

BROOKFIELD BUSINESS PARTNERS L.P.

Q4 2019 Supplemental — Information

Fourth Quarter and Full Year, December 31, 2019

All amounts in this Supplemental Information are in U.S. dollars unless otherwise specified. Unless otherwise indicated, the statistical and financial data in this document is presented as at December 31, 2019.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This Supplemental Information contains “forward-looking information” within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Brookfield Business Partners, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods. In some cases, forward-looking statements can be identified by terms such as “expects,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would” and “could.”

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

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

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

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS MEASURES

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

References to Brookfield Business Partners are to Brookfield Business Partners L.P. together with its subsidiaries, controlled affiliates and operating entities. Brookfield Business Partners' results include publicly held limited partnership units, redemption-exchange units, general partnership units and special limited partnership units. More detailed information on certain references made in this Supplemental Information will be available in our Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2019.



Overview

Key Performance Metrics

US\$ MILLIONS, unaudited	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Company EBITDA ⁽¹⁾	\$ 342	\$ 239	\$ 1,213	\$ 843
Company FFO ⁽¹⁾	243	248	1,102	733
Company FFO per unit ⁽²⁾	1.61	1.92	7.86	5.67
Company FFO excluding gain (loss) on acquisitions/ dispositions ⁽¹⁾	208	167	764	596
Company FFO excluding gain (loss) on acquisitions/ dispositions per unit ⁽²⁾	1.38	1.29	5.45	4.61
Net income (loss) attributable to unitholders	(105)	136	88	422
Net income (loss) per limited partnership unit ^{(2) (3)}	(0.70)	1.04	0.62	1.11

Key Balance Sheet Metrics

US\$ MILLIONS, unaudited	As at	
	December 31, 2019	December 31, 2018
Total assets	\$ 51,751	\$ 27,318
Proportionate non-recourse borrowings in subsidiaries of Brookfield Business Partners, net of cash ⁽⁴⁾	6,061	2,453
Corporate borrowings	nil	nil
Equity attributable to unitholders	3,792	2,963

Financial Performance - Three Months Ended December 31, 2019

- Company EBITDA during the quarter was \$342 million, an increase of \$103 million primarily due to acquisitions completed during the year including Clarios and Healthscope Limited ("Healthscope") in Q2 2019 and Genworth MI Canada Inc. ("Genworth") in Q4 2019, partially offset by the dispositions of BGIS and BGRS in Q2 2019. The adoption of IFRS 16 increased Company EBITDA by approximately \$22 million in Q4 2019.
- Company FFO during the quarter was \$243 million, which includes an after-tax net gain of \$35 million recognized on the disposition of our palladium mining operations, North American Palladium ("NAP"). In the fourth quarter of 2018, we recognized an after-tax net gain of \$82 million on the disposition of Quadrant Energy. The adoption of IFRS 16 increased Company FFO by approximately \$21 million in Q4 2019.
- Net loss attributable to unitholders was \$105 million, compared to net income of \$136 million in 2018. Contributions from new acquisitions during the year and the gain on the disposition of NAP were more than offset by impairments recorded at Multiplex and Teekay Offshore during Q4 2019.
- Total assets increased from \$27,318 million at December 31, 2018 to \$51,751 million at December 31, 2019 primarily due to acquisitions completed during the year, partially offset by the dispositions of BGIS and BGRS in Q2 2019 and NAP in Q4 2019.
- As at December 31, 2019 and 2018, Brookfield Business Partners ("BBU") had corporate borrowings of \$nil. BBU has access to undrawn credit facilities, totaling \$2,075 million as at December 31, 2019.
- Non-recourse borrowings in subsidiaries of Brookfield Business Partners represents total borrowings within each of our businesses without recourse to other businesses or to BBU. The increase is primarily related to acquisitions completed during the year that are consolidated in our results.

1) Company EBITDA and Company FFO are non-IFRS measures and are key measures of our financial performance that we use to assess operating results and our business performance. Company EBITDA and Company FFO are presented as a net amount attributable to unitholders. For further information on Company EBITDA and Company FFO, see "Definitions" at the back of the Supplemental and "Use of Non-IFRS Measures" of the 2019 20-F. 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 months and year ended December 31, 2019 was 150.6 million and 140.1 million, respectively (2018: 129.3 million and 129.3 million, respectively).

3) Income (loss) attributed to limited partnership units on a fully diluted basis is reduced by incentive distributions paid to special limited partnership unitholders during the three months and year ended December 31, 2018.

4) A breakdown by segment is provided on Page 31 of this supplemental.

2019 Acquisitions

Acquired Company	Segment	Invested Capital ¹	Economic Interest	Acquisition Date
Clarios	Industrials	\$820 million	28%	April 2019
Healthscope	Business Services	\$285 million	27%	June 2019
Ouro Verde Locação e Serviços S.A ("Ouro Verde")	Business Services	\$45 million	35%	July 2019
Genworth ²	Business Services	\$670 million	24%	December 2019

2019 Monetizations

Company	Segment	Proceeds (net of tax) ¹	Gain (net of tax) ¹	Disposition Date
BGIS	Business Services	\$171 million	\$137 million	May 2019
BGRS	Business Services	\$231 million	\$160 million	June 2019
NAP	Industrials	\$132 million	\$35 million	December 2019
GrafTech	Industrials	\$110 million	\$32 million	December 2019

On December 5, 2019, we completed a sale of GrafTech common shares to the market and the company, generating proceeds of approximately \$400 million (\$135 million to BBU) which reduced BBU's ownership of GrafTech from 27% to 25%. An after-tax gain of \$32 million was generated on the partial sale and recognized in equity (gain not included in Company FFO as BBU continues to control GrafTech).

Subsequent Events

- On January 2, 2020, together with institutional partners, we closed the sale of Nova Cold, our cold storage warehouse business, generating approximately \$45 million of net proceeds.
- On January 22, 2020, together with institutional partners, we completed the privatization of Teekay Offshore for an aggregate investment of \$165 million, of which BBU funded approximately \$75 million, increasing our ownership interest to 43%. We are rebranding the company to Altera Infrastructure L.P. ("Altera").
- On January 31, 2020, together with institutional partners, we closed the acquisition of Brand Industrial Services ("BrandSafway"), a provider of infrastructure services to industrial and commercial facilities. The share of the equity investment attributable to unitholders is expected to be approximately \$400 million, for a 15% ownership in the business, which will be finalized once investment syndication with institutional partners is complete.
- On January 31, 2020, together with institutional partners, we committed approximately \$220 million to acquire a 40% interest in IndoStar Capital Finance ("IndoStar"), an Indian financing company. BBU expects to fund approximately \$75 million.
- On February 5, 2020, the Board of Directors declared a quarterly distribution in the amount of \$0.0625 per unit, payable on March 31, 2020, to unitholders of record as at the close of business on February 28, 2020.

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

2) Invested capital and economic interest includes the impact of syndication to institutional investors and dividends received subsequent to year-end.

Statement of Operating Results

The following table presents the Consolidated Statement of Operating Results:

US\$ MILLIONS, unaudited	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Revenues	\$ 11,320	\$ 10,209	\$ 43,032	\$ 37,168
Direct operating costs	(9,969)	(9,205)	(38,327)	(34,134)
General and administrative expenses	(228)	(209)	(832)	(643)
Depreciation and amortization expense	(518)	(286)	(1,804)	(748)
Interest income (expense), net	(388)	(181)	(1,274)	(498)
Equity accounted income (loss), net	52	9	114	10
Impairment expense, net	(285)	(38)	(609)	(218)
Gain (loss) on acquisitions/dispositions, net	190	147	726	500
Other income (expense), net	(46)	(73)	(400)	(136)
Income (loss) before income tax	\$ 128	\$ 373	\$ 626	\$ 1,301
Income tax (expense) recovery				
Current	(93)	(63)	(324)	(186)
Deferred	52	84	132	88
Net income (loss)	\$ 87	\$ 394	\$ 434	\$ 1,203
Attributable to:				
Limited partners	\$ (57)	\$ 70	\$ 43	\$ 74
Non-controlling interests attributable to:				
Redemption-Exchange Units held by Brookfield Asset Management Inc.	(48)	66	45	70
Special Limited Partners	—	—	—	278
Interest of others in operating subsidiaries	192	258	346	781
Net income (loss)	\$ 87	\$ 394	\$ 434	\$ 1,203

Financial Performance - Three Months Ended December 31, 2019

- **Revenues and Direct operating costs** increased by \$1,111 million and \$764 million, respectively, primarily due to the acquisitions completed during the year, partially offset by lower revenue and direct operating costs in our infrastructure services segment and the dispositions of BGIS and BGRS in Q2 2019.
- **General and administrative expenses** increased by \$19 million compared to the prior period primarily due to the acquisitions of Clarios and Healthscope in Q2 2019, partially offset by lower costs in our infrastructure services segment and the dispositions of BGIS and BGRS in Q2 2019.
- **Depreciation and amortization expense** increased by \$232 million primarily due to the acquisitions of Clarios and Healthscope in Q2 2019.
- **Interest expense, net** increased by \$207 million, primarily due to higher non-recourse borrowings at subsidiaries related to the acquisitions of Clarios and Healthscope in Q2 2019.
- **Equity accounted income (loss), net** of \$52 million is primarily comprised of equity accounted investments within the Teekay Offshore and Clarios business operations, combined with our investment in One Toronto. The increase is primarily related to the acquisition of Clarios in Q2 2019, combined with unrealized mark-to-market gains on derivatives within our equity accounted investments.

Statement of Operating Results

The following table presents the Consolidated Statement of Operating Results:

US\$ MILLIONS, unaudited	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Revenues	\$ 11,320	\$ 10,209	\$ 43,032	\$ 37,168
Direct operating costs	(9,969)	(9,205)	(38,327)	(34,134)
General and administrative expenses	(228)	(209)	(832)	(643)
Depreciation and amortization expense	(518)	(286)	(1,804)	(748)
Interest income (expense), net	(388)	(181)	(1,274)	(498)
Equity accounted income (loss), net	52	9	114	10
Impairment expense, net	(285)	(38)	(609)	(218)
Gain (loss) on acquisitions/dispositions, net	190	147	726	500
Other income (expense), net	(46)	(73)	(400)	(136)
Income (loss) before income tax	\$ 128	\$ 373	\$ 626	\$ 1,301
Income tax (expense) recovery				
Current	(93)	(63)	(324)	(186)
Deferred	52	84	132	88
Net income (loss)	\$ 87	\$ 394	\$ 434	\$ 1,203
Attributable to:				
Limited partners	\$ (57)	\$ 70	\$ 43	\$ 74
Non-controlling interests attributable to:				
Redemption-Exchange Units held by Brookfield Asset Management Inc.	(48)	66	45	70
Special Limited Partners	—	—	—	278
Interest of others in operating subsidiaries	192	258	346	781
Net income (loss)	\$ 87	\$ 394	\$ 434	\$ 1,203

Financial Performance - Three Months Ended December 31, 2019

- **Impairment expense, net** recorded in Q4 2019 of \$285 million is primarily comprised of goodwill at Multiplex and property, plant and equipment at Teekay Offshore. The impairment expense recorded in Q4 2018 was primarily related to property, plant and equipment at Ember.
- **Gain on acquisitions/dispositions, net** recorded in Q4 2019 consisted primarily of the gain recognized on the disposition of NAP. The gain recorded in Q4 2018 consisted primarily of the gain recognized on the disposition of Quadrant Energy.
- **Other expense, net** recorded in Q4 2019 of \$46 million includes restructuring and other transaction costs at Clarios and Westinghouse, combined with mark-to-market losses on derivatives. Other expense recorded in Q4 2018 of \$73 million was primarily related to restructuring costs at Westinghouse, combined with net mark-to-market losses on derivative positions.
- **Total tax expense** increased by \$62 million primarily due to higher taxable income attributable to the acquisitions completed during the year.

Statement of Financial Position

The following table presents the Consolidated Statement of Financial Position:

US\$ MILLIONS, unaudited	As at	
	Dec 31, 2019	Dec 31, 2018
Assets		
Cash and cash equivalents	\$ 1,986	\$ 1,949
Financial assets	6,243	1,369
Accounts and other receivable, net	5,631	5,160
Inventory and other assets	5,282	3,138
Property, plant and equipment	13,892	6,947
Deferred income tax assets	667	280
Intangible assets	11,559	5,523
Equity accounted investments	1,273	541
Goodwill	5,218	2,411
	\$ 51,751	\$ 27,318
Liabilities and equity		
Liabilities		
Corporate borrowings	\$ nil	\$ nil
Accounts payable and other	16,496	9,091
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	22,399	10,866
Deferred income tax liabilities	1,803	867
	\$ 40,698	\$ 20,824
Equity		
Limited partners	2,116	1,548
Non-Controlling interests attributable to:		
Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,676	1,415
Interest of others in operating subsidiaries	7,261	3,531
	\$ 11,053	\$ 6,494
	\$ 51,751	\$ 27,318

Financial Position as at December 31, 2019

- **Cash and cash equivalents** included \$724 million at our industrials segment, \$691 million at our business services operations, \$508 million at our infrastructure services operations, and \$63 million of corporate cash.
- **Financial assets** increased by \$4,874 million primarily due to the consolidation of Genworth's investment portfolio with the close of our acquisition in Q4 2019.
- **Accounts and other receivable, net** increased by \$471 million primarily due to the acquisition of Clarios in Q2 2019, partially offset by the dispositions of BGIS and BGRS in Q2 2019.
- **Inventory and other assets** increased by \$2,144 million primarily due to the acquisitions of Clarios in Q2 2019, combined with an increase at Greenergy to facilitate planned maintenance.
- **Property, plant and equipment** increased by \$6,945 million primarily due to the acquisitions of Clarios and Healthscope in Q2 2019 and Ouro Verde in Q3 2019, combined with the recognition of right of use lease assets recorded on the adoption of IFRS 16 on January 1, 2019, partially offset by the disposition of NAP in Q4 2019 and impairment losses recorded at Teekay Offshore.
- **Deferred income tax assets** increased by \$387 million primarily due to the acquisitions of Clarios and Healthscope in Q2 2019.

Statement of Financial Position

The following table presents the Consolidated Statement of Financial Position:

US\$ MILLIONS, unaudited	As at	
	Dec 31, 2019	Dec 31, 2018
Assets		
Cash and cash equivalents	\$ 1,986	\$ 1,949
Financial assets	6,243	1,369
Accounts and other receivable, net	5,631	5,160
Inventory and other assets	5,282	3,138
Property, plant and equipment	13,892	6,947
Deferred income tax assets	667	280
Intangible assets	11,559	5,523
Equity accounted investments	1,273	541
Goodwill	5,218	2,411
	\$ 51,751	\$ 27,318
Liabilities and equity		
Liabilities		
Corporate borrowings	\$ nil	\$ nil
Accounts payable and other	16,496	9,091
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	22,399	10,866
Deferred income tax liabilities	1,803	867
	\$ 40,698	\$ 20,824
Equity		
Limited partners	2,116	1,548
Non-Controlling interests attributable to:		
Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,676	1,415
Interest of others in operating subsidiaries	7,261	3,531
	\$ 11,053	\$ 6,494
	\$ 51,751	\$ 27,318

Financial Position as at December 31, 2019

- **Intangible assets** increased by \$6,036 million, primarily due to the acquisitions of Clarios and Healthscope in Q2 2019 and Genworth in Q4 2019, partially offset by the disposition of BGIS and a decrease in intangible assets at BRK Ambiental associated with the sale of industrial assets.
- **Equity accounted investments** increased by \$732 million, primarily due to the acquisition of Clarios in Q2 2019.
- **Goodwill** increased by \$2,807 million, primarily due to the acquisitions completed during the year, partially offset by impairments recorded at Teekay Offshore and Multiplex during the year, combined with the disposition of BGIS in Q2 2019.
- **Accounts payable and other** increased by \$7,405 million, primarily due to the acquisitions completed during the year, and the recognition of lease liabilities with the adoption of IFRS 16.
- **Non-recourse borrowings in subsidiaries of Brookfield Business Partners** increased by \$11,533 million, primarily due to the acquisitions completed during the year, partially offset by the dispositions of BGIS and BGRS in Q2 2019 and debt repayments at GrafTech during 2019.
- **Deferred income tax liabilities** increased by \$936 million, primarily due to the acquisitions completed during the year, partially offset by the derecognition of deferred tax liabilities at BRK Ambiental associated with the sale of industrial assets in Q3 2019.

Units Outstanding

UNITS, unaudited	As at	
	December 31, 2019	December 31, 2018
Limited partnership units	80,890,655	66,185,798
Redemption-exchange units	69,705,497	63,095,497
General partnership and special limited partnership units	8	8
Total units outstanding	150,596,160	129,281,303

Reconciliation of Net Income per Unit

US\$, unaudited	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Net (loss) income per unitholder, excluding incentive distribution ⁽¹⁾	\$ (0.70)	\$ 1.04	\$ 0.62	\$ 3.26
Incentive distribution per unit ⁽¹⁾	—	—	—	(2.15)
Net (loss) income attributable to limited partnership unit ⁽¹⁾⁽²⁾	\$ (0.70)	\$ 1.04	\$ 0.62	\$ 1.11

Total Equity

US\$ MILLIONS, unaudited	As at	
	December 31, 2019	December 31, 2018
Business Services	\$ 5,486	\$ 2,064
Infrastructure Services	1,303	2,511
Industrials	4,050	1,785
Corporate and Other	214	134
Total Equity	\$ 11,053	\$ 6,494

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 fourth quarter, the volume weighted average price per unit was \$40.43, which was below the previous incentive distribution threshold of \$41.96/unit, resulting in an incentive distribution of \$nil.

Equity Offering

- In Q2 2019, we completed an equity offering, issuing 13,837,000 limited partnership units and 6,610,000 redemption-exchange units. As part of the equity offering, the underwriters, exercised their overallotment option and purchased 1,070,000 units.
 - The total gross proceeds from the equity offering was approximately \$840 million.

Normal Course Issuer Bid ("NCIB")

- In Q3 2019, we renewed the NCIB for our limited partnership units (the "units"). Under the NCIB, BBU is authorized to repurchase up to 5% of its issued and outstanding units or 4,050,188 units, including up to 18,026 units on the TSX during any trading day. BBU can make one block purchase per week which exceeds this daily purchase restriction, subject to the annual aggregate limit. Repurchases were authorized to commence on August 15, 2019 and will terminate on August 14, 2020.
 - During the twelve month period ended December 31, 2019, a total of 202,143 units were repurchased.

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 months and year ended December 31, 2019 was 150.6 million and 140.1 million, respectively (2018: 129.3 million and 129.3 million, respectively).

2) Income (loss) attributed to limited partnership units on a fully diluted basis is reduced by incentive distributions paid to special limited partnership unitholders during the three months and year ended December 31, 2018.

Corporate Liquidity

US\$ MILLIONS, unaudited	As at	
	December 31, 2019	December 31, 2018
Corporate cash and financial assets	\$ 274	\$ 888
Committed corporate credit facilities	2,075	1,325
Total liquidity	\$ 2,349	\$ 2,213

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

Proportionate Cash

US\$ MILLIONS, unaudited	As at	
	December 31, 2019	December 31, 2018
Business Services	\$ 344	\$ 335
Infrastructure Services	199	113
Industrials	192	66
Corporate and Other	63	621
Total	\$ 798	\$ 1,135

Liquidity Position

- We maintain a strong and flexible balance sheet with sufficient liquidity to take advantage of attractive opportunities as they arise and support our businesses.
- On an ongoing basis, principal sources of liquidity include:
 - Cash and public securities at the corporate level
 - Undrawn corporate credit facilities
 - Cash flows from our operations
 - Monetization of mature businesses
 - Access to capital markets
- Total corporate liquidity was \$2,349 million at December 31, 2019 and included:
 - \$63 million of cash at the corporate level
 - \$211 million of financial assets comprised of public securities
 - \$2,075 million of corporate credit facilities, which are all undrawn

Proportionate Non-Recourse Borrowings

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

US\$ MILLIONS, unaudited	As at	
	December 31, 2019	December 31, 2018
Proportionate non-recourse borrowings		
Business Services	\$ 773	\$ 534
Infrastructure Services	2,208	2,003
Industrials	3,878	1,051
Corporate and Other	nil	nil
	\$ 6,859	\$ 3,588
Proportionate share of cash		
Business Services	\$ 344	\$ 335
Infrastructure Services	199	113
Industrials	192	66
Corporate and Other	63	621
	\$ 798	\$ 1,135
Proportionate non-recourse borrowings, net of cash		
Business Services	\$ 429	\$ 199
Infrastructure Services	2,009	1,890
Industrials	3,686	985
Corporate and Other	(63)	(621)
	\$ 6,061	\$ 2,453

- Our approach to financial risk management is designed to protect our overall business:
 - No permanent long-term debt at the Corporate level. Corporate debt when drawn is for corporate working capital management.
 - Operating segment borrowings with no recourse to BBU and a level of debt that is sustainable for the underlying business.
 - Long dated debt with average debt maturity of 5.7 years.
- Proportionate non-recourse borrowings, net of cash of \$6,061 million represents debt within each of our consolidated operations at BBU's underlying ownership interest in the business. This debt has no recourse across businesses or to BBU.
 - The increase from \$2,453 million to \$6,061 million is primarily related to the acquisitions of Clarios and Healthscope in Q2 2019.



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 capital appreciation driven by both organic growth and acquisitions where we can leverage our expertise to improve operations and enhance cash flows
- Our business is principally focused on operations where the broader Brookfield platform provides us with a competitive advantage

Segment	Description	Notable Portfolio Companies	Economic Interest ¹
Business Services	Service businesses in mortgage insurance services, commercial and residential real estate, construction, health services, and fuel distribution and marketing	• Bridgemarq	• 28%
		• Multiplex	• 100%
		• Healthscope	• 27% ²
		• Greenergy	• 14%
		• Fuel Marketing Business	• 26%
		• Genworth	• 24% ³
		• Ouro Verde	• 35% ²
Infrastructure Services	Infrastructure businesses servicing the power generation and offshore oil production industries	• One Toronto	• 14%
		• Westinghouse	• 44%
Industrials	Industrial businesses including manufacturing, metals and mining, water and wastewater services, and natural gas production	• Teekay Offshore	• 31%
		• GrafTech International	• 25%
		• BRK Ambiental	• 26%
		• Clarios	• 28% ²
		• Schoeller	• 14%
		• Ember Resources	• 46%
	• CWC Energy Services	• 54%	

1) As at December 31, 2019, does not include impact of subsequent events, unless otherwise noted.

2) A portion of Brookfield Business Partners' investment may be syndicated to other institutional investors.

3) Economic interest includes the impact of syndication to institutional investors and dividends received subsequent to year-end.

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

US\$ MILLIONS, unaudited	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Revenues	\$ 2,201	\$ 2,336	\$ 8,927	\$ 9,194
Direct operating costs	(2,126)	(2,274)	(8,607)	(8,943)
General and administrative expenses	(33)	(40)	(136)	(154)
Equity accounted Company EBITDA	9	8	37	31
Company EBITDA	\$ 51	\$ 30	\$ 221	\$ 128
Realized disposition gain, net	6	(1)	342	54
Other income (expense), net	1	—	(1)	—
Interest income (expense), net	(17)	—	(50)	(13)
Equity accounted current taxes and interest	(2)	(2)	(5)	(4)
Current income taxes	(12)	(5)	(75)	(34)
Company FFO	\$ 27	\$ 22	\$ 432	\$ 131

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

US\$ MILLIONS, unaudited	As at	
	December 31, 2019	December 31, 2018
Cash	\$ 344	\$ 335
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	773	534
Net debt (cash) ⁽¹⁾	\$ 429	\$ 199
Equity attributable to unitholders	2,161	1,493

Financial Results - Three Months Ended December 31, 2019

- Revenue and direct operating costs decreased by \$135 million and \$148 million, respectively, primarily due to the dispositions of BGIS and BGRS in Q2 2019, partially offset by the acquisitions of Healthscope, Ouro Verde and Genworth during 2019.
- Company EBITDA increased by \$21 million compared to the same period in the prior year primarily due to contributions from the acquisitions of Healthscope, Ouro Verde and Genworth during 2019, partially offset by the dispositions of BGIS and BGRS in Q2 2019.
- Company FFO increased by \$5 million, compared to the same period in the prior year primarily due to contributions from the acquisitions of Healthscope, Ouro Verde and Genworth during 2019, partially offset by higher interest expense related to the acquisitions of Healthscope and Ouro Verde.

1) Proportionate debt at Multiplex as at December 31, 2019 and December 31, 2018 was \$13 million and \$36 million, respectively. Proportionate cash at Multiplex as at December 31, 2019 and December 31, 2018 was \$184 million and \$237 million, respectively.

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

US\$ MILLIONS, unaudited	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Revenues	\$ 413	\$ 520	\$ 1,815	\$ 926
Direct operating costs	(305)	(398)	(1,324)	(691)
General and administrative expenses	(11)	(18)	(53)	(25)
Equity accounted Company EBITDA	9	6	30	85
Company EBITDA	\$ 106	\$ 110	\$ 468	\$ 295
Realized disposition gain, net	—	—	—	(3)
Other income (expense), net	(3)	(1)	(9)	(1)
Interest income (expense), net	(33)	(35)	(138)	(57)
Equity accounted current taxes and interest	(3)	(1)	(7)	(33)
Current income taxes	(4)	(2)	—	(6)
Company FFO	\$ 63	\$ 71	\$ 314	\$ 195

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

US\$ MILLIONS, unaudited	As at	
	December 31, 2019	December 31, 2018
Cash	\$ 199	\$ 113
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	2,208	2,003
Net debt (cash)	\$ 2,009	\$ 1,890
Equity attributable to unitholders	470	977

Financial Results - Three Months Ended December 31, 2019

- Revenue and direct operating costs decreased by \$107 million and \$93 million, respectively, primarily due to lower revenue and direct operating costs at Westinghouse as a result of the timing of outages at client sites and volume of related service activity.
- Company EBITDA decreased by \$4 million:
 - Westinghouse contributed \$52 million to Company EBITDA in Q4 2019 compared to \$44 million in Q4 2018. Current period EBITDA reflects the positive impact of ongoing business improvement initiatives, partially offset by lower revenues as a result of timing of outages at client sites. Prior year EBITDA included the impact of higher cost inventory as part of the purchase price accounting on the acquisition, which was offset by the contribution from specific plant projects.
 - Teekay Offshore contributed \$54 million to Company EBITDA in Q4 2019 compared to \$66 million in Q4 2018. The decrease in EBITDA is primarily attributed to a one time settlement received in the prior period, partially offset by an increase in our ownership from 25% to 31% in 2019.
- Company FFO decreased by \$8 million, primarily due to the factors described above.

The following table presents our proportionate share of our Industrials segment financial results:

US\$ MILLIONS, unaudited	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Revenues	\$ 833	\$ 285	\$ 2,549	\$ 1,074
Direct operating costs	(610)	(151)	(1,886)	(552)
General and administrative expenses	(20)	(15)	(70)	(52)
Equity accounted Company EBITDA	12	1	26	20
Company EBITDA	\$ 215	\$ 120	\$ 619	\$ 490
Realized disposition gain, net	47	97	64	112
Other income (expense), net	—	—	(5)	(3)
Interest income (expense), net	(68)	(17)	(208)	(74)
Equity accounted current taxes and interest	(3)	—	(6)	(4)
Current income taxes	(28)	(27)	(71)	(51)
Company FFO	\$ 163	\$ 173	\$ 393	\$ 470

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

US\$ MILLIONS, unaudited	As at	
	December 31, 2019	December 31, 2018
Cash	\$ 192	\$ 66
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	3,878	1,051
Net debt (cash)	\$ 3,686	\$ 985
Equity attributable to unitholders	947	359

Financial Results - Three Months Ended December 31, 2019

- Revenue and direct operating costs increased by \$548 million and \$459 million, respectively, primarily due to the acquisition of Clarios in Q2 2019.
- Company EBITDA increased by \$95 million, primarily due to the acquisition of Clarios in Q2 2019 partially offset by lower contributions from GrafTech, primarily as a result of lower volumes.
 - Clarios contributed \$115 million to Company EBITDA. Results benefited from strong sales volumes for absorbent glass mat ("AGM") and enhanced flooded batteries ("EFB") in the aftermarket segment, despite some volume pressure due to a generally warm winter season. From an original equipment manufacturer ("OEM") perspective, new vehicle production was slightly softer in the quarter; the business continues to win several new multi-year contracts with OEMs on a global basis and successfully launched its new AGM Truck product in the EMEA region.
- Company FFO decreased by \$10 million, primarily due to higher realized gains recognized in the prior period. The current quarter Company FFO includes an after-tax net gain of \$35 million recognized on the disposition of NAP, compared to an after-tax net gain of \$82 million recognized on the disposition of Quadrant Energy in the prior period. The interest expense in Q4 2019 increased as a result of the acquisition of Clarios.

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

US\$ MILLIONS, unaudited	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Revenues	\$ —	\$ —	\$ —	\$ 7
Direct operating costs	(3)	(2)	(9)	(8)
General and administrative expenses	(27)	(19)	(86)	(69)
Equity accounted Company EBITDA	—	—	—	—
Company EBITDA	\$ (30)	\$ (21)	\$ (95)	\$ (70)
Realized disposition gain, net	—	—	(1)	—
Other income (expense), net	—	—	—	—
Interest income (expense), net	14	3	37	7
Equity accounted current taxes and interest	—	—	—	—
Current income taxes	6	—	22	—
Company FFO	\$ (10)	\$ (18)	\$ (37)	\$ (63)

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

US\$ MILLIONS, unaudited	As at	
	December 31, 2019	December 31, 2018
Cash	\$ 63	\$ 621
Corporate borrowings	nil	nil
Net debt (cash)	\$ (63)	\$ (621)
Equity attributable to unitholders	214	134

Financial Results - Three Months Ended December 31, 2019

- General and administrative expenses are comprised of management fees and corporate expenses, including audit and other expenses. The Q4 2019 management fee was \$19 million compared to \$15 million in the prior period.
 - Our base management fee is equal to 0.3125% quarterly (1.25% annually) of the total capitalization, net of cash held by corporate entities.
- Company FFO included a net current income tax recovery of \$6 million, primarily generated on the corporate expenses and management fees and partially reduces the corporate current tax expense that has been recognized in the operating segments.

Selected Segmented Financial Information

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 December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Company EBITDA by segment				
Business Services	\$ 51	\$ 30	\$ 221	\$ 128
Infrastructure Services	106	110	468	295
Industrials	215	120	619	490
Corporate and Other	(30)	(21)	(95)	(70)
Company EBITDA	\$ 342	\$ 239	\$ 1,213	\$ 843
Company FFO by segment				
Business Services	\$ 27	\$ 22	\$ 432	\$ 131
Infrastructure Services	63	71	314	195
Industrials	163	173	393	470
Corporate and Other	(10)	(18)	(37)	(63)
Company FFO	\$ 243	\$ 248	\$ 1,102	\$ 733

Statement of Financial Position

US\$ MILLIONS, unaudited	As at	
	December 31, 2019	December 31, 2018
Equity attributable to unitholders by segment		
Business Services	\$ 2,161	\$ 1,493
Infrastructure Services	470	977
Industrials	947	359
Corporate and Other	214	134
Equity attributable to unitholders	\$ 3,792	\$ 2,963

Significant Subsidiaries

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

Segment	Portfolio Company	Company EBITDA		Company FFO		Company EBITDA		Company FFO	
		Three Months Ended December 31, 2019	Twelve Months Ended December 31, 2019	Three Months Ended December 31, 2019	Twelve Months Ended December 31, 2019	Three Months Ended December 31, 2018	Twelve Months Ended December 31, 2018	Three Months Ended December 31, 2018	Twelve Months Ended December 31, 2018
Business Services	Multiplex	\$ 6	\$ 71	\$ 1	\$ 47	\$ 10	\$ 47	\$ 8	\$ 29
	Healthscope	17	38	6	7	—	—	—	—
	Genworth	7	7	5	5	—	—	—	—
	Other	21	105	15	373	20	81	14	102
Infrastructure Services	Westinghouse	52	273	27	180	44	110	16	65
	Teekay Offshore	54	195	36	134	66	185	55	130
Industrials	Clarios	115	211	55	41	—	—	—	—
	GrafTech	63	284	51	229	88	361	64	291
	Other	37	124	57	123	32	129	109	179
Corporate		(30)	(95)	(10)	(37)	(21)	(70)	(18)	(63)
Total		\$ 342	\$ 1,213	\$ 243	\$ 1,102	\$ 239	\$ 843	\$ 248	\$ 733



Appendix

Acquisitions since Spin-Off

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

Segment	Portfolio Company	Acquisition Date	Invested Capital ⁽¹⁾	Economic Interest ⁽²⁾
Business Services	Greenergy	May 2017	\$45 million	14%
	Fuel Marketing Business	July 2017	\$43 million	26%
	One Toronto	January 2018	\$6 million	14%
	Imagine	October 2018	\$21 million	31%
	Healthscope	June 2019	\$285 million	27% ³
	Ouro Verde	July 2019	\$45 million	35% ³
	Genworth	December 2019	\$670 million ⁴	24% ⁴
Infrastructure Services	Teekay Offshore	September 2017	\$317 million	31%
	Westinghouse	August 2018	\$405 million	44%
Industrials	BRK Ambiental	April 2017	\$383 million	26%
	Schoeller	May 2018	\$45 million	14%
	Clarios	April 2019	\$820 million	28% ³

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

2) As at December 31, 2019, does not include impact of subsequent events, unless otherwise noted.

3) A portion of Brookfield Business Partners' investment may be syndicated to other institutional investors.

4) Invested capital and economic interest includes the impact of syndication to institutional investors and dividends received subsequent to year-end.

Summary of Results by Quarter

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

US\$ MILLIONS, unaudited	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	\$ 11,320	\$ 11,794	\$ 10,717	\$ 9,201	\$ 10,209	\$ 9,990	\$ 8,775	\$ 8,194
Direct operating costs	(9,969)	(10,389)	(9,776)	(8,193)	(9,205)	(9,080)	(8,200)	(7,649)
General and administrative expenses	(228)	(215)	(211)	(178)	(209)	(174)	(142)	(118)
Depreciation and amortization expense	(518)	(534)	(441)	(311)	(286)	(251)	(105)	(106)
Interest income (expense), net	(388)	(389)	(313)	(184)	(181)	(148)	(83)	(86)
Equity accounted income, net	52	32	23	7	9	(9)	(7)	17
Impairment expense, net	(285)	—	(324)	—	(38)	(180)	—	—
Gain (loss) on acquisitions/dispositions, net	190	16	522	(2)	147	247	90	16
Other income (expense), net	(46)	(83)	(181)	(90)	(73)	(42)	(7)	(14)
Income (loss) before income tax	\$ 128	\$ 232	\$ 16	\$ 250	\$ 373	\$ 353	\$ 321	\$ 254
Income tax (expense) recovery								
Current	(93)	(108)	(93)	(30)	(63)	(43)	(52)	(28)
Deferred	52	58	41	(19)	84	(25)	39	(10)
Net income (loss)	\$ 87	\$ 182	\$ (36)	\$ 201	\$ 394	\$ 285	\$ 308	\$ 216
Attributable to:								
Limited Partners	\$ (57)	\$ 13	\$ 55	\$ 32	\$ 70	\$ (1)	\$ 40	\$ (35)
Non-controlling interests attributable to:								
Redemption-Exchange Units held by Brookfield Asset Management Inc.	(48)	11	52	30	66	—	38	(34)
Special Limited Partners	—	—	—	—	—	94	41	143
Interest of others in operating subsidiaries	192	158	(143)	139	258	192	189	142
Net income (loss)	\$ 87	\$ 182	\$ (36)	\$ 201	\$ 394	\$ 285	\$ 308	\$ 216

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

Historical Statements of Operating Results

The following table presents our results from operations for the years ending December 31, 2019, 2018 and 2017

US\$ MILLIONS, unaudited	For the year ended December 31,		
	2019	2018	2017
Revenues	\$ 43,032	\$ 37,168	\$ 22,823
Direct operating costs	(38,327)	(34,134)	(21,876)
General and administrative expenses	(832)	(643)	(340)
Depreciation and amortization expense	(1,804)	(748)	(371)
Interest income (expense), net	(1,274)	(498)	(202)
Equity accounted income, net	114	10	69
Impairment expense, net	(609)	(218)	(39)
Gain (loss) on acquisitions/dispositions, net	726	500	267
Other income (expense), net	(400)	(136)	(108)
Income (loss) before income tax	626	1,301	223
Income tax (expense) recovery			
Current	(324)	(186)	(30)
Deferred	132	88	22
Net income (loss)	\$ 434	\$ 1,203	\$ 215
Attributable to:			
Limited Partners	\$ 43	\$ 74	\$ (58)
Non-controlling interests attributable to:			
Redemption-Exchange Units held by Brookfield Asset Management Inc.	45	70	(60)
Special Limited Partners	—	278	142
Interest of others in operating subsidiaries	346	781	191
Net income (loss)	\$ 434	\$ 1,203	\$ 215

Segmented Financial Information

The following tables present the financial results by operating segment:

For the THREE MONTHS ended DECEMBER 31, US\$ MILLIONS, unaudited	Business Services		Infrastructure Services		Industrials		Corporate and Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues	\$ 7,115	\$ 7,718	\$ 1,032	\$ 1,364	\$ 3,173	\$ 1,127	\$ —	\$ —	\$ 11,320	\$ 10,209
Direct operating costs	(6,898)	(7,622)	(742)	(977)	(2,326)	(604)	(3)	(2)	(9,969)	(9,205)
General and administrative expenses	(87)	(75)	(29)	(43)	(85)	(72)	(27)	(19)	(228)	(209)
Equity accounted Company EBITDA	10	11	32	24	42	5	—	—	84	40
Company EBITDA attributable to others	(89)	(2)	(187)	(258)	(589)	(336)	—	—	(865)	(596)
Company EBITDA	\$ 51	\$ 30	\$ 106	\$ 110	\$ 215	\$ 120	\$ (30)	\$ (21)	\$ 342	\$ 239
Realized disposition gain, net	6	—	(1)	—	185	147	—	—	190	147
Other income (expense), net	2	—	(10)	(4)	—	(3)	—	—	(8)	(7)
Interest income (expense), net	(66)	(16)	(90)	(100)	(246)	(68)	14	3	(388)	(181)
Equity accounted current taxes and interest	(2)	(1)	(2)	(5)	(9)	(1)	—	—	(13)	(7)
Current income taxes	(15)	(6)	(9)	(4)	(75)	(53)	6	—	(93)	(63)
Company FFO attributable to others (net of Company EBITDA attributable to others)	51	15	69	74	93	31	—	—	213	120
Company FFO	\$ 27	\$ 22	\$ 63	\$ 71	\$ 163	\$ 173	\$ (10)	\$ (18)	\$ 243	\$ 248

Segmented Financial Information

The following tables present the financial results by operating segment:

For the YEAR ended DECEMBER 31, US\$ MILLIONS, unaudited	Business Services		Infrastructure Services		Industrials		Corporate and Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues	\$ 28,822	\$ 30,847	\$ 4,559	\$ 2,418	\$ 9,651	\$ 3,896	\$ —	\$ 7	\$ 43,032	\$ 37,168
Direct operating costs	(27,995)	(30,351)	(3,231)	(1,715)	(7,092)	(2,060)	(9)	(8)	(38,327)	(34,134)
General and administrative expenses	(314)	(278)	(133)	(65)	(299)	(231)	(86)	(69)	(832)	(643)
Equity accounted Company EBITDA	38	34	109	120	94	42	—	—	241	196
Company EBITDA attributable to others	(330)	(124)	(836)	(463)	(1,735)	(1,157)	—	—	(2,901)	(1,744)
Company EBITDA	\$ 221	\$ 128	\$ 468	\$ 295	\$ 619	\$ 490	\$ (95)	\$ (70)	\$ 1,213	\$ 843
Realized disposition gain, net	528	55	(1)	—	200	195	(1)	—	726	250
Other income (expense), net	—	—	(27)	(15)	2	(3)	—	—	(25)	(18)
Interest income (expense), net	(189)	(66)	(381)	(176)	(741)	(263)	37	7	(1,274)	(498)
Equity accounted current taxes and interest	(7)	(3)	(15)	(41)	(20)	(10)	—	—	(42)	(54)
Current income taxes	(91)	(44)	(4)	(10)	(251)	(132)	22	—	(324)	(186)
Company FFO attributable to others (net of Company EBITDA attributable to others)	(30)	61	274	142	584	193	—	—	828	396
Company FFO	\$ 432	\$ 131	\$ 314	\$ 195	\$ 393	\$ 470	\$ (37)	\$ (63)	\$ 1,102	\$ 733

Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

Reconciliation of Proportionate Operating Results to Consolidated Operating Results

For the THREE MONTHS ended DECEMBER 31, 2019 US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 2,201	\$ 413	\$ 833	\$ —	\$ 3,447	\$ 7,873	\$ 11,320	
Direct operating costs	(2,126)	(305)	(610)	(3)	(3,044)	(6,925)	(9,969)	
General and administrative expenses	(33)	(11)	(20)	(27)	(91)	(137)	(228)	
Equity accounted Company EBITDA ⁽¹⁾	9	9	12	—	30	54	84	
Company EBITDA	\$ 51	\$ 106	\$ 215	\$ (30)	342			
Realized disposition gain (loss), net ⁽²⁾	6	—	47	—	53	137	190	
Other income (expense), net ⁽³⁾	1	(3)	—	—	(2)	(6)	(8)	
Interest income (expense), net	(17)	(33)	(68)	14	(104)	(284)	(388)	
Equity accounted current taxes and interest ⁽¹⁾	(2)	(3)	(3)	—	(8)	(5)	(13)	
Current income taxes	(12)	(4)	(28)	6	(38)	(55)	(93)	
Company FFO	\$ 27	\$ 63	\$ 163	\$ (10)	243			
Depreciation and amortization expense					(160)	(358)	(518)	
Impairment expense, net					(175)	(110)	(285)	
Gain on acquisitions and dispositions ⁽²⁾					—	—	—	
Other income (expense), net ⁽³⁾					(26)	(12)	(38)	
Deferred income taxes					21	31	52	
Non-cash items attributable to equity accounted investments ⁽¹⁾					(8)	(11)	(19)	
Net income (loss)					\$ (105)	\$ 192	\$ 87	

1) The sum of these amounts equates to equity accounted income of \$52 million as per IFRS statement of operating results.

2) The sum of these amounts equates to realized disposition gain of \$190 million as per IFRS statement of operating results.

3) The sum of these amounts equates to the other expense of \$46 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 YEAR ended DECEMBER 31, 2019 US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 8,927	\$ 1,815	\$ 2,549	\$ —	\$ 13,291	\$ 29,741	\$ 43,032	
Direct operating costs	(8,607)	(1,324)	(1,886)	(9)	(11,826)	(26,501)	(38,327)	
General and administrative expenses	(136)	(53)	(70)	(86)	(345)	(487)	(832)	
Equity accounted Company EBITDA ⁽¹⁾	37	30	26	—	93	148	241	
Company EBITDA	\$ 221	\$ 468	\$ 619	\$ (95)	1,213			
Realized disposition gain (loss), net ⁽²⁾	342	—	64	(1)	405	321	726	
Other income (expense), net ⁽³⁾	(1)	(9)	(5)	—	(15)	(10)	(25)	
Interest income (expense), net	(50)	(138)	(208)	37	(359)	(915)	(1,274)	
Equity accounted current taxes and interest ⁽¹⁾	(5)	(7)	(6)	—	(18)	(24)	(42)	
Current income taxes	(75)	—	(71)	22	(124)	(200)	(324)	
Company FFO	\$ 432	\$ 314	\$ 393	\$ (37)	1,102			
Depreciation and amortization expense					(571)	(1,233)	(1,804)	
Impairment expense, net					(303)	(306)	(609)	
Gain on acquisitions and dispositions ⁽²⁾					—	—	—	
Other income (expense), net ⁽³⁾					(149)	(226)	(375)	
Deferred income taxes					38	94	132	
Non-cash items attributable to equity accounted investments ⁽¹⁾					(29)	(56)	(85)	
Net income (loss)					\$ 88	\$ 346	\$ 434	

1) The sum of these amounts equates to equity accounted income of \$114 million as per IFRS statement of operating results.

2) The sum of these amounts equates to realized disposition gain of \$726 million as per IFRS statement of operating results.

3) The sum of these amounts equates to the other expense of \$400 million as per IFRS statement of operating results.

Reconciliation of Non-IFRS Measures to IFRS Measures

Reconciliation of Proportionate Operating Results to Consolidated Operating Results

For the THREE MONTHS ended DECEMBER 31, 2018 US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 2,336	\$ 520	\$ 285	\$ —	\$ 3,141	\$ 7,068	\$ 10,209	
Direct operating costs	(2,274)	(398)	(151)	(2)	(2,825)	(6,380)	(9,205)	
General and administrative expenses	(40)	(18)	(15)	(19)	(92)	(117)	(209)	
Equity accounted Company EBITDA ⁽¹⁾	8	6	1	—	15	25	40	
Company EBITDA	\$ 30	\$ 110	\$ 120	\$ (21)	\$ 239			
Realized disposition gain (loss), net ⁽²⁾	(1)	—	97	—	96	51	147	
Other income (expense), net ⁽³⁾	—	(1)	—	—	(1)	(6)	(7)	
Interest income (expense), net	—	(35)	(17)	3	(49)	(132)	(181)	
Equity accounted current taxes and interest ⁽¹⁾	(2)	(1)	—	—	(3)	(4)	(7)	
Current income taxes	(5)	(2)	(27)	—	(34)	(29)	(63)	
Company FFO	\$ 22	\$ 71	\$ 173	\$ (18)	\$ 248			
Depreciation and amortization expense					(90)	(196)	(286)	
Impairment expense, net					(16)	(22)	(38)	
Gain on acquisitions and dispositions ⁽²⁾					—	—	—	
Other income (expense), net ⁽³⁾					(31)	(35)	(66)	
Deferred income taxes					33	51	84	
Non-cash items attributable to equity accounted investments ¹					(8)	(16)	(24)	
Net income (loss)					\$ 136	\$ 258	\$ 394	

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

2) The sum of these amounts equates to realized disposition gain of \$147 million as per IFRS statement of operating results.

3) The sum of these amounts equates to the other expense of \$73 million as per IFRS statement of operating results.

Reconciliation of Non-IFRS Measures to IFRS Measures

Reconciliation of Proportionate Operating Results to Consolidated Operating Results

For the YEAR ended DECEMBER 31, 2018 US\$ MILLIONS, unaudited	Attributable to unitholders						Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other					
Revenues	\$ 9,194	\$ 926	\$ 1,074	\$ 7	\$ 11,201	\$ 25,967	\$ 37,168		
Direct operating costs	(8,943)	(691)	(552)	(8)	(10,194)	(23,940)	(34,134)		
General and administrative expenses	(154)	(25)	(52)	(69)	(300)	(343)	(643)		
Equity accounted Company EBITDA ⁽¹⁾	31	85	20	—	136	60	196		
Company EBITDA	\$ 128	\$ 295	\$ 490	\$ (70)	\$ 843				
Realized disposition gain (loss), net ²	54	(3)	112	—	163	87	250		
Other income (expense), net ⁽³⁾	—	(1)	(3)	—	(4)	(14)	(18)		
Interest income (expense), net	(13)	(57)	(74)	7	(137)	(361)	(498)		
Equity accounted current taxes and interest ⁽¹⁾	(4)	(33)	(4)	—	(41)	(13)	(54)		
Current income taxes	(34)	(6)	(51)	—	(91)	(95)	(186)		
Company FFO	\$ 131	\$ 195	\$ 470	\$ (63)	\$ 733				
Depreciation and amortization expense					(233)	(515)	(748)		
Impairment expense, net					(89)	(129)	(218)		
Gain on acquisitions and dispositions ⁽²⁾					115	135	250		
Other income (expense), net ⁽³⁾					(53)	(65)	(118)		
Deferred income taxes					30	58	88		
Non-cash items attributable to equity accounted investments ⁽¹⁾					(81)	(51)	(132)		
Net income (loss)					\$ 422	\$ 781	\$ 1,203		

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

2) The sum of these amounts equates to realized disposition gain of \$500 million as per IFRS statement of operating results.

3) The sum of these amounts equates to the other expense of \$136 million as per IFRS statement of operating results.

Reconciliation of Non-IFRS Measures to IFRS Measures

Total Equity to Equity Attributable to Unitholders

US\$ MILLIONS, unaudited	As at	
	Dec 31, 2019	Dec 31, 2018
Total equity	\$ 11,053	\$ 6,494
Less: Interest of others in operating subsidiaries	7,261	3,531
Equity attributable to unitholders	\$ 3,792	\$ 2,963

Proportionate Balance Sheet Items to Consolidated Balance Sheet Items

US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Cash								
December 31, 2019	\$ 344	\$ 199	\$ 192	\$ 63	\$ 798	\$ 1,188	\$ 1,986	
December 31, 2018	335	113	66	621	1,135	814	1,949	
Non-recourse borrowings								
December 31, 2019	\$ 773	\$ 2,208	\$ 3,878	nil	\$ 6,859	\$ 15,540	\$ 22,399	
December 31, 2018	534	2,003	1,051	nil	3,588	7,278	10,866	
Non-recourse borrowings, net of cash								
December 31, 2019	\$ 429	\$ 2,009	\$ 3,686	(\$ 63)	\$ 6,061	\$ 14,352	\$ 20,413	
December 31, 2018	199	1,890	985	(621)	2,453	6,464	8,917	

- Company Funds From Operations (Company FFO), where applicable, is a key measure of our financial performance and we use Company FFO to assess our business performance. Company FFO is a non-IFRS measure which does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Company FFO is calculated as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash gains or losses as appropriate, and other items. Company FFO is presented net to unitholders. When determining Company FFO, we include our proportionate share of Company FFO of equity accounted investments. For further information on Company FFO see “Use of Non IFRS Measures” of the 2019 20-F.
- Company EBITDA, where applicable, is a key measure of our financial performance and we use Company EBITDA to assess operating results and our business performance. Company EBITDA is non-IFRS measure which does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Company FFO is further adjusted as Company EBITDA to exclude the impact of realized disposition gains (losses), interest income (expense), current income taxes, the impact of realized disposition gains (losses), current income taxes and interest income (expense) related to equity accounted investments, and other items. Company EBITDA is presented net to unitholders. When determining Company EBITDA, we include our proportionate share of Company EBITDA of equity accounted investments. For further information on Company EBITDA see “Use of Non-IFRS Measures” of the 2019 20-F.
- Equity accounted Company EBITDA is exclusive of non-cash items, realized disposition gains, current income taxes and interest income and interest expenses included within equity accounted income, and other items.
- Equity attributable to unitholders is exclusive of the equity interest of others in our operating subsidiaries.
- Net income (loss) attributable to unitholders is exclusive of the net income (loss) attributable to others in our operating subsidiaries.
- Unitholders are defined as limited partnership unitholders, general partnership unitholders, special limited partnership unitholders, and redemption-exchange unitholders.
- Net debt is calculated by subtracting cash and cash equivalents from borrowings.
- Proportionate share is our economic interest in the financial position and operating results at our subsidiaries, excluding our equity accounted investments.