

2016

Brookfield Business Partners L.P.

Supplemental Information
For the year ended December 31

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 of December 31, 2016.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

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

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

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

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

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS MEASURES

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

OVERVIEW



Key Performance Metrics

US\$ MILLIONS, UNAUDITED	Year ended Dec. 31	
	2016	2015
Net (loss) income attributable to unitholders ¹	\$ (29)	\$ 208
Company EBITDA ^{1,2}	240	298
Company FFO ^{1,2}	200	264

Key Balance Sheet Metrics

US\$ MILLIONS, UNAUDITED	As of Dec. 31	
	2016	2015
Total assets	\$ 8,193	\$ 7,635
Borrowings	1,551	2,074
Equity attributable to unitholders ¹	2,501	1,787

Units outstanding

UNITS	As of	
	Dec. 31, 2016	Spin-off ³
Limited partner units	51,845,298	43,845,298
Redemption-exchange units	56,150,497	48,150,497
General partner and Special LP units	8	8
Total units outstanding	107,995,803	91,995,803

Financial Performance

- Net loss attributable to unitholders for the year ended December 31, 2016 was \$29 million, compared to net income of \$208 million in 2015. The loss in the current period is primarily due to impairments taken within our energy and other industrials segments, related to repositioning of businesses within these segments
- Our 2016 Company EBITDA was \$240 million, compared to \$298 million in 2015. During 2016, our results were negatively impacted by weakened commodity pricing at our Canadian energy operations, as well as negative contribution from our graphite electrode operation, as we reposition this business. 2016 results were further impacted by the inclusion of certain corporate expenses for the period after Spin-off, which were not included in the 2015 results
- Company FFO was \$200 million for the year compared to \$264 million in 2015. Our 2015 Company FFO benefited from a \$40 million realized gain on the disposition of a portion of our facilities management business
- Total assets increased due to a higher cash balance and increased investment security holdings, offset by a lower equity accounted investments balance. Borrowings decreased as we repaid financing related to acquisitions completed in 2015

- 1) Attributable to parent company prior to the Spin-off on June 20, 2016, and to limited partnership unitholders, general partnership unitholders, and redemption-exchange unitholders post Spin-off. Post Spin-off, equity is also attributable to preferred shareholders and Special LP unitholders.
- 2) Company FFO is a non-IFRS measure and is calculated as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash gains or losses and other items. When determining Company FFO, we include our proportionate share of Company FFO of equity accounted investment. Company FFO is further adjusted as Company EBITDA to exclude the impact of realized disposition gains (losses), interest expense, current income taxes, and realized disposition gain, current income taxes and interest expenses related to equity accounted investments. Company EBITDA and Company FFO are presented net to unitholders. For further information on Company FFO and Company EBITDA see "Use of Non IFRS Measures" on page 5 of the Form 20-F. These terms are consistently used throughout the Supplemental.
- 3) "Spin-off" means the special dividend of our units completed on June 20, 2016 by Brookfield Asset Management.

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

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

Current operations in four primary segments

<p>Construction</p> <p>Provide construction and related services globally, including:</p> <ul style="list-style-type: none"> • Design • Program Management • Procurement 	<p>Other Business Services</p> <p>Provide business services to global clients, including:</p> <ul style="list-style-type: none"> • Real Estate Services • Logistics • Facilities Management • Financial Services 	<p>Energy</p> <p>Energy supply chain operations:</p> <ul style="list-style-type: none"> • Oil & Gas Production – low cost, low decline, long-life assets • Oilfield Services 	<p>Other Industrials</p> <p>Industrial manufacturing operations:</p> <ul style="list-style-type: none"> • Graphite Electrode Production • Pre-cast Concrete Construction Products • Aggregates • Specialty Metals
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US\$ MILLIONS, UNAUDITED	Year ended Dec. 31	
	2016	2015
Revenues	\$ 7,960	\$ 6,753
Direct operating costs	(7,386)	(6,132)
General and administrative expenses	(269)	(224)
Depreciation and amortization expense	(286)	(257)
Interest expense	(90)	(65)
Equity accounted income, net	68	4
Impairment expense	(261)	(95)
Gain on acquisitions/dispositions, net	57	269
Other (expense) income, net	(11)	70
Income before income tax	(218)	323
Income tax (expense) recovery		
Current	(25)	(49)
Deferred	41	(5)
Net (loss) income	\$ (202)	\$ 269
Attributable to:		
Limited partners	\$ 3	\$ -
Brookfield Asset Management Inc.	(35)	208
Non-controlling interests attributable to:		
Redemption-Exchange Units held by Brookfield Asset Management Inc.	3	-
Interest of others	(173)	61
	\$ (202)	\$ 269

Revenues & direct operating costs – Increased in 2016 compared to the prior year, principally due to a ramp-up of activity in our construction and facilities management operations and acquisitions within our other industrials segment which were completed in late 2015

General & administrative expenses – Increased by \$45 million in 2016, mainly due to acquisitions within our other industrials segment, which were completed in late 2015. 2016 reflects a full year of expenses related to the newly acquired operations, as well as incremental corporate expenses resulting from the Spin-off

Interest expense – Increased by \$25 million, primarily due to a full year of interest expense related to acquisitions in our industrials segment that were completed in late 2015 and due to higher interest expense in our energy segment

Equity accounted income, net – The increase of \$64 million was primarily due to contribution from our Australian energy operation, where we realized gains on oil hedges and incurred lower exploration expenses in 2016, compared to 2015. In addition, 2016 represents a full year of results from this operation, which was acquired in the second quarter of 2015

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

Impairment expense – The current year expense of \$261 million primarily resulted from the non-core assets held for sale in our graphite electrode manufacturing business and the impairment of an investment security within our energy segment. We invested as part of a Brookfield-led consortium in TCEH Corp., a merchant power generator in Texas, that had filed for bankruptcy protection. Compared to our cost, the trading price of our debt investment declined and was recorded as mark to market through Other Comprehensive Income (“OCI”), which was reflected in our Spin-off equity. In October 2016, TCEH Corp. emerged from bankruptcy as Vistra Energy Corp. and we received proceeds, including equity securities, in exchange for our debt. We fair value our equity securities and have released the historical mark to market loss from OCI to the statement of operating results, resulting in an impairment expense for the year ended 2016

Gain on acquisitions/dispositions, net – The current year gains were related to the disposition of investment securities within our other industrials and energy segments. The gains in the prior period mainly resulted from gains on acquisitions within our energy and other business services segments

Other (expense) income, net – There was a decrease of \$81 million as the prior period included \$62 million of income related to deferred fees and interest on a loan to our palladium operations, which we now consolidate. The current year expense related to mark to market adjustments, primarily due to losses on hedges in our Canadian energy operations

US\$ MILLIONS, UNAUDITED	As of	
	Dec. 31, 2016	Dec. 31, 2015
Assets		
Cash and cash equivalents	\$ 1,050	\$ 354
Financial assets	539	409
Accounts receivable, net	1,797	1,635
Inventory and other assets	647	736
Assets held for sale	264	12
Property, plant and equipment	2,096	2,364
Deferred income tax assets	111	64
Intangible assets	371	445
Equity accounted investments	166	492
Goodwill	1,152	1,124
Total assets	\$ 8,193	\$ 7,635
Liabilities and equity		
Liabilities		
Accounts payable and other	\$ 2,457	\$ 2,375
Liabilities associated with assets held for sale	66	-
Borrowings	1,551	2,074
Deferred income tax liabilities	81	102
Total liabilities	4,155	4,551
Equity		
Limited partners	1,206	-
Brookfield Asset Management Inc.	-	1,787
Non-controlling interests attributable to: Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,295	-
Interest of others	1,537	1,297
Total equity	4,038	3,084
Total liabilities and equity	\$ 8,193	\$ 7,635

Cash and cash equivalents – There was \$1,050 million of cash and cash equivalents, primarily in our corporate segment (\$573 million), available for general corporate purposes and to fund growth opportunities. We also had \$169 million of cash at our construction operations and \$237 million within our other business services operations

Financial assets – Primarily comprised of securities positions held in our energy and other industrials segments. The \$130 million increase compared to 2015 was related to the acquisition of additional securities in both segments. Our investments increased in value by approximately \$100 million, and we have realized approximately \$60 million, or \$17 million net to unitholders

Accounts receivable, net – The increase compared to 2015 was primarily related to our construction services operations and our facilities management business due to higher project volumes, as well as acquisitions within the facilities management business

Inventory and other assets – Decrease relative to 2015 was primarily related to our graphite electrode manufacturing operation, due to the reclassification of certain operations to held for sale and a decrease in the inventory on hand relative to 2015

Assets held for sale – The 2016 balance included our bath and shower products manufacturing operation and certain non-core operations within our graphite electrode manufacturing operation

Property, plant & equipment (PP&E) – Decrease was primarily related to the reclassification of PP&E to assets held for sale at our graphite electrode and bath and shower products manufacturing operations. In addition, at our Canadian energy properties, PP&E decreased due to a decrease in decommissioning liabilities

Equity accounted investments – The balance decreased primarily due to a decrease in our proportionate pick-up, resulting from the reorganization and sell down to our institutional partners, of our Western Australian energy operations during the year

Borrowings – Decrease compared to 2015 was primarily due to a repayment of financing in our other industrial and energy operations related to acquisitions completed in 2015

OPERATING SEGMENTS



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

US\$ MILLIONS, UNAUDITED	Year ended Dec. 31	
	2016	2015
Revenues	\$ 4,387	\$ 3,833
Direct operating costs	(4,235)	(3,670)
General and administrative expenses	(48)	(45)
Equity accounted Company EBITDA	-	3
Company EBITDA attributable to others	-	(1)
Company EBITDA	104	120
Realized disposition gain	-	-
Interest expense	(1)	(2)
Realized disposition gain, current income taxes and interest expenses related to equity accounted investments	-	-
Current income taxes	(8)	(20)
Company FFO attributable to others (net of Company EBITDA attributable to others)	(1)	-
Company FFO	\$ 94	\$ 98

US\$ MILLIONS, UNAUDITED	As of Dec. 31	
	2016	2015
Total assets	\$ 2,275	\$ 2,125
Borrowings	7	18
Equity attributable to unitholders	877	745

Financial Results

- Revenues were \$4,387 million in 2016, an increase of 14% compared to 2015, mainly due to a ramp-up of activity in Australia and the UK
- Company EBITDA for the current year was \$104 million, compared to \$120 million in 2015
 - Positive contribution from a larger level of work performed was offset by reduced margin on an Australian contract, incremental earnings in the prior year upon finalizing a project in the UK, and the impact of a weaker British Pound
 - General and administrative expenses increased marginally to \$48 million from \$45 million in the prior year, as we invested in our operations, allowing us to manage a larger workbook and higher project activity
- Company FFO for the current year was \$94 million, compared to \$98 million in the prior year. The impact of the items discussed above was offset by lower current taxes

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

US\$ MILLIONS, UNAUDITED	Year ended Dec. 31	
	2016	2015
Revenues	\$ 2,006	\$ 1,691
Direct operating costs	(1,818)	(1,528)
General and administrative expenses	(98)	(92)
Equity accounted Company EBITDA	23	22
Company EBITDA attributable to others	(44)	(21)
Company EBITDA	69	72
Realized disposition gain	-	40
Interest expense	(14)	(13)
Current income taxes	(12)	(20)
Company FFO attributable to others (net of Company EBITDA attributable to others)	11	4
Company FFO	\$ 54	\$ 83

US\$ MILLIONS, UNAUDITED	As of Dec. 31	
	2016	2015
Total assets	\$ 1,690	\$ 1,429
Borrowings	472	503
Equity attributable to unitholders	357	309

Financial Results

- In 2016, revenues increased by 19% to \$2,006 million, compared to \$1,691 million in 2015. The increase was primarily due to strong growth in our facilities management operation, with incremental revenue from our existing customers in both North America and Australia, as well as from our recent acquisition of a U.S. data center facilities manager. In addition, we equity accounted for this business for part of Q1-2015. The increases were partially offset by lower revenues within our real estate services business
- Company EBITDA of \$69 million in 2016 was relatively consistent with the prior year; contribution from our real estate services business increased compared to 2015, as we implemented cost management initiatives. This increase was offset by a lower amount attributable to Brookfield Business Partners from our facilities management operations, due to the partial disposition of this business to institutional partners in 2015
- Company FFO decreased by \$29 million relative to 2015, primarily due to a \$40 million gain on the partial disposition of our facilities management operation in 2015, offset by lower taxes in 2016

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

US\$ MILLIONS, UNAUDITED	Year ended Dec. 31	
	2016	2015
Revenues	\$ 286	\$ 337
Direct operating costs	(173)	(190)
General and administrative expenses	(17)	(20)
Equity accounted Company EBITDA	144	90
Company EBITDA attributable to others	(168)	(135)
Company EBITDA	72	82
Realized disposition gains, net	25	-
Interest expense	(30)	(25)
Realized disposition gain, current income taxes and interest expenses related to equity accounted investments	(9)	(11)
Current income taxes	(1)	(1)
Company FFO attributable to others (net of Company EBITDA attributable to others)	6	24
Company FFO	\$ 63	\$ 69

US\$ MILLIONS, UNAUDITED	As of Dec. 31	
	2016	2015
Total assets	\$ 1,596	\$ 1,867
Borrowings	545	808
Equity attributable to unitholders	344	315

Financial Results

- Revenues in our energy operation decreased from \$337 million in 2015, to \$286 million in 2016, primarily due to pricing weakness in the first half of the year at our Canadian operations. Average realized pricing at our coal-bed methane ("CBM") operation in Canada was approximately 34% lower in 2016 compared to 2015
- Company EBITDA decreased to \$72 million compared to \$82 million in 2015, primarily due to a decline in our Canadian operations, which was partially offset by increased contribution from our equity accounted Western Australian operations. This business is largely insulated from commodity price volatility, due to hedge positions for oil and long term customer contracts for gas
- Company FFO decreased to \$63 million in 2016 from \$69 million in 2015. 2016 Company FFO includes:
 - Interest expense, which increased by \$5 million compared to 2015, due to higher interest rates at our Canadian CBM operation
 - Realization of \$28 million of gains (\$8 million attributable to unitholders) in 2016 as we strategically monetized several debt and equity securities

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

US\$ MILLIONS, UNAUDITED	Year ended Dec. 31	
	2016	2015
Revenues	\$ 1,280	\$ 892
Direct operating costs	(1,160)	(744)
General and administrative expenses	(89)	(67)
Company EBITDA attributable to others	(20)	(57)
Company EBITDA	11	24
Realized disposition gains, net	32	-
Interest expense	(44)	(25)
Realized disposition gain, current income taxes and interest expenses related to equity accounted investments	-	-
Current income taxes	(4)	(8)
Company FFO attributable to others (net of Company EBITDA attributable to others)	11	23
Company FFO	\$ 6	\$ 14

US\$ MILLIONS, UNAUDITED	As of Dec. 31	
	2016	2015
Total assets	\$ 2,047	\$ 2,214
Borrowings	527	745
Equity attributable to unitholders	372	418

Financial Results

- Revenue increased 43% from \$892 million in 2015, to \$1,280 million in 2016. The increase was due to the completion of several acquisitions in the prior year, including our palladium business, our infrastructure support business, and our graphite electrode business
- Company EBITDA was \$11 million in 2016, compared to \$24 million in 2015. Margins in our bath and shower products manufacturing business were strong in 2016, benefiting from new product sales and the continued recovery in the U.S. housing market. This was offset by negative results at our graphite electrode business, where we have been focused on operational restructuring efforts
- Company FFO was \$6 million in the current year, compared to \$14 million in the prior year. We realized gains on the monetization of investment securities during the period for \$32 million, or \$9 million attributable to unitholders. This was offset by an increase in interest expense, due to a full year of accounting for the graphite electrode business
- In December 2016, we entered into a definitive agreement to sell our bath and shower manufacturing business. The transaction closed in January 2017, and we expect a gain of approximately \$80 million, attributable to unitholders, to be recorded in the first quarter of 2017 on our approximately 40% interest

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

US\$ MILLIONS, UNAUDITED	Year ended Dec. 31	
	2016	2015
Revenues	\$ 1	\$ -
Direct operating costs	-	-
General and administrative expenses	(17)	-
Company EBITDA attributable to others	-	-
Company EBITDA	(16)	-
Realized disposition gain	-	-
Interest expense	(1)	-
Realized disposition gain, current income taxes and interest expenses related to equity accounted investments	-	-
Current income taxes	-	-
Company FFO attributable to others (net of Company EBITDA attributable to others)	-	-
Company FFO	\$ (17)	\$ -

US\$ MILLIONS, UNAUDITED	As of Dec. 31	
	2016	2015
Total assets	\$ 585	\$ -
Borrowings	-	-
Equity attributable to unitholders	551	-

Financial Results

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

APPENDIX



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

US\$ MILLIONS, UNAUDITED	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	\$ 2,232	\$ 2,043	\$ 2,008	\$ 1,677	\$ 2,087	\$ 1,891	\$ 1,630	\$ 1,145
Direct operating costs	(2,064)	(1,889)	(1,864)	(1,569)	(1,909)	(1,716)	(1,484)	(1,023)
General and administrative expenses	(72)	(70)	(65)	(62)	(68)	(67)	(48)	(41)
Depreciation and amortization expense	(67)	(71)	(76)	(72)	(70)	(73)	(61)	(53)
Interest expense	(19)	(24)	(23)	(24)	(29)	(16)	(10)	(10)
Equity accounted income, net	(7)	28	20	27	(35)	30	6	3
Impairment expense	(155)	-	(106)	-	(7)	(88)	-	-
Gain on acquisitions/dispositions, net	-	29	28	-	-	-	7	262
Other income (expense), net	9	11	(21)	(10)	21	66	(14)	(3)
Income before income tax	(143)	57	(99)	(33)	(10)	27	26	280
Income tax (expense) recovery								
Current	(7)	(8)	(7)	(3)	(17)	(11)	(10)	(11)
Deferred	16	3	15	7	(14)	(1)	3	7
Net (loss) income	\$ (134)	\$ 52	\$ (91)	\$ (29)	\$ (41)	\$ 15	\$ 19	\$ 276
Attributable to:								
Limited Partners	\$ (5)	\$ 9	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ -
Brookfield Asset Management Inc.	-	-	(30)	(5)	2	20	8	178
Non-controlling interests attributable to:								
Redemption-Exchange Units held by Brookfield Asset Management Inc.	(6)	11	(2)	-	-	-	-	-
Interest of others	(123)	32	(58)	(24)	(43)	(5)	11	98
	\$ (134)	\$ 52	\$ (91)	\$ (29)	\$ (41)	\$ 15	\$ 19	\$ 276

Revenue and operating cost varied from quarter to quarter primarily due to acquisitions of businesses, fluctuations in foreign exchange rates, business and economic cycles, weather and seasonality in underlying operations. Broader economic factors and commodity market volatility, in particular, had a significant impact on a number of our operations, specifically within our energy and other industrials segment. Seasonality primarily affects our construction operations and some of our other business services, which typically have stronger performance in the latter half of the year. Our energy operations are also impacted by seasonality, usually generating stronger results in the first and fourth quarters. Net income was impacted by periodic gains and losses on acquisitions, monetization and impairments.

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

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

Reconciliation of Segmented Company EBITDA and Company FFO to Net Income

FOR THE YEAR ENDED DEC.31, 2016 US\$ MILLIONS, UNAUDITED	Construction Services	Other Business Services	Energy	Other Industrial Operations	Corporate and Other	As per IFRS Financials
Revenues	\$ 4,387	\$ 2,006	\$ 286	\$ 1,280	\$ 1	\$ 7,960
Direct operating costs	(4,235)	(1,818)	(173)	(1,160)	-	(7,386)
General and administrative expenses	(48)	(98)	(17)	(89)	(17)	(269)
Equity accounted investment Company EBITDA ¹	-	23	144	-	-	167
Company EBITDA attributable to others ²	-	(44)	(168)	(20)	-	(232)
Company EBITDA	104	69	72	11	(16)	240
Interest expense	(1)	(14)	(30)	(44)	(1)	(90)
Realized disposition gains, net	-	-	25	32	-	57
Realized disposition gain, current income taxes and interest expenses related to equity accounted investments ¹	-	-	(9)	-	-	(9)
Current income taxes	(8)	(12)	(1)	(4)	-	(25)
Company FFO attributable to others (net of Company EBITDA attributable to others) ²	(1)	11	6	11	-	27
Company FFO³	94	54	63	6	(17)	200
Depreciation and amortization expense						(286)
Impairment expense						(261)
Deferred income taxes						41
Other (expenses) income, net						(11)
Non-cash items attributable to equity accounted investments ¹						(90)
Non-cash items attributable to others ²						378
Net income attributable to unitholders³						\$ (29)

1) The sum of these amounts equate to equity accounted income of \$68 million as per IFRS statement of operating results

2) Total cash and non-cash items attributable to the interest of others equals net loss of \$(173) million as per IFRS statement of operating results

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

Reconciliation of Segmented Company EBITDA and Company FFO to Net Income

FOR THE YEAR ENDED DEC.31, 2015 US\$ MILLIONS, UNAUDITED	Construction Services	Other Business Services	Energy	Other Industrial Operations	Corporate and Other	As per IFRS Financials
Revenues	\$ 3,833	\$ 1,691	\$ 337	\$ 892	\$ -	\$ 6,753
Direct operating costs	(3,670)	(1,528)	(190)	(744)	-	(6,132)
General and administrative expenses	(45)	(92)	(20)	(67)	-	(224)
Equity accounted investment Company EBITDA ¹	3	22	90	-	-	115
Company EBITDA attributable to others ²	(1)	(21)	(135)	(57)	-	(214)
Company EBITDA	120	72	82	24	-	298
Interest expense	(2)	(13)	(25)	(25)	-	(65)
Realized disposition gain	-	40	-	-	-	40
Realized disposition gain, current income taxes and interest expenses related to equity accounted investments ¹	-	-	(11)	-	-	(11)
Current income taxes	(20)	(20)	(1)	(8)	-	(49)
Company FFO attributable to others (net of Company EBITDA attributable to others) ²	-	4	24	23	-	51
Company FFO attributable to parent company	98	83	69	14	-	264
Depreciation and amortization expense						(257)
Impairment expense						(95)
Gain on acquisition/disposition, net						229
Deferred income taxes						(5)
Other income, net						70
Non-cash items attributable to equity accounted investments ¹						(100)
Non-cash items attributable to others ²						102
Net income attributable to parent company						\$ 208

1) The sum of these amounts equate to equity accounted income of \$4 million as per IFRS statement of operating results

2) Total cash and non-cash items attributable to the interest of others equals net income of \$61 million as per IFRS statement of operating results

Reconciliation of total equity attributable to unitholders

US\$ MILLIONS, UNAUDITED	As of Dec. 31	
	2016	2015
Total equity	\$ 4,038	\$ 3,084
Less: Interest of others in operating subsidiaries	1,537	1,297
Equity attributable to unitholders	\$ 2,501	\$ 1,787

Equity attributable to unitholders by segment

US\$ MILLIONS, UNAUDITED	As of Dec. 31	
	2016	2015
Construction Services	\$ 877	\$ 745
Other Business Services	357	309
Energy	344	315
Other Industrial Operations	372	418
Corporate and Other	551	-
Equity attributable to unitholders	\$ 2,501	\$ 1,787

- **Company Funds From Operations (Company FFO)**, where applicable, is a key measure of our financial performance and we use Company FFO to assess operating results and our business performance. Company FFO is a non-IFRS measure which does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Company FFO is calculated as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash gains or losses and other items. Company FFO is presented net to unitholders, or net to parent company. When determining Company FFO, we include our proportionate share of Company FFO of equity accounted investments. For further information on Company FFO see “Use of Non IFRS Measures” on page 5 of the 20-F.
- **Company EBITDA**, where applicable, is a key measure of our financial performance and we use Company EBITDA to assess operating results and our business performance. Company EBITDA is non-IFRS measure which does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Company FFO is further adjusted as Company EBITDA to exclude the impact of realized disposition gains (losses), interest expense, current income taxes, and realized disposition gain, current income taxes and interest expenses related to equity accounted investments. Company EBITDA is presented net to unitholders, or net to parent company. For further information on Company EBITDA see “Use of Non IFRS Measures” on page 5 of the 20-F.
- **Equity accounted Company EBITDA** is exclusive of non-cash items, realized disposition gains, current income taxes and interest expenses included within equity accounted income.
- **Equity attributable to unitholders** is exclusive of the equity interest of others in our operating subsidiaries.
- **Net (loss) income attributable to unitholders** is exclusive of the net (loss) income attributable to others in our operating subsidiaries.
- **Unitholders** are defined as the parent company prior to the Spin-off on June 20, 2016 and as limited partnership unitholders, general partnership unitholders, and redemption-exchange unitholders post Spin-off.