2)
Current income taxes	(8)	(15)	(4)	—	(26)	(7)	(5)	2	—	1	(43)	(19)
Company FFO attributable to others (net of Company EBITDA attributable to others)	12	12	22	—	67	37	51	36	—	—	152	85
<b>Company FFO</b>	<b>\$ 26</b>	<b>\$ 40</b>	<b>\$ 49</b>	<b>\$ —</b>	<b>\$ 76</b>	<b>\$ 22</b>	<b>\$ 35</b>	<b>\$ (5)</b>	<b>\$ (16)</b>	<b>\$ (11)</b>	<b>\$ 170</b>	<b>\$ 46</b>

1) The comparative figures have been updated to conform with the new segment presentation.

# Segmented Financial Information

The following tables present the financial results by operating segment:

For the NINE MONTHS ended SEPTEMBER 30, US\$ MILLIONS, unaudited	Business Services		Infrastructure Services		Industrial Operations		Energy		Corporate and Other		Total	
	2018	2017 <sup>1</sup>	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues	\$ 23,129	\$ 13,100	\$ 740	\$ —	\$ 2,539	\$ 1,140	\$ 544	\$ 199	\$ 7	\$ 5	\$ 26,959	\$ 14,444
Direct operating costs	(22,729)	(12,823)	(574)	—	(1,295)	(870)	(325)	(146)	(6)	(3)	(24,929)	(13,842)
General and administrative expenses	(203)	(125)	(16)	—	(144)	(66)	(21)	(12)	(50)	(30)	(434)	(233)
Equity accounted Company EBITDA	23	23	—	—	12	1	121	40	—	—	156	64
Company EBITDA attributable to others	(122)	(111)	(84)	—	(786)	(154)	(156)	(36)	—	—	(1,148)	(301)
<b>Company EBITDA</b>	<b>\$ 98</b>	<b>\$ 64</b>	<b>\$ 66</b>	<b>\$ —</b>	<b>\$ 326</b>	<b>\$ 51</b>	<b>\$ 163</b>	<b>\$ 45</b>	<b>\$ (49)</b>	<b>\$ (28)</b>	<b>\$ 604</b>	<b>\$ 132</b>
Realized disposition gain, net	55	19	—	—	48	237	—	(12)	—	—	103	244
Other income (expense), net	—	—	—	—	—	—	(11)	—	—	—	(11)	—
Interest income (expense), net	(50)	(28)	(35)	—	(174)	(87)	(62)	(20)	4	—	(317)	(135)
Equity accounted current taxes and interest	(2)	—	—	—	(3)	—	(42)	(4)	—	—	(47)	(4)
Current income taxes	(38)	(7)	(4)	—	(75)	(20)	(6)	1	—	7	(123)	(19)
Company FFO attributable to others (net of Company EBITDA attributable to others)	46	22	22	—	146	(72)	62	16	—	—	276	(34)
<b>Company FFO</b>	<b>\$ 109</b>	<b>\$ 70</b>	<b>\$ 49</b>	<b>\$ —</b>	<b>\$ 268</b>	<b>\$ 109</b>	<b>\$ 104</b>	<b>\$ 26</b>	<b>\$ (45)</b>	<b>\$ (21)</b>	<b>\$ 485</b>	<b>\$ 184</b>

1) The comparative figures have been updated to conform with the new segment presentation.

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

US\$ MILLIONS, unaudited	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017 <sup>1</sup>	2018	2017 <sup>1</sup>
Revenues	\$ 2,374	\$ 2,288	\$ 6,858	\$ 5,382
Direct operating costs	(2,312)	(2,217)	(6,669)	(5,252)
General and administrative expenses	(38)	(32)	(114)	(89)
Equity accounted Company EBITDA	8	8	23	23
<b>Company EBITDA</b>	<b>\$ 32</b>	<b>\$ 47</b>	<b>\$ 98</b>	<b>\$ 64</b>
Realized disposition gain, net	—	3	55	8
Other income (expense), net	—	—	—	—
Interest income (expense), net	(1)	(5)	(13)	(10)
Equity accounted current taxes and interest	(1)	—	(2)	—
Current income taxes	(4)	(5)	(29)	8
<b>Company FFO</b>	<b>\$ 26</b>	<b>\$ 40</b>	<b>\$ 109</b>	<b>\$ 70</b>

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

US\$ MILLIONS, unaudited	As at	
	September 30, 2018	December 31, 2017 <sup>1</sup>
Cash	\$ 399	\$ 391
Borrowings	469	484
Net debt (cash)	70	93
Equity attributable to unitholders	1,372	1,407

1) The comparative figures have been updated to conform with the new segment presentation.

## Financial Results - Three Months Ended September 30, 2018

- Revenue and direct operating costs increased by \$86 million and \$95 million, respectively, primarily due to increased activity at Greenergy. In addition, the acquisition of our fuel marketing business in Q3-2017 contributed to the increase. Revenue and direct operating costs in our construction business decreased by \$43 million and \$34 million, respectively, primarily due to lower activity in the Middle East
- Company EBITDA decreased by \$15 million, primarily due to lower margins in the Middle East operations of our construction business. Excluding the results from our construction business, EBITDA decreased by \$5 million, primarily due to lost positive contribution after the disposition of our 33% ownership interest in HomeServices in Q2-2018 and lower contribution from Greenergy due to lower volumes in Brazil and lower diesel purchase margin in the U.K., partially offset by the contribution from One Toronto
- Company FFO decreased by \$14 million, primarily due to the factors described above
- During the quarter, our construction business performed approximately \$1.1 billion of work and delivered eight projects across our regions of operation. The backlog in our construction business at the end of the quarter was approximately \$8 billion
- The breakdown of financial results from our construction business has been provided on Page 24 of this Supplemental

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

US\$ MILLIONS, unaudited	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues	\$ 325	\$ —	\$ 325	\$ —
Direct operating costs	(253)	—	(253)	—
General and administrative expenses	(6)	—	(6)	—
Equity accounted Company EBITDA	—	—	—	—
<b>Company EBITDA</b>	<b>\$ 66</b>	<b>\$ —</b>	<b>\$ 66</b>	<b>\$ —</b>
Realized disposition gain, net	—	—	—	—
Other income (expense), net	—	—	—	—
Interest income (expense), net	(15)	—	(15)	—
Equity accounted current taxes and interest	—	—	—	—
Current income taxes	(2)	—	(2)	—
<b>Company FFO</b>	<b>\$ 49</b>	<b>\$ —</b>	<b>\$ 49</b>	<b>\$ —</b>

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

US\$ MILLIONS, unaudited	As at	
	September 30, 2018	December 31, 2017
Cash	\$ 121	\$ —
Borrowings	1,298	—
Net debt (cash)	1,177	—
Equity attributable to unitholders	400	—

## Financial Results - Three Months Ended September 30, 2018

- Our new Infrastructure Services segment, is currently comprised of Westinghouse, following the acquisition of the business on August 1, 2018. Brookfield Business Partners funded \$405 million of the equity purchase price for a 44% ownership
- Westinghouse operates two main product lines: New Projects Business and Global Products and Services. New Products Business focuses on design services and procurement of equipment for plants. Global Products and Services includes the design, manufacture and delivery of fuel, engineering services, components manufacturing, instrumentation control, and decommissioning services
- The segment generated Company EBITDA and Company FFO of \$66 million and \$49 million, respectively, in the third quarter
- The business performed well during the two months since the closing of the acquisition, with strong margins driven by the mix of work. The results in the quarter were positively impacted by a one-time recovery on the settlement on a project partially offset by higher than normal costs associated with the write-up of inventory as part of our purchase price accounting on the acquisition. The net positive impact on EBITDA of these two items was \$22 million in the third quarter. We anticipate one more quarter of high costs as the current inventory flows through production
- We expect the business will have some inter- and intra-year seasonality in revenues and EBITDA given the timing of the outage cycles at customer plants. Westinghouse generates most of its revenue during the fall and spring, when power plants go offline to perform maintenance and replenish their fuel. In addition, as maintenance and fuel replenishment at customer plants are carried out on an 18-month cycle there maybe years where more customers go offline driving higher revenue for the business

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

US\$ MILLIONS, unaudited	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues	\$ 226	\$ 136	\$ 677	\$ 324
Direct operating costs	(117)	(92)	(325)	(253)
General and administrative expenses	(11)	(8)	(29)	(20)
Equity accounted Company EBITDA	1	—	3	—
<b>Company EBITDA</b>	<b>\$ 99</b>	<b>\$ 36</b>	<b>\$ 326</b>	<b>\$ 51</b>
Realized disposition gain, net	(1)	—	12	94
Other income (expense), net	—	—	—	—
Interest income (expense), net	(15)	(12)	(48)	(24)
Equity accounted current taxes and interest	—	—	—	—
Current income taxes	(7)	(2)	(22)	(12)
<b>Company FFO</b>	<b>\$ 76</b>	<b>\$ 22</b>	<b>\$ 268</b>	<b>\$ 109</b>

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

US\$ MILLIONS, unaudited	As at	
	September 30, 2018	December 31, 2017
Cash	\$ 79	\$ 46
Borrowings	927	407
Net debt (cash)	848	361
Equity attributable to unitholders	(12)	661

## Financial Results - Three Months Ended September 30, 2018

- Revenue and direct operating costs increased by \$90 million and \$25 million, primarily due to increased results from GrafTech as a result of stronger pricing, combined with contribution from the acquisition of Schoeller in Q2-2018
- Company EBITDA increased by \$63 million, primarily due to stronger pricing and performance at GrafTech and at our palladium mining operations, partially offset by lower contribution from BRK Ambiental, primarily due to foreign exchange movements
- Company FFO increased by \$54 million, primarily due to the factors described above, partially offset by an increase in interest and tax expenses at GrafTech from increased borrowings and higher taxable income, respectively
- Equity attributable to unitholders decreased by \$673 million, from \$661 million at December 31, 2017 to \$(12) million at September 30, 2018 primarily due to distributions received from GrafTech of approximately \$1.1 billion, offset by the \$241 million after cash tax gain recorded on the decrease in our ownership and share buyback by GrafTech

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

US\$ MILLIONS, unaudited	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues	\$ 117	\$ 27	\$ 193	\$ 84
Direct operating costs	(65)	(21)	(116)	(60)
General and administrative expenses	(4)	(2)	(9)	(5)
Equity accounted Company EBITDA	6	10	95	26
<b>Company EBITDA</b>	<b>\$ 54</b>	<b>\$ 14</b>	<b>\$ 163</b>	<b>\$ 45</b>
Realized disposition gain, net	—	(18)	—	(10)
Other income (expense), net	(3)	—	(3)	—
Interest income (expense), net	(11)	(2)	(16)	(7)
Equity accounted current taxes and interest	(2)	(1)	(36)	(3)
Current income taxes	(3)	2	(4)	1
<b>Company FFO</b>	<b>\$ 35</b>	<b>\$ (5)</b>	<b>\$ 104</b>	<b>\$ 26</b>

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

US\$ MILLIONS, unaudited	As at	
	September 30, 2018	December 31, 2017
Cash	\$ 60	\$ 2
Borrowings	873	153
Net debt (cash)	813	151
Equity attributable to unitholders	942	660

## Financial Results - Three Months Ended September 30, 2018

- Revenue and direct operating costs increased by \$90 million and \$44 million, respectively, primarily due to the consolidation of Teekay Offshore, starting in Q3-2018. The consolidation of Teekay Offshore accounted for \$76 million and \$40 million of the increase, respectively
- Company EBITDA increased by \$40 million primarily due to the acquisition and subsequent consolidation of Teekay Offshore
- Company FFO increased by \$40 million, primarily due to the aforementioned acquisition of Teekay Offshore. Prior period results included a loss of \$16 million, after taxes, recognized on the sale of a business
- During Q3-2018, we signed an agreement to sell our Australian energy business, Quadrant. The equity accounted investment was reclassified to held for sale during the quarter

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

US\$ MILLIONS, unaudited	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues	\$ —	\$ 1	\$ 7	\$ 5
Direct operating costs	(2)	(1)	(6)	(3)
General and administrative expenses	(18)	(12)	(50)	(30)
Equity accounted Company EBITDA	—	—	—	—
<b>Company EBITDA</b>	<b>\$ (20)</b>	<b>\$ (12)</b>	<b>\$ (49)</b>	<b>\$ (28)</b>
Realized disposition gain, net	—	—	—	—
Other income (expense), net	—	—	—	—
Interest income (expense), net	4	—	4	—
Equity accounted current taxes and interest	—	—	—	—
Current income taxes	—	1	—	7
<b>Company FFO</b>	<b>\$ (16)</b>	<b>\$ (11)</b>	<b>\$ (45)</b>	<b>\$ (21)</b>

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

US\$ MILLIONS, unaudited	As at	
	September 30, 2018	December 31, 2017
Cash	\$ 444	\$ 392
Borrowings	(2)	—
Net debt (cash)	(446)	(392)
Equity attributable to unitholders	203	310

## Financial Results - Three Months Ended September 30, 2018

- General and administrative expenses are comprised of management fees and corporate expenses, including audit and other expenses. The management fee was \$15 million compared to \$9 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

# 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 September 30,		Nine Months Ended September 30,	
	2018	2017 <sup>1</sup>	2018	2017 <sup>1</sup>
Company EBITDA by segment				
Business Services	\$ 32	\$ 47	\$ 98	\$ 64
Infrastructure Services	66	—	66	—
Industrial Operations	99	36	326	51
Energy	54	14	163	45
Corporate and Other	(20)	(12)	(49)	(28)
<b>Company EBITDA</b>	<b>\$ 231</b>	<b>\$ 85</b>	<b>\$ 604</b>	<b>\$ 132</b>
Company FFO by segment				
Business Services	\$ 26	\$ 40	\$ 109	\$ 70
Infrastructure Services	49	—	49	—
Industrial Operations	76	22	268	109
Energy	35	(5)	104	26
Corporate and Other	(16)	(11)	(45)	(21)
<b>Company FFO</b>	<b>\$ 170</b>	<b>\$ 46</b>	<b>\$ 485</b>	<b>\$ 184</b>

## Statements of Financial Position

US\$ MILLIONS, unaudited	As at	
	September 30, 2018	December 31, 2017 <sup>1</sup>
Net debt (cash) by segment		
Business Services	\$ 70	\$ 93
Infrastructure Services	1,177	—
Industrial Operations	848	361
Energy	813	151
Corporate and Other	(446)	(392)
<b>Net debt (cash)</b>	<b>\$ 2,462</b>	<b>\$ 213</b>
Equity attributable to unitholders by segment		
Business Services	\$ 1,372	\$ 1,407
Infrastructure Services	400	—
Industrial Operations	(12)	661
Energy	942	660
Corporate and Other	203	310
<b>Equity attributable to unitholders</b>	<b>\$ 2,905</b>	<b>\$ 3,038</b>

1) The comparative figures have been updated to conform with the new segment presentation.



# Appendix

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# 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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	\$ 9,990	\$ 8,775	\$ 8,194	\$ 8,379	\$ 7,640	\$ 4,870	\$ 1,934	\$ 2,232
Direct operating costs	(9,080)	(8,200)	(7,649)	(8,034)	(7,295)	(4,673)	(1,874)	(2,064)
General and administrative expenses	(174)	(142)	(118)	(107)	(95)	(76)	(62)	(72)
Depreciation and amortization expense	(251)	(105)	(106)	(109)	(109)	(88)	(65)	(67)
Interest income (expense), net	(148)	(83)	(86)	(67)	(66)	(50)	(19)	(19)
Equity accounted income, net	(9)	(7)	17	8	37	14	10	(7)
Impairment expense, net	(180)	—	—	(9)	—	(23)	(7)	(155)
Gain (loss) on acquisitions/dispositions, net	247	90	16	—	(14)	9	272	—
Other income (expense), net	(42)	(7)	(14)	(72)	(41)	(9)	14	9
Income (loss) before income tax	353	321	254	(11)	57	(26)	203	(143)
Income tax (expense) recovery								
Current	(43)	(52)	(28)	(11)	(19)	(4)	4	(7)
Deferred	(25)	39	(10)	16	6	4	(4)	16
Net income (loss)	\$ 285	\$ 308	\$ 216	\$ (6)	\$ 44	\$ (26)	\$ 203	\$ (134)
<b>Attributable to:</b>								
Limited Partners	\$ (1)	\$ 40	\$ (35)	\$ (79)	\$ (8)	\$ (3)	\$ 32	\$ (5)
Non-controlling interests attributable to:								
Redemption-Exchange Units held by Brookfield Asset Management Inc.	—	38	(34)	(83)	(8)	(3)	34	(6)
Special Limited Partners	94	41	143	117	25	—	—	—
Interest of others	192	189	142	39	35	(20)	137	(123)
Net income (loss)	\$ 285	\$ 308	\$ 216	\$ (6)	\$ 44	\$ (26)	\$ 203	\$ (134)

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 Business Services

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

US\$ MILLIONS, unaudited	Three Months Ended September 30,						Nine Months Ended September 30,					
	Construction Services	Other Business Services	2018 Total	Construction Services	Other Business Services	2017 Total	Construction Services	Other Business Services	2018 Total	Construction Services	Other Business Services	2017 Total
Revenues	\$ 1,194	\$ 1,180	\$ 2,374	\$ 1,237	\$ 1,051	\$ 2,288	\$ 3,370	\$ 3,488	\$ 6,858	\$ 3,379	\$ 2,003	\$ 5,382
Direct operating costs	(1,172)	(1,140)	(2,312)	(1,206)	(1,011)	(2,217)	(3,300)	(3,369)	(6,669)	(3,330)	(1,922)	(5,252)
General and administrative	(12)	(26)	(38)	(11)	(21)	(32)	(33)	(81)	(114)	(33)	(56)	(89)
Equity accounted Company EBITDA	—	8	8	—	8	8	—	23	23	—	23	23
<b>Company EBITDA</b>	<b>\$ 10</b>	<b>\$ 22</b>	<b>\$ 32</b>	<b>\$ 20</b>	<b>\$ 27</b>	<b>\$ 47</b>	<b>\$ 37</b>	<b>\$ 61</b>	<b>\$ 98</b>	<b>\$ 16</b>	<b>\$ 48</b>	<b>\$ 64</b>
Realized disposition gain, net	—	—	—	—	3	3	—	55	55	—	8	8
Other income (expense), net	—	—	—	—	—	—	—	—	—	—	—	—
Interest income (expense), net	—	(1)	(1)	—	(5)	(5)	—	(13)	(13)	—	(10)	(10)
Equity accounted current taxes and interest	1	(2)	(1)	—	—	—	1	(3)	(2)	—	—	—
Current income taxes	(5)	1	(4)	(3)	(2)	(5)	(18)	(11)	(29)	10	(2)	8
<b>Company FFO</b>	<b>\$ 6</b>	<b>\$ 20</b>	<b>\$ 26</b>	<b>\$ 17</b>	<b>\$ 23</b>	<b>\$ 40</b>	<b>\$ 20</b>	<b>\$ 89</b>	<b>\$ 109</b>	<b>\$ 26</b>	<b>\$ 44</b>	<b>\$ 70</b>

# Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

## Reconciliation of Proportionate Operating Results to Consolidated Operating Results

For the THREE MONTHS ended SEPTEMBER 30, 2018 US\$ MILLIONS, unaudited	Attributable to unitholders						Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrial Operations	Energy	Corporate and Other				
Revenues	\$ 2,374	\$ 325	\$ 226	\$ 117	\$ —	\$ 3,042	\$ 6,948	\$ 9,990	
Direct operating costs	(2,312)	(253)	(117)	(65)	(2)	(2,749)	(6,331)	(9,080)	
General and administrative expenses	(38)	(6)	(11)	(4)	(18)	(77)	(97)	(174)	
Equity accounted Company EBITDA <sup>1</sup>	8	—	1	6	—	15	19	34	
<b>Company EBITDA</b>	<b>\$ 32</b>	<b>\$ 66</b>	<b>\$ 99</b>	<b>\$ 54</b>	<b>(20)</b>	<b>231</b>			
Realized disposition gain (loss), net <sup>2</sup>	—	—	(1)	—	—	(1)	(2)	(3)	
Other income (expense), net <sup>3</sup>	—	—	—	(3)	—	(3)	(8)	(11)	
Interest income (expense), net	(1)	(15)	(15)	(11)	4	(38)	(110)	(148)	
Equity accounted current taxes and interest <sup>1</sup>	(1)	—	—	(2)	—	(3)	(5)	(8)	
Current income taxes	(4)	(2)	(7)	(3)	—	(16)	(27)	(43)	
<b>Company FFO</b>	<b>\$ 26</b>	<b>\$ 49</b>	<b>\$ 76</b>	<b>\$ 35</b>	<b>(16)</b>	<b>170</b>			
Depreciation and amortization expense						(76)	(175)	(251)	
Realized disposition gain (loss) reported in prior periods <sup>2</sup>						—	—	—	
Impairment expense, net						(74)	(106)	(180)	
Realized disposition gain (loss), net <sup>2</sup>						115	135	250	
Other income (expense), net <sup>3</sup>						(26)	(5)	(31)	
Deferred income taxes						(8)	(17)	(25)	
Non-cash items attributable to equity accounted investments <sup>1</sup>						(8)	(27)	(35)	
<b>Net income (loss)</b>						<b>\$ 93</b>	<b>\$ 192</b>	<b>\$ 285</b>	

1) The sum of these amounts equates to equity accounted loss of \$9 million as per IFRS statement of operating results.

2) The sum of these amounts equates to the gain on disposition of \$247 million as per IFRS statement of operating results.

3) The sum of these amounts equates to the other expense of \$42 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 NINE MONTHS ended SEPTEMBER 30, 2018 US\$ MILLIONS, unaudited	Attributable to unitholders						Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrial Operations	Energy	Corporate and Other				
Revenues	\$ 6,858	\$ 325	\$ 677	\$ 193	\$ 7	\$ 8,060	\$ 18,899	\$ 26,959	
Direct operating costs	(6,669)	(253)	(325)	(116)	(6)	(7,369)	(17,560)	(24,929)	
General and administrative expenses	(114)	(6)	(29)	(9)	(50)	(208)	(226)	(434)	
Equity accounted Company EBITDA <sup>1</sup>	23	—	3	95	—	121	35	156	
<b>Company EBITDA</b>	<b>\$ 98</b>	<b>\$ 66</b>	<b>\$ 326</b>	<b>\$ 163</b>	<b>\$ (49)</b>	<b>604</b>			
Realized disposition gain (loss), net <sup>2</sup>	55	—	12	—	—	67	36	103	
Other income (expense), net <sup>3</sup>	—	—	—	(3)	—	(3)	(8)	(11)	
Interest income (expense), net	(13)	(15)	(48)	(16)	4	(88)	(229)	(317)	
Equity accounted current taxes and interest <sup>1</sup>	(2)	—	—	(36)	—	(38)	(9)	(47)	
Current income taxes	(29)	(2)	(22)	(4)	—	(57)	(66)	(123)	
<b>Company FFO</b>	<b>\$ 109</b>	<b>\$ 49</b>	<b>\$ 268</b>	<b>\$ 104</b>	<b>\$ (45)</b>	<b>485</b>			
Depreciation and amortization expense						(143)	(319)	(462)	
Realized disposition gain (loss) reported in prior periods <sup>2</sup>						—	—	—	
Impairment expense, net						(74)	(106)	(180)	
Realized disposition gain (loss), net <sup>2</sup>						115	135	250	
Other income (expense), net <sup>3</sup>						(21)	(31)	(52)	
Deferred income taxes						(3)	7	4	
Non-cash items attributable to equity accounted investments <sup>1</sup>						(73)	(35)	(108)	
<b>Net income (loss)</b>						<b>\$ 286</b>	<b>\$ 523</b>	<b>809</b>	

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

2) The sum of these amounts equates to the gain on disposition of \$353 million as per IFRS statement of operating results.

3) The sum of these amounts equates to the other expense of \$63 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 SEPTEMBER 30, 2017 <sup>4</sup> US\$ MILLIONS, unaudited	Attributable to unitholders							Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrial Operations	Energy	Corporate and Other	Total			
Revenues	\$ 2,288	\$ —	\$ 136	\$ 27	\$ 1	\$ 2,452	\$ 5,188	\$ 7,640	
Direct operating costs	(2,217)	—	(92)	(21)	(1)	(2,331)	(4,964)	(7,295)	
General and administrative expenses	(32)	—	(8)	(2)	(12)	(54)	(41)	(95)	
Equity accounted Company EBITDA <sup>1</sup>	8	—	—	10	—	18	4	22	
<b>Company EBITDA</b>	<b>\$ 47</b>	<b>\$ —</b>	<b>\$ 36</b>	<b>\$ 14</b>	<b>\$ (12)</b>	<b>\$ 85</b>			
Realized disposition gain (loss), net <sup>2</sup>	3	—	—	(18)	—	(15)	(22)	(37)	
Other income (expense), net <sup>3</sup>	—	—	—	—	—	—	—	—	
Interest income (expense), net	(5)	—	(12)	(2)	—	(19)	(47)	(66)	
Equity accounted current taxes and interest <sup>1</sup>	—	—	—	(1)	—	(1)	(1)	(2)	
Current income taxes	(5)	—	(2)	2	1	(4)	(15)	(19)	
<b>Company FFO</b>	<b>\$ 40</b>	<b>\$ —</b>	<b>\$ 22</b>	<b>\$ (5)</b>	<b>\$ (11)</b>	<b>\$ 46</b>			
Depreciation and amortization expense						(37)	(72)	(109)	
Realized disposition gain (loss) reported in prior periods <sup>2</sup>						—	23	23	
Impairment expense, net						9	(9)	—	
Realized disposition gain (loss), net <sup>2</sup>						—	—	—	
Other income (expense), net <sup>3</sup>						(20)	(21)	(41)	
Deferred income taxes						3	3	6	
Non-cash items attributable to equity accounted investments <sup>1</sup>						8	9	17	
<b>Net income (loss)</b>						<b>\$ 9</b>	<b>\$ 35</b>	<b>\$ 44</b>	

- 1) The sum of these amounts equate to equity accounted income of \$37 million as per IFRS statement of operating results.
- 2) The sum of these amounts equates to the loss on disposition of \$14 million as per IFRS statement of operating results.
- 3) The sum of these amounts equates to the other expense of \$41 million as per IFRS statement of operating results.
- 4) The figures have been updated to conform with the new segment presentation.

# Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

## Reconciliation of Proportionate Operating Results to Consolidated Operating Results

For the NINE MONTHS ended SEPTEMBER 30, 2017 <sup>4</sup> US\$ MILLIONS, unaudited	Attributable to unitholders						Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrial Operations	Energy	Corporate and Other				
Revenues	\$ 5,382	\$ —	\$ 324	\$ 84	\$ 5	\$ 5,795	\$ 8,649	\$ 14,444	
Direct operating costs	(5,252)	—	(253)	(60)	(3)	(5,568)	(8,274)	(13,842)	
General and administrative expenses	(89)	—	(20)	(5)	(30)	(144)	(89)	(233)	
Equity accounted Company EBITDA <sup>1</sup>	23	—	—	26	—	49	15	64	
<b>Company EBITDA</b>	<b>\$ 64</b>	<b>\$ —</b>	<b>\$ 51</b>	<b>\$ 45</b>	<b>\$(28)</b>	<b>132</b>			
Realized disposition gain (loss), net <sup>2</sup>	8	—	94	(10)	—	92	152	244	
Other income (expense), net <sup>3</sup>	—	—	—	—	—	—	—	—	
Interest income (expense), net	(10)	—	(24)	(7)	—	(41)	(94)	(135)	
Equity accounted current taxes and interest <sup>1</sup>	—	—	—	(3)	—	(3)	(1)	(4)	
Current income taxes	8	—	(12)	1	7	4	(23)	(19)	
<b>Company FFO</b>	<b>\$ 70</b>	<b>\$ —</b>	<b>\$ 109</b>	<b>\$ 26</b>	<b>\$(21)</b>	<b>184</b>			
Depreciation and amortization expense						(97)	(165)	(262)	
Realized disposition gain (loss) reported in prior periods <sup>2</sup>						—	23	23	
Impairment expense, net						(2)	(28)	(30)	
Realized disposition gain (loss), net <sup>2</sup>						—	—	—	
Other income (expense), net <sup>3</sup>						(14)	(22)	(36)	
Deferred income taxes						—	6	6	
Non-cash items attributable to equity accounted investments <sup>4</sup>						(2)	3	1	
<b>Net income (loss)</b>						<b>\$ 69</b>	<b>\$ 152</b>	<b>221</b>	

- 1) The sum of these amounts equate to equity accounted income of \$61 million as per IFRS statement of operating results.
- 2) The sum of these amounts equates to the gain on disposition of \$267 million as per IFRS statement of operating results.
- 3) The sum of these amounts equates to the other expense of \$36 million as per IFRS statement of operating results.
- 4) The figures have been updated to conform with the new segment presentation.

# Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

## Total Equity to Equity Attributable to Unitholders

US\$ MILLIONS, unaudited	As at	
	September 30, 2018	December 31, 2017
Total equity	\$ 6,476	\$ 6,064
Less: Interest of others in operating subsidiaries	3,571	3,026
<b>Equity attributable to unitholders</b>	<b>\$ 2,905</b>	<b>\$ 3,038</b>

## Proportionate Borrowings to Proportionate Net Debt

US\$ MILLIONS, unaudited	As at		As at		As at	
	September 30, 2018	December 31, 2017 <sup>1</sup>	September 30, 2018	December 31, 2017 <sup>1</sup>	September 30, 2018	December 31, 2017 <sup>1</sup>
	<b>Borrowings</b>		<b>Cash</b>		<b>Net debt (cash)</b>	
Business Services	\$ 469	\$ 484	\$ 399	\$ 391	\$ 70	\$ 93
Infrastructure Services	1,298	—	121	—	1,177	—
Industrial Operations	927	407	79	46	848	361
Energy	873	153	60	2	813	151
Corporate and Other	(2)	—	444	392	(446)	(392)
<b>Total</b>	<b>\$ 3,565</b>	<b>\$ 1,044</b>	<b>\$ 1,103</b>	<b>\$ 831</b>	<b>\$ 2,462</b>	<b>\$ 213</b>

## Proportionate Balance Sheet Items to Consolidated Balance Sheet Items

US\$ MILLIONS, unaudited	Attributable to unitholders							Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrial Operations	Energy	Corporate and Other	Total			
<b>Borrowings</b>									
September 30, 2018	\$ 469	\$ 1,298	\$ 927	\$ 873	\$ (2)	\$ 3,565	\$ 7,300	\$ 10,865	
December 31, 2017 <sup>1</sup>	484	—	407	153	—	1,044	2,221	3,265	
<b>Cash</b>									
September 30, 2018	\$ 399	\$ 121	\$ 79	\$ 60	\$ 444	\$ 1,103	\$ 667	\$ 1,770	
December 31, 2017 <sup>1</sup>	391	—	46	2	392	831	275	1,106	

1) The comparative figures have been updated to conform with the new segment presentation.

- 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 income, interest expense, current income taxes, and realized disposition gain, current income taxes and interest income 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 income 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