

MANAGEMENT'S DISCUSSION AND ANALYSIS

Throughout this interim MD&A, all amounts are in U.S. dollars unless otherwise indicated.

The interim Management's Discussion and Analysis ("MD&A") provides a review of Onex Corporation's ("Onex") unaudited interim consolidated financial results for the six months ended June 30, 2015 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the unaudited interim consolidated statements of earnings, unaudited interim consolidated statements of comprehensive earnings, unaudited interim consolidated balance sheets and unaudited interim consolidated statements of cash flows of Onex. As such, this interim MD&A should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto included in this report. The interim MD&A and the unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") to provide information about Onex on a consolidated basis and should not be considered as providing sufficient information to make an investment or lending decision in regard to any particular Onex operating business. Onex' interim MD&A and the unaudited interim consolidated financial statements are prepared in accordance with IFRS, the results of which may differ from the accounting principles applied by the operating businesses in their financial statements.

The following interim MD&A is the responsibility of management and is as of August 12, 2015. Preparation of the interim MD&A includes the review of the disclosures on each business by senior managers of that business and the review of the entire document by each officer of Onex and by the Onex Disclosure Committee. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit and Corporate Governance Committee, comprised exclusively of independent directors. The Audit and Corporate Governance Committee has reviewed and approved this disclosure.

The interim MD&A is presented in the following sections:

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Onex Corporation's interim financial filings, including the 2015 Second Quarter MD&A and Financial Statements, and Annual Report, Annual Information Form and Management Information Circular, are available on Onex' website, www.onex.com, and on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

References

Throughout this interim MD&A, references to the Onex management team include the management of Onex, ONCAP and Onex Credit. References to management without the use of team include only the relevant group. For example, Onex management does not include management of ONCAP or Onex Credit.

Throughout this interim MD&A, references to the Onex Partners Groups represent Onex, the limited partners of the relevant Onex Partners Fund, the Onex management team and, where applicable, certain other limited partners as investors. References to the ONCAP Groups represent Onex, the limited partners of the relevant ONCAP Fund, the Onex management team and, where applicable, certain other limited partners as investors. For example, references to the Onex Partners III Group represent Onex, the limited partners of Onex Partners III, the Onex management team and, where applicable, certain other limited partners as investors.

Forward-Looking/Safe Harbour Statements

This interim MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve significant and diverse risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. Except as may be required by Canadian securities law, Onex is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this interim MD&A.

OUR BUSINESS, OUR OBJECTIVE AND OUR STRATEGIES

OUR BUSINESS: We invest and manage our own capital and that of investors from around the world, including public and private pension funds, sovereign wealth funds, banks and insurance companies. Onex has generated a gross multiple of capital invested of 3.0 times from its core private equity activities since inception on realized, substantially realized and publicly traded investments. In our credit platform, we have consistently generated strong risk-adjusted returns across multiple market cycles.

Investment approach

Over more than three decades, we have developed a successful approach to investing. In private equity, we pursue businesses with world-class capabilities and strong free cash flow characteristics where we have identified an opportunity, in partnership with company management, to effect change and build market leaders. As an active owner, we are focused on execution rather than macro-economic or industry trends. Specifically, we focus on: (i) carve-outs of subsidiaries and mission-critical supply divisions from multinational corporations; (ii) cost reduction and operational restructurings; and (iii) platforms for add-on acquisitions.

We have historically been relatively conservative with the use of financial leverage, which has served Onex and its businesses well through many cycles. As well, we typically acquire a control position, which allows us to drive important strategic decisions and effect change at our businesses. Onex does not get involved in the daily operating decisions of the businesses.

In our credit platform, we practise value-oriented investing with bottom-up, fundamental and structural analysis. We maintain a high-conviction investment philosophy, with a significant portion of our portfolio held in a number of concentrated positions. We generally invest in larger, more actively traded issues with a long-term view on expected outcome. Our top-down approach to portfolio construction, risk control and liquidity management complements our investment research.

We maintain disciplined risk management with a focus on capital preservation across all strategies. We do so by selecting credits with seniority in the capital structure of companies with stable cash flows and substantial asset values. Importantly, our credit investment process is repeatable and scalable across all our credit investment strategies.

Experienced team with significant depth

Onex is led by an Executive Committee comprised of the firm's founder and CEO, Gerry Schwartz, and four Senior Managing Directors. Collectively, these executives have more than 135 years of investing experience and have worked at Onex for an average of 24 years. Onex' stability results from its ownership culture, rigorous recruiting standards and highly collegial environment.

Onex' 77 investment professionals are each dedicated to a separate investment platform: Onex Partners (46), ONCAP (18) and Onex Credit (13). These investment teams are supported by more than 70 professionals dedicated to Onex' corporate functions and its investment platforms.

Substantial financial resources available for future growth

Onex' policy is to maintain a financially strong parent company with funds available for new acquisitions and to support the growth of its businesses. Onex' financial strength comes from both its own capital, as well as the capital commitments from its limited partners in the Onex Partners and ONCAP Funds. At June 30, 2015, Onex had substantial financial resources available to support its investing strategy with:

- i. Approximately \$2.0 billion of cash and near-cash items and no debt. Since June 30, 2015, Onex' cash was reduced by \$221 million as a result of its investments in Jack's Family Restaurants ("Jack's"), Chatters Canada ("Chatters"), Schumacher Group ("Schumacher") and Mavis Tire Supply LLC ("Mavis Discount Tire"). In July 2015, Onex received an \$89 million distribution from JELD-WEN Holding, inc. ("JELD-WEN").
- ii. \$2.9 billion of limited partners' uncalled capital available for future Onex Partners IV investments, after giving effect to the investments in Jack's and Schumacher.
- iii. C\$154 million of limited partners' uncalled capital available for future ONCAP III investments, after giving effect to the investments in Chatters and Mavis Discount Tire.

In June 2015, Onex' increased commitment to Onex Partners IV became effective, increasing by \$500 million to \$1.7 billion. The increased commitment did not change Onex' ownership of businesses acquired prior to June 3, 2015. Onex Partners IV's acquisition of Jack's in July 2015 was the first investment reflecting Onex' increased commitment.

Strong alignment of interests

An important part of our success is the strong alignment of interests between Onex' shareholders, our limited partners and the Onex management team. In addition to Onex being the largest limited partner in each private equity Fund and having meaningful investments in our credit platform, the Company's distinctive ownership culture requires the management team to have a significant ownership in Onex shares and to invest meaningfully in each operating business acquired. At June 30, 2015, the Onex management team:

- is the largest shareholder in Onex, with a combined holding of approximately 24 million shares and DSUs or 23 percent of outstanding shares;
- has a total cash investment in Onex' current operating businesses of approximately \$330 million;
- has a total investment at market in Onex' credit platform of approximately \$290 million; and
- is required to reinvest 25 percent of all Onex Partners carried interest and Management Investment Plan ("MIP") distributions in Onex shares until they individually own at least one million shares and hold these shares until retirement.

OUR OBJECTIVE: Onex' business objective is to create long-term value for shareholders and to have that value reflected in our share price. Our strategies to deliver this value are concentrated on (i) acquiring and building industry-leading businesses and (ii) managing and growing other investors' capital in our private equity and credit platforms. We believe Onex has the investment philosophy, human resources, financial resources and track record to continue to deliver on its objective. The discussion that follows outlines Onex' strategies and reviews how we performed relative to those strategies in 2015.

OUR STRATEGIES:**Acquiring and building industry-leading businesses**

The growth in Onex' capital will be driven by the success of our private equity investments. Our private equity investing strategy focuses on an active ownership approach of acquiring and building industry-leading businesses in partnership with talented management teams.

The table below presents in chronological order the private equity investments made during 2015 and Onex' share thereof:

Company	Fund	Transaction	Total Amount (\$ millions)	Onex' Share (\$ millions)
Survitec	Onex Partners IV	Original investment	\$ 322	\$ 73
SIG	Onex Partners IV	Original investment	\$ 1,215 ⁽¹⁾	\$ 405 ⁽¹⁾
ITG	ONCAP III	Original investment	\$ 70	\$ 21
Jack's	Onex Partners IV	Original investment	\$ 415 ⁽²⁾	\$ 120 ⁽²⁾
Chatters	ONCAP III	Original investment	\$ 43 ⁽³⁾	\$ 13 ⁽³⁾
Schumacher	Onex Partners IV	Original investment	\$ 219	\$ 63
Mavis Discount Tire	ONCAP III	Add-on investment	\$ 48 ⁽⁴⁾	\$ 25 ⁽⁴⁾
Total			\$ 2,332	\$ 720

(1) The Onex Partners IV Group's equity investment in SIG was comprised of \$583 million through Onex Partners IV and \$632 million as a co-investment from Onex and certain limited partners. Onex' investment was comprised of \$131 million through Onex Partners IV and \$274 million as a co-investment.

(2) The Onex Partners IV Group's investment in Jack's consisted of an equity investment of \$220 million and a \$195 million promissory note. Onex' investment in Jack's consisted of an equity investment of \$63 million and \$57 million of the promissory note.

(3) The ONCAP III Group's investment in Chatters was C\$55 million (\$43 million), of which Onex' share was C\$16 million (\$13 million).

(4) The ONCAP III Group's add-on investment in Mavis Discount Tire was comprised of \$27 million through ONCAP III and \$21 million as a co-investment from Onex and certain limited partners. Onex' investment was comprised of \$8 million through ONCAP III and \$17 million as a co-investment.

Acquiring businesses

Despite a competitive acquisition environment in both North America and Europe, we have been quite busy. So far this year, we have completed six new investments – Survitec Group Limited ("Survitec"), SIG Combibloc Group Holdings S.a.r.l. ("SIG"), Ingersoll Tillage Group ("ITG"), Jack's, Chatters and Schumacher.

In March 2015, the Onex Partners IV Group acquired Survitec for £450 million (\$670 million). Based in the United Kingdom, Survitec is a market-leading provider of mission-critical marine, defence and aerospace survival equipment. The Onex Partners IV Group invested \$322 million, of which Onex' share was \$73 million, for substantially all of the equity.

In March 2015, the Onex Partners IV Group acquired SIG in a transaction valued at up to €4,035 million (\$4,245 million). Based in Switzerland, SIG provides food and beverage producers with a comprehensive product portfolio of aseptic carton sleeves and closures, as well as the filling machines used to fill, form and seal the sleeves. The purchase price consisted of €3,860 million (\$4,062 million) paid on closing of the transaction and an additional amount of up to €175 million (\$183 million) payable based on SIG's financial performance in 2015 and 2016. The Onex Partners IV Group's equity investment in SIG was completed in U.S. dollars in the amount of \$1,215 million for substantially all of the equity. Onex' investment in SIG totalled \$405 million and was comprised of \$131 million through Onex Partners IV and \$274 million as a co-investment.

In June 2015, the ONCAP III Group completed its investment in ITG. Based in Canada and Spain, ITG is a global leader in the manufacturing of consumable wear components that are embedded into agricultural soil preparation and seeding equipment implements. ITG is also a leading provider of branded manual hand tools to the agricultural, construction and gardening end markets in the United States, Iberia and Latin America. The ONCAP III Group invested \$70 million for joint control of ITG, of which Onex' share was \$21 million.

In July 2015, the Onex Partners IV Group acquired Jack's, a leading regional quick-service restaurant operator based in the United States, for \$640 million. The Onex Partners IV Group invested \$415 million, of which Onex' portion was \$120 million. The Onex Partners IV Group's investment in Jack's consisted of an equity investment of \$220 million and a \$195 million promissory note. Onex' investment in Jack's consisted of an equity investment of \$63 million and \$57 million of the promissory note.

In July 2015, the ONCAP III Group completed the acquisition of Chatters. Based in Canada, Chatters is a retailer and distributor of hair and beauty care products, as well as an operator and franchisor of hair and beauty salons. The ONCAP III Group invested C\$55 million (\$43 million) in Chatters, of which Onex' share was C\$16 million (\$13 million).

In July 2015, the Onex Partners IV Group acquired Schumacher for \$690 million. Based in the United States, Schumacher is a leading provider of outsourced emergency and hospital medicine clinical staffing, as well as healthcare advisory services. The Onex Partners IV Group invested \$219 million, of which Onex' portion was \$63 million.

In August 2015, Schumacher reached an agreement to acquire Hospital Physician Partners ("HPP"), a provider of outsourced emergency and hospital medicine clinical staffing services in the United States. In connection with this transaction, the Onex Partners IV Group will make an add-on investment in Schumacher of approximately \$115 million and the balance of the equity will be funded by an investment from the management of HPP and Schumacher and other investors, and cash from Schumacher's balance sheet. Onex' share of the add-on investment in Schumacher will be approximately \$30 million.

Building businesses

The strong cash flow characteristics of many of our operating businesses allowed a number of them to complete follow-on acquisitions in 2015 for total consideration of \$116 million. Emerald Expositions, LLC ("Emerald Expositions"), Hopkins Manufacturing Corporation ("Hopkins"), Res-Care, Inc. ("ResCare"), SGS International, Inc. ("SGS International"), Survitec and USI Insurance Services ("USI") each completed add-on acquisitions during the first half of 2015.

In August 2015, Mavis Discount Tire acquired Somerset Tire Service, Inc. ("STS"), one of the largest tire chains in the United States. In conjunction with this transaction, the ONCAP III Group completed an add-on investment in Mavis Discount Tire of \$48 million comprised of \$27 million from ONCAP III and \$21 million as a co-investment from Onex and certain limited partners. Onex' total add-on investment in Mavis Discount Tire of \$25 million was comprised of \$8 million through ONCAP III and \$17 million as a co-investment. Subsequent to the add-on investment, the ONCAP III Group has a 46 percent economic interest in Mavis Discount Tire and Onex increased its economic ownership to 17 percent from 14 percent.

During the first six months of 2015, a number of our existing operating businesses collectively raised or refinanced a total of \$545 million of debt. During the same period, our existing operating businesses collectively paid down debt totalling \$170 million. In addition, JELD-WEN increased its existing term loan by \$480 million in July 2015 to fund a distribution of \$432 million to its shareholders and retained the balance to fund add-on acquisitions. The Onex Partners III Groups' portion of the distribution to shareholders was \$359 million, of which Onex' portion was \$89 million.

Realizing on value

In March 2015, ResCare entered into an incremental term loan facility of \$105 million to fund a distribution to shareholders. The Onex Partners I and Onex Partners III Groups' portion of the distribution to shareholders was \$47 million and \$50 million, respectively, of which Onex' share was \$20 million. The majority of the balance was distributed to the management of ResCare.

In April 2015, the Onex Partners III Group entered into an agreement to sell Tropicana Las Vegas, Inc. ("Tropicana Las Vegas") for an enterprise value of approximately \$360 million. Under the terms of the agreement, the Onex Partners III Group will receive net proceeds of approximately \$230 million, of which Onex' share will be approximately \$50 million. The transaction is expected to close during the second half of 2015 and is subject to customary closing conditions and regulatory approvals.

In July 2015, Onex entered into an agreement to sell SITEL Worldwide Corporation ("Sitel Worldwide") for an enterprise value of approximately \$830 million. Under the terms of the agreement, Onex' proceeds are expected to be approximately \$55 million, which includes an earn-out component. The transaction is expected to close during the second half of 2015 and is subject to customary closing conditions and regulatory approvals.

In July 2015, our real estate platform sold substantially all of the retail space and adjoining parking garage of Flushing Town Center, receiving net proceeds of \$112 million, of which Onex' share was \$98 million. Included in the net proceeds is \$8 million held in escrow, of which Onex' share is \$7 million. In addition, we expect to complete the sale of an additional component of the retail space during the second half of 2015. Onex Real Estate Partners continues to develop the second phase of condominiums at the project.

The value of Onex' investment in Onex Partners' and ONCAP's operating businesses, including realizations and distributions, increased by 9 percent during the first half of 2015 and by 13 percent for the 12 months ended June 30, 2015. One of Onex' long-term goals is to grow its capital per share by 15 percent per year. Including the impact of cash, carried interest and other investments, Onex' capital per share grew by 1 percent in U.S. dollars (9 percent in Canadian dollars) for the six months ended June 30, 2015 to \$54.72 (C\$68.35) from \$54.11 (C\$62.77) at December 31, 2014. For the 12 months ended June 30, 2015, Onex' capital per share grew by 4 percent in U.S. dollars (21 percent in Canadian dollars).

Managing and growing other investors' capital

Onex' management of other investors' capital has grown significantly since 1999 when it raised its first ONCAP Fund for mid-market transactions. In 2003, the first Onex Partners Fund was raised for larger transactions. Through June 30, 2015, Onex had raised \$11.8 billion of limited partners' capital through seven Onex Partners and ONCAP Funds.

In 2007, Onex began development of its credit platform by acquiring a 50 percent interest in an investment advisor focused on credit investing which, at that time, managed \$300 million. The business has grown considerably and Onex has increased its ownership interest over the years. In January 2015, Onex acquired control of the investment advisor and now has a 100 percent ownership interest for accounting purposes. Today, our credit business manages several investment strategies focused on a variety of event-driven, long/short, stressed and distressed opportunities, including two closed-end funds listed on the Toronto Stock Exchange (TSX: OCS-UN and OSL-UN), as well as a collateralized loan obligation ("CLO") platform. Through June 30, 2015, Onex Credit had raised \$6.5 billion of other investors' capital through its various strategies, including CLO-9, which closed in early July 2015.

The management of other investors' capital provides two significant benefits to Onex: (i) the Company earns management fees on \$14.3 billion of assets under management and (ii) Onex has the opportunity to share in the profits of its other investors through the carried interest participation. This enables Onex to enhance the return from its investment activities. In 2014, combined management fees and carried interest received more than offset ongoing operating expenses. Onex Partners, ONCAP and Onex Credit earned a total of \$99 million in management and transaction fees in 2014, and today Onex has run-rate management fees of approximately \$132 million for the next 12 months. Onex does not earn any management fees on the capital it has invested or committed to the Onex Partners and ONCAP Funds.

At June 30, 2015, Onex' share of the unrealized carried interest on Onex Partners' operating businesses was \$149 million based on the fair values compared to \$115 million at December 31, 2014. The amount of unrealized carried interest on Onex Partners' businesses has increased since December 31, 2014 due to fair value increases of certain businesses in the first half of 2015. The actual amount of carried interest realized by Onex will depend on the ultimate performance of each Fund.

At June 30, 2015, Onex managed \$16.0 billion of other investors' capital, in addition to \$5.9 billion of Onex' capital.

Other Investors' Capital Under Management ⁽¹⁾							
(Unaudited) (\$ millions)							
	Total		Change in Total	Fee Generating		Uncalled Commitments	
	June 30, 2015 ⁽²⁾	December 31, 2014 ⁽²⁾		June 30, 2015	December 31, 2014	June 30, 2015 ⁽²⁾	December 31, 2014 ⁽²⁾
Funds							
Onex Partners	\$ 10,446	\$ 9,598	9%	\$ 8,868	\$ 8,523	\$ 3,594	\$ 4,755
ONCAP	C\$ 1,040	C\$ 922	13%	C\$ 878	C\$ 785	C\$ 156	C\$ 291
Onex Credit ⁽³⁾	\$ 4,690	\$ 4,342	8%	\$ 4,690	\$ 4,342	n/a	n/a

(1) Invested amounts included in other investors' capital under management are presented at fair value.

(2) Includes committed amounts from the management of Onex and ONCAP and directors based on the assumption that all of the remaining limited partners' commitments are invested. Onex Partners uncalled committed capital is shown net of amounts called for the July 2015 investments in Jack's and Schumacher and is not reduced for amounts called in August 2015 for the add-on investment to be completed in Schumacher. ONCAP uncalled committed capital is shown net of amounts called for the July 2015 investment in Chatters and the August 2015 add-on investment in Mavis Discount Tire.

(3) Onex obtained a controlling interest in Onex Credit in January 2015. At December 31, 2014, Onex Credit was jointly controlled by Onex. Capital under management of Onex Credit at June 30, 2015 and December 31, 2014 represents 100 percent of the other investors' capital managed by Onex Credit.

Growth in other investors' capital under management

The amount of other investors' capital under management will fluctuate as new capital is raised and existing investments are realized. During the first six months of 2015, this capital increased by \$1.3 billion due primarily to:

- \$358 million co-invested by certain limited partners in SIG;
- a net increase of \$348 million from Onex Credit primarily from the creation of CLO-8, partially offset by the redemption of CLO-1; and
- a net increase of approximately \$665 million from the fair value of Onex Partners and ONCAP investments.

Partially offsetting these increases in other investors' capital during the first six months of 2015 were distributions to investors in the Onex Partners and ONCAP Funds of \$109 million, primarily from ResCare's distribution, and the impact of foreign exchange.

One of Onex' long-term goals is to grow its fee-generating capital by 10 percent per year. During the six months ended June 30, 2015, fee-generating capital under management grew by 5 percent to \$14.3 billion. For the 12 months ended June 30, 2015, fee-generating capital under management decreased by 4 percent. The decrease in fee-generating capital under management was due to significant realizations in the second half of 2014, which were partially offset by the completion of two CLOs by Onex Credit.

In 2012, Onex began investing capital in Onex Credit's CLO platform to support its growth. To date, Onex Credit has closed nine CLOs, with offerings of securities and loans totalling approximately \$5.3 billion. At June 30, 2015, other investors' capital under management related to these CLOs was \$3.9 billion, excluding CLO-9, which closed in early July 2015.

Onex expects to continue investing in CLOs. In 2014, we established a presence in London to focus on the placement of European CLOs and currently have a warehouse facility in place in anticipation of our first one. In addition, we are focused on growing our other strategies through various product lines and multiple distribution channels.

Performance

Private equity

The ability to raise new capital commitments is dependent upon general economic conditions and the track record Onex has achieved with the investment and management of prior funds. The following table summarizes the performance of the Onex Partners and ONCAP Funds from inception through June 30, 2015. The gross internal rate of return ("Gross IRR") shows the investment returns achieved on the investments in the Funds. The net internal rate of return ("Net IRR") shows the returns earned by limited partners in the Funds after the deduction for carried interest, management fees and expenses. The gross multiple of capital ("Gross MOC") shows the Funds' total value as a multiple of capital invested. Net multiple of capital ("Net MOC") shows the multiple of capital invested for limited partners after the deduction for carried interest, management fees and expenses.

Performance Returns ⁽¹⁾					
	Vintage	Gross IRR	Net IRR ⁽²⁾	Gross MOC	Net MOC ⁽²⁾
Funds					
Onex Partners LP	2003	55%	38%	3.9x	3.1x
Onex Partners II LP	2006	18%	14%	2.4x	2.0x
Onex Partners III LP	2009	20%	13%	1.7x	1.5x
Onex Partners IV LP ⁽³⁾	2014	–	–	1.1x	1.0x
ONCAP L.P. ⁽⁴⁾⁽⁵⁾	1999	43%	33%	4.1x	3.1x
ONCAP II L.P. ⁽⁴⁾	2006	31%	22%	3.7x	2.6x
ONCAP III LP ⁽⁴⁾	2011	31%	20%	1.9x	1.5x

(1) Performance returns are a non-GAAP measure.

(2) Net IRR and Net MOC are presented for limited partners in the Onex Partners and ONCAP Funds and exclude the capital contributions and distributions attributable to Onex' commitment as a limited partner in each Fund.

(3) Performance reflects the short operating period of Onex Partners IV LP. The Gross IRR and Net IRR are not presented as they are not meaningful due to the short operating period of Onex Partners IV LP.

(4) Returns are calculated in Canadian dollars, the functional currency of the ONCAP Funds.

(5) ONCAP L.P. was dissolved effective October 31, 2012 as all investments had been realized.

Credit

Onex believes CLOs will generate attractive risk-adjusted returns on Onex' capital. Through June 30, 2015, Onex had invested \$446 million in CLOs, including \$91 million for warehouse facilities of three CLOs, with a net investment of \$315 million after \$131 million was realized through dispositions and distributions. In June 2015, the Company redeemed its first CLO denominated in U.S. dollars, CLO-1. In aggregate, Onex received \$52 million of proceeds and distributions related to CLO-1 compared to its original investment of \$38 million and Onex' investment in CLO-1 generated an 18 percent net internal rate of return. In addition, Onex expects to receive a final distribution of \$1 million in September 2015. Including the change in value of its remaining holdings, Onex' investments in CLOs outstanding for at least one year have generated a 3 percent internal rate of return as of June 30, 2015.

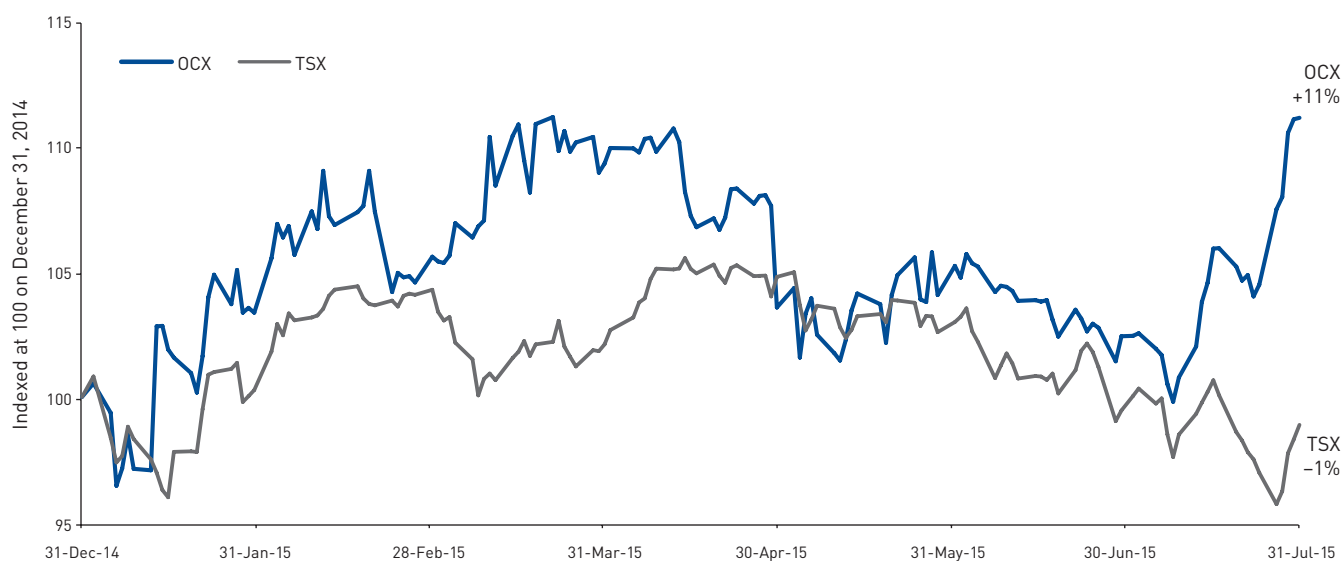
Have value creation reflected in Onex' share price

Our goal is to have the value of our investing and asset management activities reflected in our share price. These efforts are supported by a long-standing quarterly dividend and an active stock buyback program. In May 2015, Onex announced that it would be increasing its quarterly dividend by 25 percent to C\$0.0625 per Subordinate Voting Share beginning in July 2015. This increase follows similar increases in 2013 and 2014 and reflects Onex' success and ongoing commitment to its shareholders. Year-to-date through July 31, 2015, \$14 million was returned to shareholders through dividends and Onex repurchased 2,853,452 Subordinate Voting Shares at a total cost of \$162 million (C\$201 million), or an average purchase price of C\$70.40 per share.

At July 31, 2015, Onex' Subordinate Voting Shares closed at C\$75.04, an 11 percent increase from December 31, 2014. This compares to a 1 percent decrease in the S&P/TSX Composite Index ("TSX").

The chart below shows the performance of Onex' Subordinate Voting Shares during the first seven months of 2015 relative to the TSX.

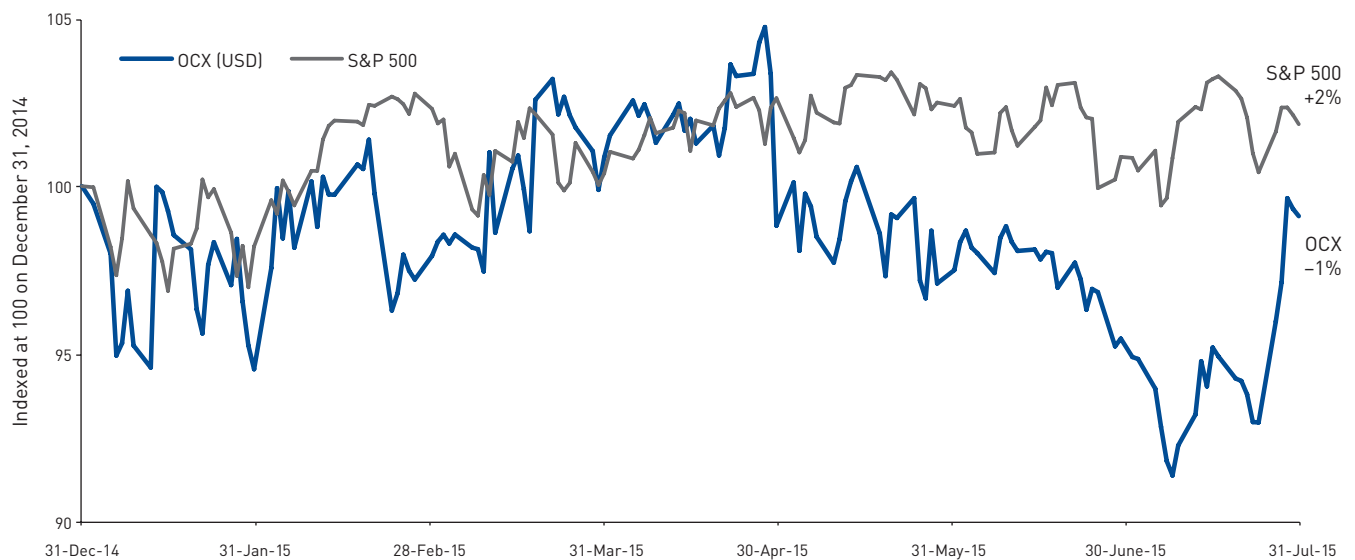
Seven Months' Onex Relative Performance (December 31, 2014 to July 31, 2015)



As a substantial portion of Onex' investments are denominated in U.S. dollars, Onex' Canadian dollar share price will also be impacted by the change in the exchange rate between the U.S. dollar and Canadian dollar. During the seven months ended July 31, 2015, the value of Onex' Subordinate Voting Shares decreased by 1 percent in U.S. dollars as the U.S. dollar strengthened by 13 percent versus the Canadian dollar. This compares to a 2 percent increase in the Standard & Poor's 500 Index ("S&P 500").

The chart below shows the performance of Onex' Subordinate Voting Shares in U.S. dollars during the first seven months of 2015 relative to the S&P 500.

Seven Months' Onex Relative Performance (December 31, 2014 to July 31, 2015)



INDUSTRY SEGMENTS

At June 30, 2015, Onex had eight reportable industry segments. In March 2015, the Onex Partners IV Group completed the acquisition of SIG, the results of which have been combined with SGS International (formerly included in the other businesses segment) and presented as a new reportable industry segment, packaging products and services. In July 2015, the Company entered into an agreement to sell Sitel Worldwide. The results of operations of Sitel Worldwide, which were previously included in the customer care services segment, are presented in the other businesses segment as a discontinued operation. Comparative disclosures have been restated to reflect these changes. A description of our operating businesses by industry segment, and the economic and voting ownerships of Onex, the parent company, and its limited partners in those businesses, is presented below and in the pages that follow. We manage our businesses and measure performance based on each operating company's individual results.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/Voting Ownership
Electronics Manufacturing Services	Celestica Inc. (TSX/NYSE: CLS), a global provider of electronics manufacturing services (www.celestica.com). Onex shares held: 17.9 million^(a)	12% ^(a)	12% ^(a) /79%
Healthcare Imaging	Carestream Health, Inc. , a global provider of medical and dental imaging and healthcare information technology solutions (www.carestream.com). Total Onex, Onex Partners II and Onex management investment at original cost: \$471 million Onex portion at cost: \$186 million Onex Partners II portion subject to a carried interest: \$266 million	91%	33% ^(a) /100%
Health and Human Services	Res-Care, Inc. , a leading U.S. provider of residential, training, educational and support services for people with disabilities and special needs (www.rescare.com). Total Onex, Onex Partners I, Onex Partners III and Onex management investment at original cost: \$204 million Onex portion at cost: \$41 million Onex Partners I portion subject to a carried interest: \$61 million Onex Partners III portion subject to a carried interest: \$94 million	98%	20%/100%
Building Products	JELD-WEN Holding, inc. , one of the world's largest manufacturers of interior and exterior doors, windows and related products for use primarily in the residential and light commercial new construction and remodelling markets (www.jeld-wen.com). Total Onex, Onex Partners III, certain limited partners, Onex management and others investment at original cost: \$985 million Onex portion at cost: \$244 million Onex Partners III portion subject to a carried interest: \$609 million	83% ^(b)	21% ^(b) /83% ^(b)

(a) Excludes shares held in connection with the MIP.

(b) The economic ownership and voting interests of JELD-WEN are presented on an as-converted basis as the Onex Partners III Group's investment includes convertible preferred shares.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Insurance Services	USI Insurance Services , a leading U.S. provider of insurance brokerage services (www.usi.biz).	88%	25%/100%
	Total Onex, Onex Partners III, certain limited partners, Onex management and others investment at original cost: \$610 million		
	Onex portion at cost: \$170 million		
	Onex Partners III portion subject to a carried interest: \$358 million		
	York Risk Services Holding Corp. , an integrated provider of insurance solutions to property, casualty and workers' compensation specialty markets in the United States (www.yorkrsg.com).	88%	29%/100%
	Total Onex, Onex Partners III, certain limited partners, Onex management and others investment at original cost: \$521 million		
	Onex portion at cost: \$173 million		
	Onex Partners III portion subject to a carried interest: \$279 million		
Packaging Products and Services	SGS International, Inc. , a global leader in design-to-print graphic services to the consumer products packaging industry (www.sgsintl.com).	93%	23%/93%
	Total Onex, Onex Partners III and Onex management investment at original cost: \$260 million		
	Onex portion at cost: \$66 million		
	Onex Partners III portion subject to a carried interest: \$183 million		
	SIG Combibloc Group Holdings S.a.r.l. , a world leading system supplier of carton packaging and filling machines for food and beverages (www.sig.biz).	99%	33%/95%
	Total Onex, Onex Partners IV, certain limited partners, Onex management and others investment at original cost: \$1,215 million		
	Onex portion at cost: \$405 million		
	Onex Partners IV portion subject to a carried interest: \$406 million		
Credit Strategies	Onex Credit Strategies , a platform that is comprised of:		
	Onex Credit Manager specializes in managing credit-related investments, including event-driven, long/short and market dislocation strategies.	100% ^(a)	100% ^(a) /(b)
	Onex Credit Collateralized Loan Obligations , leveraged structured vehicles that hold a widely diversified collateral asset portfolio that is funded through the issuance of long-term debt in a series of rated tranches of secured notes and equity.		
	Total Onex investment in collateralized loan obligations, including the warehouse facilities for CLO-9 (closed early July 2015), CLO-10 and EURO CLO-1, at market value: \$328 million		
	Onex Credit Funds , investment funds providing unit holders with exposure to the performance of actively managed, diversified portfolios.		
	Onex investment in Onex Credit Funds at market: \$487 million, of which \$356 million is invested in a segregated unleveraged senior secured loan portfolio that purchases assets with greater liquidity and \$131 million is invested in other Onex Credit Funds.		

(a) The continuing ownership interest of Onex Credit's chief executive officer is recorded as compensation expense in the unaudited interim consolidated financial statements.

(b) Onex has the contractual right to control the Onex Credit asset management platform.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Other Businesses			
• <i>Aerospace Automation, Tooling and Components</i>	Advanced Integration Technology, a leading provider of automation and tooling, maintenance services and aircraft components to the aerospace industry (www.aint.com). Total Onex, Onex Partners IV and Onex management investment at original cost: \$204 million Onex portion at cost: \$45 million Onex Partners IV portion subject to a carried interest: \$142 million	40%	9%/50% ^(a)
• <i>Aircraft Leasing & Management</i>	Aircraft Leasing & Management, a global platform dedicated to leasing and managing commercial jet aircraft. The platform is comprised of: BBAM Limited Partnership, one of the world's leading managers of commercial jet aircraft (www.bbam.com). Total Onex, Onex Partners III and Onex management investment at original cost: \$185 million Onex portion at cost: \$47 million Onex Partners III portion subject to a carried interest: \$130 million Included with the investment in BBAM Limited Partnership is an investment of \$20 million made concurrently in FLY Leasing Limited (NYSE: FLY) by the Onex Partners III Group, of which Onex' share was \$5 million. Meridian Aviation Partners Limited and affiliates, an aircraft investment company established by the Onex Partners III Group. Total Onex, Onex Partners III and Onex management investment at original cost: \$77 million Onex portion at cost: \$19 million Onex Partners III portion subject to a carried interest: \$54 million	50%	13%/50% ^(a)
• <i>Business Services/ Tradeshows</i>	Emerald Expositions, LLC, a leading operator of business-to-business tradeshows in the United States (www.emeraldexpositions.com). Total Onex, Onex Partners III and Onex management investment at original cost: \$490 million Onex portion at cost: \$119 million Onex Partners III portion subject to a carried interest: \$345 million	99%	24%/99%
• <i>Plastics Processing Equipment</i>	KraussMaffei Group GmbH, a leading manufacturer of plastic and rubber processing equipment (www.kraussmaffei.com). Total Onex, Onex Partners III and Onex management investment at original cost: \$366 million^(b) Onex portion at cost: \$92 million^(b) Onex Partners III portion subject to a carried interest: \$257 million^(b)	96%	24%/100%
• <i>Survival Equipment</i>	Survitec Group Limited, a market-leading provider of mission-critical marine, defence and aerospace survival equipment (www.survitecgroup.com). Total Onex, Onex Partners IV and Onex management investment at original cost: \$322 million^(c) Onex portion at cost: \$73 million^(c) Onex Partners IV portion subject to a carried interest: \$225 million^(c)	99%	22%/85%

(a) Onex has certain contractual rights and protections, including the right to appoint members to the boards of directors, in respect of these entities, which are accounted for at fair value in Onex' unaudited interim consolidated financial statements.

(b) The investments in KraussMaffei were made in euros and converted to U.S. dollars using the prevailing exchange rate on the date of the investments.

(c) The investment in Survitec was made in pounds sterling and converted to U.S. dollars using the prevailing exchange rate on the date of investment.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Other Businesses (cont'd)			
• Healthcare	Genesis Healthcare, Inc. ^(a) (NYSE: GEN), a leading provider of integrated long-term healthcare services in the United States (www.genesisihcc.com). Onex shares held: 3.5 million Onex Partners I shares subject to a carried interest: 10.7 million	10%	2%/10%
• Gaming (Held for Sale)	Tropicana Las Vegas, Inc. ^(b) , a casino resort with 1,467 rooms, situated on 35 acres and located directly on the Las Vegas strip (www.troplv.com). Total Onex, Onex Partners III and Onex management investment at original cost: \$319 million Onex portion at cost: \$70 million Onex Partners III portion subject to a carried interest: \$225 million	83%	18%/83%
• Customer Care Services (Discontinued Operation)	SITEL Worldwide Corporation ^(c) , a global provider of outsourced customer care services (www.sitel.com). Onex investment at original cost: \$320 million	86% ^(c)	86% ^(c) /89%
• Mid-Market Opportunities	ONCAP , private equity funds focused on acquiring and building the value of mid-market companies based in North America (www.oncap.com). ONCAP II ONCAP II actively manages investments in EnGlobe (www.englobecorp.com), CiCi's Pizza (www.cicispizza.com), Pinnacle Renewable Energy Group (www.pinnaclepellet.com) and PURE Canadian Gaming (www.purecanadiangaming.com). Total ONCAP II, Onex, Onex management and ONCAP management unrealized investments at original cost: \$264 million (C\$271 million) Onex portion at cost: \$122 million (C\$126 million) ONCAP II portion: \$117 million (C\$121 million) ONCAP III ONCAP III actively manages investments in Hopkins (www.hopkinsmfg.com), PURE Canadian Gaming (www.purecanadiangaming.com), Davis-Standard (www.davis-standard.com), Bradshaw (www.goodcook.com), Mavis Discount Tire (www.mavistire.com) and ITG (www.ingersolltillage.com). Total ONCAP III, Onex, Onex management and ONCAP management unrealized investments at original cost: \$432 million (C\$461 million)^(e) Onex portion at cost: \$127 million (C\$136 million)^(e) ONCAP III portion: \$264 million (C\$282 million)^(e)	100%	46% ^(d) /100%
• Real Estate	Flushing Town Center , a three million-square-foot development located on approximately 14 acres in Flushing, New York. The project is being developed in two phases and will ultimately consist of 1,248 condominium units constructed above retail space and a parking garage facility. Onex' remaining investment in Flushing Town Center at cost: \$301 million	88%	88%/100%

(a) Skilled Healthcare Group, Inc. combined with Genesis HealthCare, LLC in February 2015 to form Genesis Healthcare.

(b) Tropicana Las Vegas was presented as held for sale at June 30, 2015. The transaction is expected to close during the second half of 2015 and is subject to customary closing conditions and regulatory approvals.

(c) The economic ownership interests of Sitel Worldwide are presented based on preferred shareholdings. In July 2015, Onex entered into an agreement to sell Sitel Worldwide. As a result of this pending sale, the operations of Sitel Worldwide are presented in the other segment as discontinued in Onex' unaudited interim consolidated financial statements.

(d) This represents Onex' blended economic ownership in the ONCAP II investments.

(e) Investment amounts for ONCAP III exclude the investment in Chatters completed in July 2015 and the investment in Mavis Discount Tire completed in August 2015. The ONCAP III investment in Chatters was C\$55 million [\$43 million], of which Onex' share was C\$16 million [\$13 million]. The investment in Mavis Discount Tire was comprised of \$27 million through ONCAP III and \$21 million as a co-investment by Onex and certain limited partners. Onex' investment in Mavis Discount Tire was comprised of \$8 million through ONCAP III and \$17 million as a co-investment.

FINANCIAL REVIEW

This section discusses the significant changes in Onex' unaudited interim consolidated statements of earnings for the three and six months ended June 30, 2015 compared to those for the same periods ended June 30, 2014, the unaudited interim consolidated statements of cash flows for the six months ended June 30, 2015 compared to the same period of 2014, and compares Onex' financial condition at June 30, 2015 to that at December 31, 2014.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with Onex' unaudited interim consolidated statements of earnings for the three and six months ended June 30, 2015 and 2014, the corresponding notes thereto and the December 31, 2014 audited annual consolidated financial statements.

Significant accounting estimates and judgements

Onex prepares its unaudited interim consolidated financial statements in accordance with IFRS. The preparation of the interim MD&A and unaudited interim consolidated financial statements in conformity with IFRS requires management to make judgements, assumptions and estimates that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenue and expenses for the periods of the unaudited interim consolidated financial statements. Onex and its operating companies evaluate their estimates and assumptions on an ongoing basis and any revisions are recognized in the affected periods. Included in Onex' unaudited interim consolidated financial statements are estimates used in determining the allowance for doubtful accounts, inventory valuation, deferred tax assets and liabilities, intangible assets and goodwill, useful lives of property, plant and equipment and intangible assets, revenue recognition under contract accounting, income taxes, the fair value of investments in joint ventures and associates, the fair value of Limited Partners' Interests, stock-based compensation, pension and post-employment benefits, warranty provisions, restructuring provisions, legal contingencies and other matters. Actual results could differ materially from those assumptions and estimates.

Significant judgements are used in the determination of fair value for business combinations, Limited Partners' Interests, carried interest and investments in joint ventures and associates. Onex has used significant judgements when determining control of structured entities. The assessment of goodwill, intangible assets and long-lived assets for impairment, income taxes, legal contingencies and actuarial valuations of pension and other post-retirement benefits also requires the use of significant judgements by Onex and its operating companies.

Recent accounting pronouncements

Revenue from Contracts with Customers

In May 2014, the International Accounting Standards Board ("IASB") issued IFRS 15, *Revenue from Contracts with Customers*, which provides a comprehensive five-step revenue recognition model for all contracts with customers. IFRS 15 requires management to exercise significant judgement and make estimates that affect revenue recognition. IFRS 15 will be effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. Onex is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Financial Instruments

In July 2014, the IASB issued a final version of IFRS 9, *Financial Instruments*, which replaces IAS 39, *Financial Instruments: Recognition and Measurement*, and supersedes all previous versions of the standard. The standard introduces a new model for the classification and measurement of financial assets and liabilities, a single expected credit loss model for the measurement of the impairment of financial assets and a new model for hedge accounting that is aligned with a company's risk management activities. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. Onex is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Variability of results

Onex' unaudited interim consolidated operating results may vary substantially from quarter to quarter and year to year for a number of reasons, including some of the following: the current economic environment; the impact of foreign exchange fluctuation; acquisitions or dispositions of businesses by Onex, the parent company; the change in value of stock-based compensation for both the parent company and its operating companies; changes in the market value of Onex' publicly traded operating businesses; changes in the fair value of Onex' privately held operating businesses; changes in tax legislation or in the application of tax legislation; and activities at Onex' operating businesses. These activities may include the purchase or sale of businesses; fluctuations in customer demand, materials and employee-related costs; changes in the mix of products and services produced or delivered; changes in the financing of the business; changes in contract accounting estimates; impairments of goodwill, intangible assets or long-lived assets; litigation; charges to restructure operations; and natural disasters. Given the diversity of Onex' operating businesses, the associated exposures, risks and contingencies may be many, varied and material.

Investments in CLOs and Funds and debt in the CLOs are recorded at fair value with changes in fair value recognized in the unaudited interim consolidated statements of earnings. Fair values are impacted by bond/debt markets and credit risk (both own and counterparty), which may vary substantially from quarter to quarter and year to year.

Significant transactions

Transactions in this section are presented in chronological order by investment.

Onex Credit asset management platform

In January 2015, Onex acquired control of the Onex Credit asset management platform for \$32 million, which included non-cash consideration of \$6 million associated with the issuance of 111,393 of Onex' Subordinated Voting Shares.

The Onex Credit asset management platform was previously jointly controlled with Onex Credit's chief executive officer, and Onex previously held a 70 percent economic interest in the business.

Onex Credit's management team remains in place with its chief executive officer continuing to participate in the performance of the Onex Credit asset management platform.

As a result of the above transaction, Onex consolidates the Onex Credit asset management platform and certain funds managed by Onex Credit in which Onex, the parent company, holds an investment. Onex' previous interest in the Onex Credit asset management platform was equity-accounted and has been derecognized at fair value, resulting in the recognition of a non-cash gain of \$38 million during the first quarter of 2015. The consolidation of the Onex Credit asset management platform and certain of the funds managed by Onex Credit increased Onex' consolidated assets by \$400 million and liabilities by \$350 million at June 30, 2015 compared to December 31, 2014.

Skilled Healthcare Group combination agreement

In February 2015, Skilled Healthcare Group, Inc. ("Skilled Healthcare Group") combined with Genesis HealthCare, LLC ("Genesis HealthCare"), a leading U.S. operator of long-term care facilities. In accordance with the terms of the purchase and combination agreement, each share of Skilled Healthcare Group common stock issued and outstanding immediately prior to the closing of the combination was converted into a share of the newly combined company. At the date of the combination, Skilled Healthcare Group shareholders owned approximately 26 percent of the combined company and Genesis HealthCare shareholders owned the remaining approximately 74 percent of the combined company. The combined company now operates under the Genesis Healthcare name and continues to be publicly traded (NYSE: GEN). At the date of the transaction, the Onex Partners I Group had a 10 percent economic interest in the newly combined company compared to a 39 percent economic ownership interest in Skilled Healthcare Group before the combination. Onex no longer controls Skilled Healthcare Group due to the loss of the multiple voting rights and, therefore, the operations of Skilled Healthcare Group up to the date of transaction in February 2015 are presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows for the six months ended June 30, 2015, and the three and six months ended June 30, 2014 have been restated to report the results of Skilled Healthcare Group as discontinued on a comparative basis.

Onex recognized a non-cash gain of \$68 million associated with measuring its interest in Skilled Healthcare Group at fair value at the date of the combination. Subsequent to the February 2015 transaction date, the Onex Partners I Group's investment in the combined company has been recorded as a long-term investment at fair value through earnings, with changes in fair value recorded in other income (expense).

Acquisition of Survitec

In March 2015, the Onex Partners IV Group acquired Survitec for £450 million (\$670 million). Based in the United Kingdom, Survitec is a provider of mission-critical marine, defence and aerospace survival equipment. The Onex Partners IV Group invested \$322 million for substantially all of the equity, with the remainder of the equity owned by Survitec's management. Onex' share of the equity investment was \$73 million. The balance of the purchase price was substantially financed with debt financing, without recourse to Onex Corporation.

Acquisition of SIG

In March 2015, the Onex Partners IV Group completed the acquisition of SIG for a value of up to €4,035 million (\$4,245 million). Based in Switzerland, SIG provides food and beverage producers with a comprehensive product portfolio of aseptic carton sleeves and closures, as well as the filling machines used to fill, form and seal the sleeves. The purchase price consisted of €3,860 million (\$4,062 million) paid on closing of the transaction and an additional amount of up to €175 million (\$183 million) payable based on SIG's financial performance in 2015 and 2016. The Onex Partners IV Group's equity investment in SIG was completed in U.S. dollars in the amount of \$1,215 million for substantially all of the equity. The Onex Partners IV Group's equity investment was comprised of \$583 million through Onex Partners IV and \$632 million as a co-investment from Onex and certain limited partners. Onex' total investment in SIG was \$405 million and was comprised of \$131 million through Onex Partners IV and \$274 million as a co-investment. The balance of the purchase price was financed with debt financing, without recourse to Onex Corporation.

Management of SIG completed investments in SIG during the second quarter of 2015, reducing the Onex Partners IV Group's economic interest to 99 percent, of which Onex' portion is 33 percent.

Pending sale of Tropicana Las Vegas

In April 2015, the Onex Partners III Group entered into an agreement to sell Tropicana Las Vegas for an enterprise value of approximately \$360 million. Under the terms of the agreement, the Onex Partners III Group will receive net proceeds of approximately \$230 million, of which Onex' share will be approximately \$50 million. The transaction is expected to close during the second half of 2015 and is subject to customary closing conditions and regulatory approvals.

At June 30, 2015, Onex' investment in Tropicana Las Vegas was classified as held for sale and was recorded at the carrying value. Tropicana Las Vegas does not represent a major line of business, and as a result, has not been presented as a discontinued operation.

Investment in ITG

In June 2015, the ONCAP III Group acquired a 45 percent economic interest in ITG. Based in Canada and Spain, ITG is a global leader in the manufacturing of consumable wear components that are embedded into agricultural soil preparation and seeding equipment implements. ITG is also a leading provider of branded manual hand tools to the agricultural, construction and gardening end markets in the United States, Iberia and Latin America. The ONCAP III Group invested \$70 million for joint control of ITG, of which Onex' share was \$21 million and a 13 percent economic interest.

Acquisition of Jack's

In July 2015, the Onex Partners IV Group completed the acquisition of Jack's for \$640 million. Based in the United States, Jack's is a leading regional quick-service restaurant operator. The Onex Partners IV Group invested a total of \$415 million in Jack's, of which Onex' portion was \$120 million. The remainder of the purchase price was financed with debt financing, without recourse to Onex Corporation. The Onex Partners IV Group's investment in Jack's consisted of

an equity investment of \$220 million and a \$195 million promissory note. Onex' investment in Jack's consisted of an equity investment of \$63 million and \$57 million of the promissory note. Onex' portion of the investment reflects its increased commitment to the Onex Partners IV Fund.

Acquisition of Chatters

In July 2015, the ONCAP III Group completed the acquisition of Chatters. Based in Canada, Chatters is a retailer and distributor of hair and beauty care products as well as an operator and franchisor of hair and beauty salons. The ONCAP III Group invested C\$55 million (\$43 million), of which Onex' share was C\$16 million (\$13 million).

Pending sale of Sitel Worldwide

In July 2015, Onex entered into an agreement to sell Sitel Worldwide for an enterprise value of approximately \$830 million. Under the terms of the agreement, Onex' proceeds are expected to be approximately \$55 million, which includes an earn-out component. The transaction is expected to close during the second half of 2015 and is subject to customary closing conditions and regulatory approvals. As a result, the operations of Sitel Worldwide are presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows and prior periods have been restated to report the results of Sitel Worldwide as discontinued on a comparative basis.

Partial realization of Flushing Town Center

In July 2015, Onex Real Estate Partners sold substantially all of the retail space and adjoining parking garage of Flushing Town Center. Onex Real Estate Partners continues to develop the second phase of condominiums at the project. Onex Real Estate Partners received net proceeds of \$112 million, of which Onex' share was \$98 million. Included in the net proceeds is \$8 million held in escrow, of which Onex' share is \$7 million. In addition, Onex Real Estate Partners expects to complete the sale of an additional component of the retail space during the second half of 2015.

At June 30, 2015, Flushing Town Center's retail space and adjoining parking garage were classified as held for sale and were recorded at carrying value. The retail space and adjoining parking garage of Flushing Town Center do not represent a major line of business, and as a result, have not been presented as a discontinued operation.

Acquisition of Schumacher

In July 2015, the Onex Partners IV Group acquired Schumacher for \$690 million. Based in the United States, Schumacher is a leading provider of outsourced emergency and hospital medicine clinical staffing, as well as healthcare advisory services. The Onex Partners IV Group invested a total of \$219 million in Schumacher, of which Onex' portion was \$63 million. Onex' portion of the investment reflects its increased commitment to the Onex Partners IV Fund. The remainder of the purchase price was financed through a rollover of equity and cash contributed by existing shareholders and management, and with debt financing, without recourse to Onex Corporation.

In August 2015, Schumacher reached an agreement to acquire HPP, a provider of outsourced emergency and hospital medicine clinical staffing services in the United States. In connection with this transaction, the Onex Partners IV Group will make an add-on investment in Schumacher of approximately \$115 million and the balance of the equity will be funded by an investment from the management of HPP and Schumacher and other investors, and cash from Schumacher's balance sheet. Onex' share of the add-on investment in Schumacher will be approximately \$30 million.

Mavis Discount Tire's acquisition of Somerset Tire Service, Inc.

In August 2015, Mavis Discount Tire acquired STS, one of the largest tire chains in the United States. In conjunction with this transaction, the ONCAP III Group completed an add-on investment in Mavis Discount Tire. The ONCAP III Group's investment of \$48 million was comprised of \$27 million from ONCAP III and \$21 million as a co-investment from Onex and certain limited partners. Onex' total add-on investment in Mavis Discount Tire of \$25 million was comprised of \$8 million through ONCAP III and \$17 million as a co-investment. Subsequent to the add-on investment, the ONCAP III Group has a 46 percent economic interest in Mavis Discount Tire and Onex increased its economic ownership to 17 percent from 14 percent.

REVIEW OF JUNE 30, 2015 UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The discussions that follow identify those material factors that affected Onex' operating segments and Onex' unaudited interim consolidated results for the three and six months ended June 30, 2015. We will review the major line items to the unaudited interim consolidated financial statements by segment. Discontinued operations for the three months ended June 30, 2015 represent the results of operations of Sitel Worldwide. Discontinued operations for the six months ended June 30, 2015 represent the results of operations of Skilled Healthcare Group up to the date of combination with Genesis HealthCare, LLC in February 2015 and Sitel Worldwide. Discontinued operations for the three and six months ended June 30, 2014 represent the results of operations of The Warranty Group, Spirit AeroSystems, Skilled Healthcare Group and

Sitel Worldwide. In addition, the packaging products and services segment consists of SGS International (previously included within the other segment) and SIG. Comparative results have been restated to reflect this change.

Consolidated revenues and cost of sales

Consolidated revenues were \$5.2 billion in the second quarter of 2015, up 13 percent, or \$605 million, from \$4.6 billion in the same quarter of 2014. Consolidated cost of sales for the three months ended June 30, 2015 was \$3.6 billion, an increase of 6 percent, or \$211 million, compared to the same quarter of 2014.

For the six months ended June 30, 2015, consolidated revenues were \$9.7 billion, up 9 percent, or \$820 million, compared to the same period in 2014. Consolidated cost of sales for the first half of 2015 was \$6.7 billion, an increase of 3 percent, or \$174 million, from \$6.5 billion for the same period in 2014.

Table 1 provides revenues and cost of sales by industry segment for the three and six months ended June 30, 2015 and 2014.

Revenues and Cost of Sales by Industry Segment for the Three Months Ended June 30

TABLE 1	(Unaudited) (\$ millions)			Revenues			Cost of Sales		
Three months ended June 30	2015	2014	Change	2015	2014	Change			
Electronics Manufacturing Services	\$ 1,418	\$ 1,472	(4)%	\$ 1,303	\$ 1,350	(3)%			
Healthcare Imaging ^(a)	545	601	(9)%	310	350	(11)%			
Health and Human Services ^(a)	453	432	5 %	347	324	7 %			
Building Products	879	912	(4)%	677	738	(8)%			
Insurance Services ^(b)	455	235	94 %	–	–	n/a			
Packaging Products and Services ^(c)	606	124	389 %	404	76	432 %			
Credit Strategies ^(d)	2	–	n/a	–	–	n/a			
Other ^(e)	887	864	3 %	559	551	1 %			
Total	\$ 5,245	\$ 4,640	13 %	\$ 3,600	\$ 3,389	6 %			

Results are reported in accordance with IFRS. These results may differ from those reported by the individual operating companies.

- (a) The healthcare imaging segment, consisting of Carestream Health, and the health and human services segment, consisting of ResCare, were previously included within the healthcare segment, which consisted of Carestream Health, ResCare and Skilled Healthcare Group. In February 2015, Skilled Healthcare Group combined with Genesis HealthCare, and as of the February 2015 transaction date, the Company's investment in the combined company has been recorded as an other long-term investment at fair value through earnings, with changes in fair value recorded in other income (expense).
- (b) The insurance services segment consists of USI and York. USI and York report their costs in operating expenses. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group. USI was previously included within the other segment.
- (c) The packaging products and services segment consists of SIG and SGS International. SIG began to be consolidated in March 2015, when the business was acquired by the Onex Partners IV Group. The results of SGS International were previously included within the other segment.
- (d) The credit strategies segment, consisting of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds, was previously included within the other segment. Costs of the credit strategies segment are recorded in operating expenses.
- (e) 2015 other includes Flushing Town Center, Tropicana Las Vegas, KraussMaffei, Meridian Aviation, Emerald Expositions, Survitec (since March 2015), the operating companies of ONCAP II and ONCAP III and the parent company. 2014 other includes Flushing Town Center, Tropicana Las Vegas, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II and ONCAP III and the parent company.

Revenues and Cost of Sales by Industry Segment for the Six Months Ended June 30

TABLE 1	(Unaudited) (\$ millions)		Revenues			Cost of Sales		
Six months ended June 30	2015	2014	Change	2015	2014	Change		
Electronics Manufacturing Services	\$ 2,716	\$ 2,784	(2)%	\$ 2,492	\$ 2,555	(2)%		
Healthcare Imaging ^(a)	1,015	1,120	(9)%	600	656	(9)%		
Health and Human Services ^(a)	895	853	5 %	683	640	7 %		
Building Products	1,616	1,677	(4)%	1,268	1,384	(8)%		
Insurance Services ^(b)	886	438	102 %	–	–	n/a		
Packaging Products and Services ^(c)	826	245	237 %	555	154	260 %		
Credit Strategies ^(d)	3	–	n/a	–	–	n/a		
Other ^(e)	1,741	1,761	(1)%	1,073	1,108	(3)%		
Total	\$ 9,698	\$ 8,878	9 %	\$ 6,671	\$ 6,497	3 %		

Results are reported in accordance with IFRS. These results may differ from those reported by the individual operating companies.

- (a) The healthcare imaging segment, consisting of Carestream Health, and the health and human services segment, consisting of ResCare, were previously included within the healthcare segment, which consisted of Carestream Health, ResCare and Skilled Healthcare Group. The operations of Skilled Healthcare Group up to the date of combination with Genesis HealthCare in February 2015, and for the six months ended June 30, 2014, are presented as discontinued.
- (b) The insurance services segment consists of USI and York. USI and York report their costs in operating expenses. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group. USI was previously included within the other segment.
- (c) The packaging products and services segment consists of SIG and SGS International. SIG began to be consolidated in March 2015, when the business was acquired by the Onex Partners IV Group. The results of SGS International were previously included within the other segment.
- (d) The credit strategies segment, consisting of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds, was previously included within the other segment. Costs of the credit strategies segment are recorded in operating expenses.
- (e) 2015 other includes Flushing Town Center, Tropicana Las Vegas, KraussMaffei, Meridian Aviation, Emerald Expositions, Survitec (since March 2015), the operating companies of ONCAP II and ONCAP III and the parent company. 2014 other includes Flushing Town Center, Tropicana Las Vegas, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II and ONCAP III and the parent company.

Electronics Manufacturing Services

Celestica Inc. ("Celestica") delivers innovative supply chain solutions globally to customers in the communications (comprised of enterprise communications and telecommunications), consumer, diversified (comprised of aerospace and defence, industrial, healthcare, energy and semiconductor equipment), servers and storage end markets. These solutions include design and development, engineering services, supply chain management, new product introductions, component sourcing, electronics manufacturing, assembly and test, complex mechanical assembly, systems integration, precision machining, order fulfillment, logistics and aftermarket repair and return services.

Celestica reported revenues of \$1.4 billion for the three months ended June 30, 2015, down 4 percent, or \$54 million, compared to the same period in 2014 due primarily to decreases in the communications, consumer, servers and diversified end markets. The revenue decrease in the communications end market was due primarily to a

program completion, partially offset by new program wins. For the consumer end market, the revenue decrease was due primarily to program completions in the second half of 2014, and the revenue decrease in the server end market was due to demand softness. The decrease in revenue in the diversified end market was primarily driven by the transitioning of a portion of the company's solar operations from North America to Asia, partially offset by improved demand in the semiconductor business and new program wins. These revenue decreases were partially offset by an increase in the storage end market primarily due to stronger demand and the ramping up of new programs.

Cost of sales decreased by 3 percent, or \$47 million, to \$1.3 billion for the second quarter of 2015 and gross profit decreased by 6 percent to \$115 million compared to the same period in 2014. The decrease in cost of sales and gross profit was due primarily to the decrease in revenues during the second quarter of 2015.

For the six months ended June 30, 2015, revenues decreased by 2 percent, or \$68 million, to \$2.7 billion and cost of sales decreased by 2 percent, or \$63 million, to \$2.5 billion. The same factors that contributed to the decrease in revenues and cost of sales for the second quarter of 2015 drove the decreases in revenues and cost of sales for the first six months of 2015.

Healthcare Imaging

Carestream Health, Inc. ("Carestream Health") provides products and services for the capture, processing, viewing, sharing, printing and storing of images and information for medical and dental applications. The company also has a non-destructive testing business, which sells x-ray film and digital radiology products to the non-destructive testing market. Carestream Health sells digital products, including computed radiography and digital radiography equipment, picture archiving and communication systems, information management solutions, dental practice management software and services, as well as traditional medical products, including x-ray film, printers and media, equipment, chemistry and services. Carestream Health has three reportable segments: Medical Film, Medical Digital and Dental.

Carestream Health reported revenues of \$545 million during the second quarter of 2015, down 9 percent, or \$56 million, from the same period in 2014. Excluding the \$36 million impact of unfavourable foreign exchange translation on Carestream Health's non-U.S. revenues, Carestream Health reported a decrease in revenues of \$20 million. The decrease in revenues was due primarily to lower volume and price in the traditional film business as the medical imaging market continues to transition from film to digital products and the company continues to balance price and market share with fluctuations in silver costs.

Cost of sales of \$310 million decreased by \$40 million, or 11 percent, during the second quarter of 2015 compared to the same quarter in 2014. Cost of sales decreased due primarily to favourable foreign exchange translation of \$14 million and lower costs for silver, which is a major component in the production of film. Gross profit for the second quarter of 2015 decreased to \$235 million from \$251 million for the same quarter in 2014. Excluding the \$22 million impact of unfavourable foreign exchange translation, gross profit increased by \$6 million due primarily to lower silver and manufacturing costs offset by lower price.

For the first half of 2015, revenues decreased by 9 percent, or \$105 million, to \$1.0 billion. Cost of sales decreased by 9 percent, or \$56 million, to \$600 million and gross profit decreased by 11 percent, or \$49 million, to \$415 million. The same factors that contributed to the decrease in revenues, cost of sales and gross profit for the second quarter of 2015 drove the decreases in revenues, cost of sales and gross profit for the first six months of 2015.

Health and Human Services

ResCare has five reportable segments: Residential Services, ResCare HomeCare, Education and Training Services, Workforce Services and Pharmacy Services. Residential Services includes the provision of services to individuals with developmental or other disabilities in community home settings. ResCare HomeCare provides periodic in-home care services to the elderly, as well as persons with disabilities. Education and Training Services consists primarily of Job Corps centres, alternative education and charter schools. Workforce Services is comprised of domestic job training and placement programs that assist welfare recipients and disadvantaged job seekers in finding employment and improving their career prospects. Pharmacy Services is a limited, closed-door pharmacy focused on serving individuals with cognitive, intellectual and developmental disabilities. ResCare provides services to some 65,000 persons daily.

During the three months ended June 30, 2015, ResCare reported revenues of \$453 million, an increase of \$21 million, or 5 percent, compared to the same period in 2014. Acquisitions contributed \$17 million of the increase in revenues and the remainder of the increase was due to organic growth in all segments, except Education and Training Services.

Cost of sales increased by 7 percent, or \$23 million, to \$347 million during the second quarter of 2015 due primarily to the increase in revenues during 2015, along with an increase in wages and benefits.

For the first half of 2015, revenues increased by 5 percent, or \$42 million, to \$895 million and cost of sales increased by 7 percent, or \$43 million, to \$683 million. The same factors that contributed to the increase in revenues and cost of sales for the second quarter of 2015 drove the increases in revenues and cost of sales for the six months ended June 30, 2015.

Building Products

JELD-WEN Holding, inc. ("JELD-WEN") is a manufacturer of interior and exterior doors, windows and related products for use primarily in the residential and light commercial new construction and remodelling markets. The company's revenues follow seasonal new construction and repair and remodelling industry patterns. JELD-WEN manages its business through three geographic segments: North America, Europe, and Australia and Asia.

For the three months ended June 30, 2015, revenues at JELD-WEN decreased by 4 percent, or \$33 million, to \$879 million. The decrease in revenues was due to the strengthening of the U.S. dollar, which had a negative impact of \$88 million on the translation of revenues of the company's operations in Canada, Europe and Australia. On a local currency basis, revenues in most of these regions increased compared to the same period in the prior year due primarily to increased volume and pricing. Revenues in the company's U.S. operations increased due to pricing.

Cost of sales was \$677 million during the second quarter of 2015, a decrease of \$61 million, or 8 percent, compared to the same period in 2014. Excluding the \$70 million impact of favourable foreign exchange translation, cost of sales increased by \$9 million, or 1 percent. Gross profit for the second quarter of 2015 increased by \$28 million, or 16 percent, to \$202 million from \$174 million for the same period in 2014 due primarily to improved pricing and productivity in North America, partially offset by \$18 million of unfavourable foreign exchange translation.

For the first six months of 2015, consolidated revenues at JELD-WEN decreased by 4 percent, or \$61 million, to \$1.6 billion compared to the same period in 2014. Consolidated cost of sales was \$1.3 billion for the six months ended June 30, 2015, a decrease of 8 percent, or \$116 million, compared to the same period in 2014. Gross profit for the six months ended June 30, 2015 increased by \$55 million, or 19 percent, to \$348 million from \$293 million for the same period in 2014. The same factors that contributed to the decreases in revenues and cost of sales and the increase in gross profit for the second quarter of 2015 drove the decreases in revenues and cost of sales and the increase in gross profit for the first half of 2015.

Insurance Services

The insurance services segment consists of the operations of USI Insurance Services ("USI") and York Risk Services Holding Corp. ("York"). There are no comparative results for York since the company began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.

During the second quarter of 2015, the insurance services segment reported revenues of \$455 million, a 94 percent, or \$220 million, increase in consolidated revenues compared to the same period in 2014. For the first half of 2015, revenues in the insurance services segment were \$886 million, up 102 percent, or \$448 million, from the same period in 2014. The increase in consolidated revenues for the three and six months ended June 30, 2015 was primarily due to the acquisition of York in October 2014 and the inclusion of York's operating results in 2015. USI and York record their costs in operating expenses.

Table 2 provides revenues by operating company in the insurance services segment for the three and six months ended June 30, 2015 and 2014.

Insurance Services Revenues for the Three Months Ended June 30

TABLE 2 (Unaudited) (\$ millions)		Revenues	
Three months ended June 30	2015	2014	Change
USI	\$ 271	\$ 235	15%
York ^(a)	184	–	n/a
Total	\$ 455	\$ 235	94%

Results are reported in accordance with IFRS. These results may differ from those reported by the individual operating companies.

(a) There are no comparative results for York, as the company began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.

Insurance Services Revenues for the Six Months Ended June 30

(Unaudited) (\$ millions)		Revenues	
Six months ended June 30	2015	2014	Change
USI	\$ 528	\$ 438	21%
York ^(a)	358	–	n/a
Total	\$ 886	\$ 438	102%

Results are reported in accordance with IFRS. These results may differ from those reported by the individual operating companies.

(a) There are no comparative results for York, as the company began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.

USI

USI is a leading provider of insurance brokerage services. USI's revenues consist of commissions paid by insurance companies and fees paid directly by the company's clients for the placement of property and casualty and individual and group health, life and disability insurance. USI also receives contingent and supplemental commissions paid by insurance carriers based on the overall profit and/or volume of business placed with an insurer. USI has two reportable segments: Retail and Specialty.

USI reported revenues of \$271 million during the three months ended June 30, 2015, an increase of 15 percent, or \$36 million, compared to the same period in 2014. For the first half of 2015, USI reported revenues of \$528 million, an increase of 21 percent, or \$90 million, compared to the same period in 2014. The increase in revenues during the three and six months ended June 30, 2015 was due primarily to acquisitions completed in 2014 in addition to organic growth.

York

York is an integrated provider of insurance solutions to property, casualty and workers' compensation specialty markets in the United States. York offers employers and insurance carriers a range of services designed to help manage claims and limit losses incurred under various property and casualty insurance programs. Clients are typically billed for claims management services based on a fee per each claim handled, a flat annual fee or a cost-plus model. In addition to claims management, York offers a suite of integrated managed care services for injured workers.

During the three and six months ended June 30, 2015, York reported revenues of \$184 million and \$358 million, respectively. Since York was acquired in October 2014, there are no comparative results for the three and six months ended June 30, 2014.

Packaging Products and Services

The packaging products and services segment consists of the operations of SGS International and SIG. SIG was acquired by the Onex Partners IV Group in March 2015, as discussed on page 22 of this interim MD&A. The results of SGS International were previously included within the other segment.

During the second quarter of 2015, the packaging products and services segment reported revenues of \$606 million, a 389 percent, or \$482 million, increase in consolidated revenues compared to the same period in 2014. Cost of sales for the three months ended June 30, 2015 increased 432 percent, or \$328 million, to \$404 million compared to the same period in 2014.

For the first six months of 2015, consolidated revenues in the packaging products and services segment increased by \$581 million, or 237 percent, to \$826 million compared to the same period in 2014 while consolidated cost of sales increased by \$401 million, or 260 percent, to \$555 million.

The increase in consolidated revenues and cost of sales for the three and six months ended June 30, 2015 was due primarily to the inclusion of SIG from the date of acquisition in March 2015.

Table 3 provides revenues and cost of sales by operating company in the packaging products and services segment for the three and six months ended June 30, 2015 and 2014.

Packaging Products and Services Revenues and Cost of Sales for the Three Months Ended June 30

TABLE 3	(Unaudited) (\$ millions)			Revenues			Cost of Sales		
Three months ended June 30				2015	2014	Change	2015	2014	Change
SGS International				\$ 125	\$ 124	1%	\$ 78	\$ 76	3%
SIG ^(a)				481	–	n/a	326	–	n/a
Total				\$ 606	\$ 124	389%	\$ 404	\$ 76	432%

Results are reported in accordance with IFRS. These results may differ from those reported by the individual operating companies.

(a) There are no comparative results for SIG, as the company began to be consolidated in March 2015, when the business was acquired by the Onex Partners IV Group.

Packaging Products and Services Revenues and Cost of Sales for the Six Months Ended June 30

	(Unaudited) (\$ millions)			Revenues			Cost of Sales		
Six months ended June 30	2015	2014	Change	2015	2014	Change			
SGS International	\$ 242	\$ 245	(1)%	\$ 158	\$ 154	3%			
SIG ^(a)	584	–	n/a	397	–	n/a			
Total	\$ 826	\$ 245	237 %	\$ 555	\$ 154	260%			

Results are reported in accordance with IFRS. These results may differ from those reported by the individual operating companies.

(a) There are no comparative results for SIG, as the company began to be consolidated in March 2015, when the business was acquired by the Onex Partners IV Group.

SGS International

SGS International offers design-to-print graphic services to the consumer products packaging industry, providing digital solutions for the capture, management, execution and distribution of graphics information. The majority of the company's service offerings result in the delivery of an electronic image file, an engraved gravure cylinder or a flexographic printing plate.

During the second quarter of 2015, revenues and cost of sales reported by SGS International of \$125 million (2014 – \$124 million) and \$78 million (2014 – \$76 million), respectively, were largely unchanged from the same period in 2014.

For the six months ended June 30, 2015, revenues at SGS International decreased by 1 percent, or \$3 million, to \$242 million due primarily to unfavourable foreign currency fluctuations, partially offset by net organic sales growth.

Cost of sales at \$158 million increased by 3 percent, or \$4 million, for the six months ended June 30, 2015 compared to the same period in 2014. The increase was due to the combination of increased volumes, wage inflation and a shift in product and geographic mix.

SIG

SIG is a leading manufacturer of aseptic carton packaging systems for both beverage and liquid foods. SIG supplies complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related aftermarket services.

SIG's functional currency is the euro. The reported revenues and cost of sales of SIG in U.S. dollars may not reflect the true nature of the operating results of the company due to the translation of those amounts and the associated fluctuation of the euro and U.S. dollar exchange rate. The discussion of SIG's revenues and cost of sales is in euros in order to eliminate the impact of foreign currency translation on revenues and cost of sales.

During the three months ended June 30, 2015, SIG reported revenues of €435 million and cost of sales of €295 million. During the six months ended June 30, 2015, SIG reported revenues of €526 million and cost of sales of €358 million, which represent results for the period from the March 2015 acquisition of SIG to June 30, 2015. Since SIG was acquired in March 2015, there are no comparative results for the three and six months ended June 30, 2014.

Credit Strategies

The credit strategies segment includes (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds. In January 2015, Onex began to consolidate the Onex Credit Manager and certain funds managed by Onex Credit in which Onex, the parent company, holds an investment as a result of the transaction described on page 21 of this MD&A. Gross revenues, including management and incentive fees from Onex Credit Funds consolidated by Onex, earned by the credit strategies segment during the three and six months ended June 30, 2015 were \$8 million and \$16 million, respectively. Included in the gross revenues for the credit strategies segment are \$1 million and \$2 million earned on investments held by Onex, the parent company, for the three and six months ended June 30, 2015, respectively. Credit strategies segment revenue, net of management and incentive fees from Onex Credit Funds consolidated by Onex, for the three and six months ended June 30, 2015 were \$2 million and \$3 million, respectively. The credit strategies segment did not record any revenues for the three and six months ended June 30, 2014 as the Onex Credit Manager began to be consolidated in January 2015. Costs of the credit strategies segment are recorded in operating expenses.

Other Businesses

The other businesses segment consists of the revenues and cost of sales of the ONCAP companies – EnGlobe, CiCi's Pizza, Pinnacle Pellet, Inc. ("Pinnacle Renewable Energy Group"), PURE Canadian Gaming Corp. ("PURE Canadian Gaming"), Hopkins, Davis-Standard Holdings, Inc. ("Davis-Standard"), Bradshaw International, Inc. ("Bradshaw") and Mister Car Wash (up to August 2014) – Tropicana Las Vegas, KraussMaffei Group GmbH ("KraussMaffei"), Emerald Expositions, Survitec (since March 2015), Flushing Town Center, Meridian Aviation Partners Limited ("Meridian Aviation") and the parent company.

Table 4 provides revenues and cost of sales by operating company in the other businesses segment for the three and six months ended June 30, 2015 and 2014. The percentage change in revenues and cost of sales in those periods is also shown.

Other Businesses Revenues and Cost of Sales for the Three Months Ended June 30

TABLE 4	(Unaudited) (\$ millions)		Revenues			Cost of Sales		
Three months ended June 30	2015	2014	Change	2015	2014	Change		
ONCAP companies ^(a)	\$ 367	\$ 411	(11)%	\$ 255	\$ 257	(1)%		
Emerald Expositions	61	53	15 %	17	21	(19)%		
KraussMaffei	319	363	(12)%	231	268	(14)%		
Survitec ^(b)	89	–	n/a	53	–	n/a		
Tropicana Las Vegas	31	29	7 %	2	2	–		
Other ^(c)	20	8	150 %	1	3	(67)%		
Total	\$ 887	\$ 864	3 %	\$ 559	\$ 551	1 %		

Results are reported in accordance with IFRS. These results may differ from those reported by the individual operating companies.

(a) 2015 ONCAP companies include EnGlobe, CiCi's Pizza, Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard and Bradshaw. 2014 ONCAP companies include EnGlobe, CiCi's Pizza, Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard, Bradshaw and Mister Car Wash.

(b) Survitec was acquired by the Onex Partners IV Group in March 2015.

(c) Other includes Flushing Town Center, Meridian Aviation and the parent company.

Other Businesses Revenues and Cost of Sales for the Six Months Ended June 30

	(Unaudited) (\$ millions)		Revenues			Cost of Sales		
Six months ended June 30	2015	2014	Change	2015	2014	Change		
ONCAP companies ^(a)	\$ 698	\$ 805	(13)%	\$ 483	\$ 504	(4)%		
Emerald Expositions	182	155	17 %	51	57	(11)%		
KraussMaffei	643	714	(10)%	463	529	(12)%		
Survitec ^(b)	126	–	n/a	71	–	n/a		
Tropicana Las Vegas	59	56	5 %	4	4	–		
Other ^(c)	33	31	6 %	1	14	(93)%		
Total	\$ 1,741	\$ 1,761	(1)%	\$ 1,073	\$ 1,108	(3)%		

Results are reported in accordance with IFRS. These results may differ from those reported by the individual operating companies.

(a) 2015 ONCAP companies include EnGlobe, CiCi's Pizza, Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard and Bradshaw. 2014 ONCAP companies include EnGlobe, CiCi's Pizza, Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard, Bradshaw and Mister Car Wash.

(b) Survitec was acquired by the Onex Partners IV Group in March 2015.

(c) Other includes Flushing Town Center, Meridian Aviation and the parent company.

ONCAP companies

The ONCAP companies reported an 11 percent, or \$44 million, decrease in revenues for the three months ended June 30, 2015 compared to the same period in 2014, while cost of sales had a decrease of 1 percent, or \$2 million.

For the six months ended June 30, 2015, revenues reported by the ONCAP companies decreased by \$107 million, or 13 percent, compared to the same period in 2014, while cost of sales decreased by \$21 million, or 4 percent.

The decrease in revenues and cost of sales during the three and six months ended June 30, 2015 was due primarily to the ONCAP II Group's sale of Mister Car Wash in August 2014. The decrease in revenues and cost of sales was partially offset by net increases at the remaining ONCAP companies, which were primarily driven by acquisitions completed by the companies. The aggregate gross margin of the ONCAP companies decreased in 2015 as a result of a greater proportion of product-based companies compared to 2014.

Emerald Expositions

Emerald Expositions is a leading operator of large business-to-business tradeshows in the United States across 10 end markets. Emerald Expositions has two principal sources of revenue: tradeshow revenue and revenue from print and digital publications and select conferences. Tradeshow revenue is generated from selling exhibit space and sponsorship slots to exhibitors on a per-square-footage basis.

Emerald Expositions reported revenues of \$61 million for the second quarter of 2015, an increase of 15 percent, or \$8 million, compared to the same period in 2014. The increase in revenues during the second quarter of 2015 was due primarily to acquisitions as well as organic growth in the tradeshow portfolio. Cost of sales of \$17 million reported by Emerald Expositions during the three months ended June 30, 2015 was down \$4 million from the same period in 2014. Excluding the impact of one-time adjustments to cost of sales in 2014, cost of sales for the second quarter of 2015 was largely unchanged from the same period in 2014.

For the six months ended June 30, 2015, Emerald Expositions reported revenues of \$182 million, an increase of 17 percent, or \$27 million, compared to the same period in 2014. For the six months ended June 30, 2015, cost of sales of \$51 million decreased 11 percent, or \$6 million, from the

same period in 2014. The same factors that contributed to the increase in revenues and decrease in cost of sales for the second quarter of 2015 drove the increase in revenues and decrease in cost of sales for the first half of 2015.

KraussMaffei

KraussMaffei provides highly engineered solutions and machines for the production of plastic and rubber products. The company provides products and solutions in the injection molding, extrusion technology and reaction process machinery segments and serves customers in a wide range of industries. KraussMaffei's revenues are derived from the sale of machines and aftermarket services.

KraussMaffei's functional currency is the euro. The reported revenues and cost of sales of KraussMaffei in U.S. dollars may not reflect the true nature of the operating results of the company due to the translation of those amounts and the associated fluctuation of the euro and U.S. dollar exchange rate. The discussion of KraussMaffei's revenues and cost of sales is in euros in order to eliminate the impact of foreign currency translation on revenues and cost of sales.

Revenues reported by KraussMaffei for the three months ended June 30, 2015 increased by 9 percent, or €24 million, to €289 million compared to the same period in 2014. The increase in revenues was due to improved sales in all segments and mainly related to customers in the automotive and packaging industries.

During the three months ended June 30, 2015, cost of sales increased by 6 percent, or €12 million, to €208 million compared to €196 million in the same period last year. The increase in cost of sales was driven primarily by higher revenues, but at slightly higher margins due to a shift in customer mix.

For the six months ended June 30, 2015, KraussMaffei reported revenues of €576 million, an increase of 11 percent, or €55 million, compared to the same period in 2014. For the six months ended June 30, 2015, cost of sales increased by €29 million, or 8 percent, to €415 million from the same period in 2014. The same factors that contributed to the increase in revenues and cost of sales for the second quarter of 2015 drove the increases in revenues and cost of sales for the first six months of 2015.

Survitec

Survitec is a market-leading provider of mission-critical marine, defence and aerospace survival equipment. Survitec's key products include inflatable lifesaving equipment designed to withstand harsh marine environments and survival suits designed for extreme thermal and pressure conditions.

Survitec's functional currency is the pound sterling. The reported revenues and cost of sales of Survitec in U.S. dollars may not reflect the true nature of the operating results of the company due to the translation of those amounts and the associated fluctuation of the pound sterling and U.S. dollar exchange rate. The discussion of Survitec's revenues and cost of sales is in pounds sterling in order to eliminate the impact of foreign currency translation on revenues and cost of sales.

During the three months ended June 30, 2015, Survitec reported revenues of £59 million and cost of sales of £35 million. During the six months ended June 30, 2015, Survitec reported revenues of £83 million and cost of sales of £47 million, which represent results for the period from the March 2015 acquisition of Survitec to June 30, 2015. Since Survitec was acquired in March 2015, there are no comparative results for the three and six months ended June 30, 2014.

Interest expense of operating companies

New investments are structured with the acquired company having sufficient equity to enable it to self-finance a significant portion of its acquisition cost with a prudent amount of debt. The level of debt is commensurate with the operating company's available cash flow, including consideration of funds required to pursue growth opportunities. It is the responsibility of the acquired operating company to service its own debt obligations.

Consolidated interest expense for the second quarter of 2015 was \$225 million, up \$64 million from \$161 million in the same quarter of 2014. The increase was due primarily to the inclusion of interest expense for Survitec and SIG, which were both acquired in March 2015, the debt associated with York, which was acquired in October 2014, and additional debt from CLOs.

For the six months ended June 30, 2015, consolidated interest expense was \$412 million, up \$99 million from \$313 million in the same period last year. The increase was due primarily to the same factors that contributed to the increase in interest expense during the second quarter of 2015.

Increase in value of investments in joint ventures and associates at fair value, net

Investments in joint ventures and associates are defined under IFRS as those investments in operating businesses over which Onex has joint control or significant influence, but not control. Certain of these investments are designated, upon initial recognition, at fair value in the unaudited interim consolidated balance sheets. Both realized and unrealized gains and losses are recognized in the unaudited interim consolidated statements of earnings as a result of increases or decreases in the fair value of investments in joint ventures and associates. The investments that Onex determined to be investments in joint ventures or associates and thus recorded at fair value are Advanced Integration Technology ("AIT") (since December 2014), Allison Transmission Holdings, Inc. ("Allison Transmission") (up to June 2014), BBAM Limited Partnership ("BBAM"), ITG (since June 2015), Mavis Discount Tire (since October 2014) and Tomkins Limited ("Tomkins") (up to April 2014).

During the three months ended June 30, 2015, Onex recorded an increase in fair value of investments in joint ventures and associates of \$42 million compared to a \$33 million increase for the same period in 2014. The increase was primarily due to improved operating performance at certain of the investments.

Of the total fair value increase recorded during the second quarter of 2015, \$33 million (2014 – \$21 million) is attributable to the limited partners in the Onex Partners and ONCAP Funds, which contributes to the Limited Partners' Interests charge discussed on page 37 of this interim MD&A. Onex' share of the total fair value increase was \$9 million (2014 – \$12 million).

During the six months ended June 30, 2015, Onex recorded an increase in fair value of investments in joint ventures and associates of \$61 million compared to a \$388 million increase for the same period in 2014. The same factors that contributed to the increase for the second quarter of 2015 drove the increase for the six months ended June 30, 2015. The increase during the six months ended June 30, 2014 was due primarily to an increase in the public share value of Allison Transmission and an increase in the fair value of Tomkins.

Of the total fair value increase recorded during the six months ended June 30, 2015, \$45 million (2014 – \$263 million) is attributable to the limited partners in the Onex Partners and ONCAP Funds, which contributes to the Limited Partners' Interests charge discussed on page 37 of this interim MD&A. Onex' share of the total fair value increase was \$16 million (2014 – \$125 million).

Stock-based compensation expense

Onex recorded a consolidated stock-based compensation expense of \$27 million during the second quarter of 2015 compared to \$65 million in the same period in 2014. Onex, the parent company, represented a net charge of nil (2014 – expense of \$55 million) primarily related to its stock options

and MIP equity interests. In accordance with IFRS, the expense recorded on these plans is determined based on the fair value of the liability at the end of each reporting period. The fair value of the Onex stock options and MIP equity interests is determined using an option valuation model, with the stock options primarily impacted by the change in the market value of Onex' shares and the MIP equity interests affected primarily by the change in the fair value of Onex' investments. The recovery recorded by Onex, the parent company, on its stock options during the second quarter of 2015 was due primarily to the 6 percent decrease in the market value of Onex' shares to C\$69.11 at June 30, 2015 from C\$73.55 at March 31, 2015.

During the first half of 2015, Onex recorded a consolidated stock-based compensation expense of \$86 million compared to \$148 million for the same period in 2014. Onex, the parent company, contributed \$30 million (2014 – \$107 million) of the expense primarily related to its stock options and MIP equity interests. The expense recorded by Onex, the parent company, on its stock options during the first six months of 2015 was due primarily to the 2 percent increase in the market value of Onex' shares to C\$69.11 at June 30, 2015 from C\$67.46 at December 31, 2014.

Table 5 details the change in stock-based compensation of Onex, the parent company, and Onex operating companies for the three and six months ended June 30, 2015 and 2014.

Stock-Based Compensation Expense (Recovery)

TABLE 5	(Unaudited) (\$ millions)		Three months ended June 30			Six months ended June 30		
			2015	2014	Change	2015	2014	Change
Onex, the parent company, stock options	\$	(9)		\$ 40	\$ (49)	\$ 15	\$ 64	\$ (49)
Onex, the parent company, MIP equity interests		9		15	(6)	15	43	(28)
Onex operating companies		27		10	17	56	41	15
Total	\$	27		\$ 65	\$ (38)	\$ 86	\$ 148	\$ (62)

Other expense (income)

Onex recorded other expense in the second quarter of 2015 of \$5 million (2014 – \$119 million). During the six months ended June 30, 2015, Onex recorded other income of \$33 million (2014 – other expense of \$188 million). Table 6 provides a breakdown of and the change in other expense (income) for the three and six months ended June 30, 2015 and 2014.

Other Expense (Income)

TABLE 6	(Unaudited) (\$ millions)	Three months ended June 30			Six months ended June 30		
		2015	2014	Change	2015	2014	Change
Restructuring		\$ 25	\$ 21	\$ 4	\$ 38	\$ 28	\$ 10
Transition, integration and other		24	34	(10)	55	56	(1)
Transaction costs		6	2	4	58	4	54
Carried interest due to Onex and ONCAP management		37	84	(47)	70	121	(51)
Decrease in value of other Onex Partners investments		5	4	1	24	4	20
Change in fair value of contingent consideration		(1)	1	(2)	(5)	(3)	(2)
Gain on the Onex Credit transaction		–	–	–	(38)	–	(38)
Gain on sale of B.C. Sugar residual property		–	–	–	(36)	–	(36)
Foreign exchange gain		(44)	(5)	(39)	(72)	–	(72)
Derivatives gains		(45)	(9)	(36)	(121)	(10)	(111)
Other		(2)	(13)	11	(6)	(12)	6
Total		\$ 5	\$ 119	\$ (114)	\$ (33)	\$ 188	\$ (221)

Restructuring

Restructuring expenses are considered to be costs incurred by the operating companies to realign organizational structures or restructure manufacturing capacity to obtain operating synergies critical to building the long-term value of those operating companies. Table 7 provides a breakdown of and the change in restructuring expenses by operating company for the three and six months ended June 30, 2015 and 2014.

Restructuring Expenses

TABLE 7	(Unaudited) (\$ millions)	Three months ended June 30			Six months ended June 30		
		2015	2014	Change	2015	2014	Change
Celestica		\$ 10	\$ –	\$ 10	\$ 10	\$ –	\$ 10
USI		8	–	8	10	1	9
JELD-WEN		3	16	(13)	13	20	(7)
Carestream Health		1	3	(2)	2	4	(2)
Other		3	2	1	3	3	–
Total		\$ 25	\$ 21	\$ 4	\$ 38	\$ 28	\$ 10

Transition, integration and other

Transition, integration and other expenses are typically to provide for the costs of transitioning the activities of an operating company from a prior parent company upon acquisition and to integrate new acquisitions at the operating companies. Transition, integration and other expenses for the three and six months ended June 30, 2015 were primarily due to the integration of acquisitions completed by USI in 2014 and 2015.

Transaction costs

Transaction costs are incurred by Onex and its operating companies to complete business acquisitions, and typically include advisory, legal and other professional and consulting costs. Transaction costs for the first half of 2015 were primarily due to the acquisitions of SIG and Survitec as discussed in the significant transactions section starting on page 21 of this interim MD&A, in addition to acquisitions completed by the operating companies.

Carried interest due to Onex and ONCAP management

The General Partners of the Onex Partners and ONCAP Funds are entitled to a carried interest of 20 percent on the realized gains of the limited partners in each Fund, as determined in accordance with the limited partnership agreements. Onex is allocated 40 percent of the carried interest realized in the Onex Partners Funds. Onex management is allocated 60 percent of the carried interest realized in the Onex Partners Funds and ONCAP management is entitled to that portion of the carried interest realized in the ONCAP Funds that equates to a 12 percent carried interest on both limited partners' and Onex' capital. Onex' share of the carried interest change is recorded as an offset in the Limited Partners' Interests amount in the unaudited interim consolidated statements of earnings.

The carried interest due to management of Onex and ONCAP represents the share of the overall net gains in each of the Onex Partners and ONCAP Funds attributable to the management of Onex and ONCAP. The carried interest is estimated based on the current fair values of the underlying investments in the Funds and the overall net gains in each respective Fund determined in accordance with the limited partnership agreements. The ultimate amount of carried interest earned will be based on the

overall performance of each Fund. During the three and six months ended June 30, 2015, a charge of \$37 million (2014 – \$84 million) and \$70 million (2014 – \$121 million), respectively, was recorded in the unaudited interim consolidated statements of earnings for an increase in management's share of the carried interest due primarily to an increase in the fair value of certain of the investments in the Onex Partners and ONCAP Funds.

Decrease in value of other Onex Partners investments

For the three and six months ended June 30, 2015, Onex reported a decrease in value of other Onex Partners investments of \$1 million (2014 – \$4 million) and \$20 million (2014 – \$4 million), respectively. The decrease in value of other Onex Partners investments includes realized and unrealized gains and losses on other Onex Partners investments in which Onex has no or limited remaining strategic or operating influence. The decrease in value of other Onex Partners investments during the six months ended June 30, 2015 was due primarily to the public share value of Genesis Healthcare being below the value of the investment on the date of combination with Skilled Healthcare Group.

Change in fair value of contingent consideration

Onex recorded a net recovery of \$1 million (2014 – net charge of \$1 million) during the second quarter of 2015 in relation to the estimated change in fair value of contingent consideration related to acquisitions completed by Onex and its operating companies. During the first six months of 2015, Onex recorded a net recovery of \$5 million (2014 – \$3 million) in relation to the estimated change in fair value of contingent consideration. The fair value of contingent consideration liabilities is typically based on the estimated future financial performance of the acquired businesses. Financial targets used in the estimation process include certain defined financial targets and realized internal rates of return. The total estimated fair value of contingent consideration liabilities at June 30, 2015 was \$390 million (December 31, 2014 – \$203 million). The increase in the total estimated fair value of contingent consideration liabilities at June 30, 2015 was primarily due to the contingent consideration associated with the acquisition of SIG, as discussed on page 22 of this interim MD&A.

Gain on the Onex Credit transaction

In January 2015, Onex acquired control of the Onex Credit asset management platform, as described on page 21 of this interim MD&A. In connection with this transaction, Onex derecognized its previous equity-accounted interest in the Onex Credit asset management platform at fair value on the date of the transaction, resulting in a non-cash gain of \$38 million recorded in the credit strategies segment during the first quarter of 2015.

Gain on sale of B.C. Sugar residual property

In January 2015, Onex sold a residual property from its former investment in B.C. Sugar for proceeds of \$54 million, recognizing a gain of \$36 million. Onex' share of the proceeds on the sale of the residual property was \$33 million, net of amounts paid on account of the MIP, and Onex' share of the gain was \$23 million. Management of Onex earned \$3 million on account of this transaction related to the MIP.

Derivatives gains

For the three and six months ended June 30, 2015, Onex reported consolidated gains from derivatives of \$45 million (2014 – \$9 million) and \$121 million (2014 – \$10 million), respectively. The derivatives gains primarily relate to mark-to-market gains at SIG, which was acquired in March 2015.

Other

For the three and six months ended June 30, 2015, Onex reported consolidated other income of \$2 million (2014 – \$13 million) and \$6 million (2014 – \$12 million), respectively. Other includes income from equity-accounted investments.

Limited Partners' Interests charge

The Limited Partners' Interests charge in Onex' unaudited interim consolidated statements of earnings primarily represents the change in the fair value of the underlying investments in the Onex Partners, ONCAP and Onex Credit Funds that is allocated to the limited partners and recorded as Limited Partners' Interests liability in Onex' unaudited

interim consolidated balance sheets. The Limited Partners' Interests charge for Onex Partners and ONCAP Funds includes the fair value changes of consolidated operating companies, investments in joint ventures and associates and other investments that are held in the Onex Partners and ONCAP Funds.

In January 2015, Onex acquired control of the Onex Credit asset management platform and began consolidating the Onex Credit Funds in which Onex has an investment. The Limited Partners' Interests liability for Onex Credit Funds includes investments by those other than Onex in the Onex Credit Funds. During the three and six months ended June 30, 2015, Onex recorded a \$2 million charge and a \$1 million recovery, respectively.

During the three and six months ended June 30, 2015, Onex recorded a \$359 million charge (2014 – \$326 million) and a \$540 million charge (2014 – \$576 million), respectively, for Limited Partners' Interests for Onex Partners and ONCAP Funds. The increase in the fair value of certain of the investments held in the Onex Partners and ONCAP Funds contributed significantly to the Limited Partners' Interests charge for Onex Partners and ONCAP Funds recorded in the three and six months ended June 30, 2015.

The Limited Partners' Interests charge for Onex Partners and ONCAP Funds is net of a \$56 million (2014 – \$125 million) and a \$103 million (2014 – \$183 million) increase in carried interest for the three and six months ended June 30, 2015, respectively. Onex' share of the carried interest change for the second quarter of 2015 was \$19 million (2014 – \$44 million). For the first half of 2015, Onex' share of the carried interest increase was \$35 million (2014 – \$66 million). The change in the amount of carried interest that has been netted against the Limited Partners' Interests for Onex Partners and ONCAP Funds decreased during the first half of 2015 due to a lower increase in the fair value of certain of the investments in the Onex Partners and ONCAP Funds. The ultimate amount of carried interest realized will be dependent upon the actual realizations for each Fund in accordance with the limited partnership agreements.

Loss from continuing operations

Onex reported a consolidated loss from continuing operations of \$271 million in the second quarter of 2015 compared to \$380 million in the same quarter of 2014. For the six months ended June 30, 2015, Onex recorded a consolidated loss of \$410 million compared to \$432 million for the six months ended June 30, 2014. Table 8 shows the earnings (loss) from continuing operations by industry segment for the three and six months ended June 30, 2015 and 2014.

Earnings (Loss) from Continuing Operations by Industry Segment

TABLE 8	(Unaudited) (\$ millions)	Three months ended June 30		Six months ended June 30	
		2015	2014	2015	2014
Earnings (loss) from continuing operations:					
Electronics Manufacturing Services	\$	24	\$ 41	\$ 44	\$ 78
Healthcare Imaging ^(a)		16	12	(24)	(11)
Health and Human Services ^(a)		6	9	12	13
Building Products		12	(20)	(13)	(84)
Insurance Services ^(b)		(12)	(9)	(27)	(19)
Packaging Products and Services ^(c)		71	8	99	13
Credit Strategies ^(d)		–	8	68	14
Other ^(e)		(388)	(429)	(569)	(436)
Loss from Continuing Operations	\$	(271)	\$ (380)	\$ (410)	\$ (432)

(a) The healthcare imaging segment, consisting of Carestream Health, and the health and human services segment, consisting of ResCare, were previously included within the healthcare segment, which consisted of Carestream Health, ResCare and Skilled Healthcare Group. The results of operations of Skilled Healthcare Group up to the date of combination with Genesis HealthCare in February 2015, and for the three and six months ended June 30, 2014, are presented as discontinued.

(b) The insurance services segment consists of USI and York. USI was previously included within the other segment. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.

(c) The packaging products and services segment consists of SGS International and SIG. SGS International was previously included within the other segment. SIG began to be consolidated in March 2015, when the business was acquired by the Onex Partners IV Group.

(d) The credit strategies segment, consisting of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds, was previously included within the other segment. Onex Credit Manager and Onex Credit Funds began to be consolidated in January 2015, when Onex acquired control of the Onex Credit asset management platform.

(e) 2015 other includes Flushing Town Center, Tropicana Las Vegas, KraussMaffei, Meridian Aviation, Emerald Expositions, Survitec (since March 2015), the operating companies of ONCAP II and ONCAP III and the parent company. In addition, consolidated earnings include the changes in fair value of AIT, BBAM, Genesis Healthcare (since February 2015), ITG (since June 2015) and Mavis Discount Tire. 2014 other includes Flushing Town Center, Tropicana Las Vegas, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II (Mister Car Wash was sold in August 2014) and ONCAP III and the parent company. In addition, consolidated earnings include the changes in fair value of Allison Transmission, BBAM and Tomkins.

The loss from continuing operations in the other segment totalled \$388 million during the second quarter of 2015 compared to \$429 million during the same period in 2014. For the first half of 2015, the loss in the other segment totalled \$569 million (2014 – \$436 million). Table 9 shows the major components of the earnings (loss) from continuing operations recorded in the other segment for the three and six months ended June 30, 2015 and 2014.

TABLE 9	(Unaudited) (\$ millions)	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014	
Earnings (loss) from continuing operations – other:					
Limited Partners' Interests charge	\$ (358)	\$ (326)	\$ (539)	\$ (576)	
Stock-based compensation expense	–	(58)	(33)	(113)	
Unrealized carried interest due to Onex and ONCAP management	(37)	(84)	(70)	(121)	
Interest expense of operating companies	(37)	(40)	(75)	(79)	
Recovery of intangible assets and long-lived assets, net	–	39	–	39	
Gain on sale of B.C. Sugar residual property	–	–	36	–	
Increase in value of investments in joint ventures and associates					
at fair value, net	42	33	61	388	
Other	2	7	51	26	
Loss from Continuing Operations – Other	\$ (388)	\$ (429)	\$ (569)	\$ (436)	

Table 10 presents the earnings (loss) from continuing operations attributable to equity holders of Onex Corporation and non-controlling interests for the three and six months ended June 30, 2015 and 2014.

Earnings (Loss) from Continuing Operations

TABLE 10	(Unaudited) (\$ millions)	Three months ended June 30		Six months ended June 30	
		2015	2014	2015	2014
Earnings (loss) from continuing operations attributable to:					
Equity holders of Onex Corporation		\$ [293]	\$ [419]	\$ [458]	\$ [491]
Non-controlling interests		22	39	48	59
Loss from Continuing Operations		\$ [271]	\$ [380]	\$ [410]	\$ [432]

The non-controlling interests' share of the loss from continuing operations represents the share of earnings (loss) of shareholders, other than Onex and its limited partners in its Funds. For example, Celestica's public shareholders' share of the net earnings in the business would be reported in the non-controlling interests line.

Earnings (loss) from discontinued operations

The loss from discontinued operations for the three months ended June 30, 2015 represents the results of operations of Sitel Worldwide. Earnings from discontinued operations for the six months ended June 30, 2015 represent the results of Skilled Healthcare Group up to the date of combination with Genesis HealthCare, LLC in February 2015 and Sitel Worldwide. Earnings from discontinued operations for the three and six months ended June 30, 2014 represent

the operations of The Warranty Group, Spirit AeroSystems, Skilled Healthcare Group and Sitel Worldwide. Onex recorded an after-tax loss from discontinued operations of \$18 million during the second quarter of 2015 compared to earnings of \$419 million recorded during the same period in 2014. Onex, the parent company, recorded after-tax earnings from discontinued operations of \$45 million (\$0.41 per share) during the first half of 2015 compared to \$362 million (\$3.27 per share) during the same period in 2014.

Table 11 presents revenues, expenses and net after-tax results from discontinued operations for the three and six months ended June 30, 2015 and 2014.

Discontinued Operations for the Three Months Ended June 30, 2015

TABLE 11	(Unaudited) (\$ millions)		Sitel Worldwide
	Three months ended June 30, 2015		
Revenues			\$ 343
Expenses			(358)
Loss before income taxes			(15)
Provision for income taxes			(3)
Net loss for the period			\$ (18)

Discontinued Operations for the Three Months Ended June 30, 2014

	(Unaudited) (\$ millions) Three months ended June 30, 2014	Sitel Worldwide	Skilled Healthcare Group	The Warranty Group	Spirit AeroSystems	Total
Revenues	\$ 348	\$ 207	\$ 278	\$ 1,216	\$ 2,049	
Expenses	(371)	(211)	(243)	(1,085)	(1,910)	
Earnings (loss) before income taxes	(23)	(4)	35	131	139	
Recovery of (provision for) income taxes	(3)	2	(12)	(17)	(30)	
Gain, net of tax	-	-	-	310	310	
Net earnings (loss) for the period	\$ (26)	\$ (2)	\$ 23	\$ 424	\$ 419	

Discontinued Operations for the Six Months Ended June 30, 2015

TABLE 11	(Unaudited) (\$ millions)	Sitel Worldwide	Skilled Healthcare Group	Total
	Six months ended June 30, 2015			
Revenues		\$ 698	\$ 69	\$ 767
Expenses		(726)	(67)	(793)
Earnings (loss) before income taxes		(28)	2	(26)
Provision for income taxes		(5)	–	(5)
Gain, net of tax		–	68	68
Net earnings (loss) for the period		\$ (33)	\$ 70	\$ 37

Discontinued Operations for the Six Months Ended June 30, 2014

	(Unaudited) (\$ millions) Six months ended June 30, 2014	Sitel Worldwide	Skilled Healthcare Group	The Warranty Group	Spirit AeroSystems	Total
Revenues	\$ 699	\$ 414	\$ 560	\$ 2,945	\$ 4,618	
Expenses	(735)	(415)	(485)	(2,677)	(4,312)	
Earnings (loss) before income taxes	(36)	(1)	75	268	306	
Recovery of (provision for) income taxes	(7)	1	(22)	(18)	(46)	
Gain, net of tax	–	–	–	310	310	
Net earnings (loss) for the period	\$ (43)	\$ –	\$ 53	\$ 560	\$ 570	

Sitel Worldwide

In July 2015, Onex entered into an agreement to sell Sitel Worldwide for an enterprise value of approximately \$830 million. Under the terms of the agreement, Onex' proceeds are expected to be approximately \$55 million, which includes an earn-out component. The transaction is expected to close during the second half of 2015 and is subject to customary closing conditions and regulatory approvals. As a result of this pending sale, the operations of Sitel Worldwide are presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows and prior periods have been restated to report the results of Sitel Worldwide as discontinued on a comparative basis.

Skilled Healthcare Group

In February 2015, Skilled Healthcare Group combined with Genesis HealthCare, a leading U.S. operator of long-term care facilities, as discussed on page 21 of this interim MD&A. Onex no longer controls Skilled Healthcare Group

with the loss of the multiple voting rights and, therefore, the operations of Skilled Healthcare Group up to the transaction in February 2015 are presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows for the six months ended June 30, 2015, and the three and six months ended June 30, 2014 have been restated to report the results of Skilled Healthcare Group as discontinued on a comparative basis.

During the first quarter of 2015, Onex recognized after-tax earnings from discontinued operations of \$70 million, which included a non-cash gain of \$68 million associated with measuring its interest in Genesis Healthcare at fair value at the date of the combination.

The Warranty Group

In August 2014, the Onex Partners I and Onex Partners II Groups sold their investments in The Warranty Group for an enterprise value of approximately \$1.5 billion. The Onex Partners I and Onex Partners II Groups received net proceeds of \$1.1 billion, resulting in a gain of \$368 million.

Onex' portion of the proceeds was \$382 million, including carried interest of \$51 million and after the reduction for the amounts paid on account of the MIP. Amounts received on account of the carried interest related to this transaction totalled \$127 million. Onex' portion of the carried interest received was \$51 million and Onex management's portion of the carried interest was \$76 million. Management of Onex earned \$23 million on account of this transaction related to the MIP.

Including prior distributions of \$403 million, the Onex Partners I and Onex Partners II Groups received total net proceeds of \$1,529 million compared to their original investment of \$498 million. Onex received total net proceeds of \$509 million, including prior distributions of \$127 million, compared to its original investment of \$157 million.

Spirit AeroSystems

On June 4, 2014, under a secondary public offering and share repurchase of Spirit AeroSystems, the Onex Partners I Group sold 8.0 million shares of Spirit AeroSystems, of which Onex' portion was approximately 2.1 million shares. In August 2014, under a secondary public offering of Spirit AeroSystems, the Onex Partners I Group sold its remaining 8.4 million shares of Spirit AeroSystems, of which Onex' portion was approximately 2.2 million shares.

Including prior realizations, the Onex Partners I Group received total net proceeds of \$3.2 billion compared to its original investment of \$375 million. Onex received total net proceeds of approximately \$1.0 billion, including prior realizations, compared to its original investment of \$108 million.

Consolidated net earnings (loss)

Table 12 shows the net earnings (loss) by industry segment for the three and six months ended June 30, 2015 and 2014.

Consolidated Net Earnings (Loss) by Industry Segment

TABLE 12 (Unaudited) (\$ millions)	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Net earnings (loss):				
Electronics Manufacturing Services	\$ 24	\$ 41	\$ 44	\$ 78
Healthcare Imaging ^(a)	16	12	(24)	(11)
Health and Human Services ^(a)	6	9	12	13
Building Products	12	(20)	(13)	(84)
Insurance Services ^(b)	(12)	(9)	(27)	(19)
Packaging Products and Services ^(c)	71	8	99	13
Credit Strategies ^(d)	–	8	68	14
Other ^(e)	(388)	(429)	(569)	(436)
Earnings (loss) from discontinued operations	(18)	419	37	570
Consolidated Net Earnings (Loss)	\$ (289)	\$ 39	\$ (373)	\$ 138

(a) The healthcare imaging segment, consisting of Carestream Health, and the health and human services segment, consisting of ResCare, were previously included within the healthcare segment, which consisted of Carestream Health, ResCare and Skilled Healthcare Group. The operations of Skilled Healthcare Group up to the date of combination with Genesis HealthCare in February 2015, and for the three and six months ended June 30, 2014, are presented as discontinued.

(b) The insurance services segment consists of USI and York. USI was previously included within the other segment. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.

(c) The packaging products and services segment consists of SGS International and SIG. SGS International was previously included within the other segment. SIG began to be consolidated in March 2015, when the business was acquired by the Onex Partners IV Group.

(d) The credit strategies segment, consisting of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds, was previously included within the other segment. Onex Credit Manager and Onex Credit Funds began to be consolidated in January 2015, when Onex acquired control of the Onex Credit asset management platform.

(e) 2015 other includes Flushing Town Center, Tropicana Las Vegas, KraussMaffei, Meridian Aviation, Emerald Expositions, Survitec (since March 2015), the operating companies of ONCAP II and ONCAP III and the parent company. In addition, consolidated earnings include the changes in fair value of AIT, BBAM, Genesis Healthcare (since February 2015), ITG (since June 2015) and Mavis Discount Tire. 2014 other includes Flushing Town Center, Tropicana Las Vegas, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II (Mister Car Wash was sold in August 2014) and ONCAP III and the parent company. In addition, consolidated earnings include the changes in fair value of Allison Transmission, BBAM and Tomkins.

Table 13 presents the net earnings (loss) attributable to equity holders of Onex Corporation and non-controlling interests for the three and six months ended June 30, 2015 and 2014.

Net Earnings (Loss)

TABLE 13 (Unaudited) (\$ millions)	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Net earnings (loss) attributable to:				
Equity holders of Onex Corporation	\$ (306)	\$ (89)	\$ (413)	\$ (129)
Non-controlling interests	17	128	40	267
Net Earnings (Loss)	\$ (289)	\$ 39	\$ (373)	\$ 138

Table 14 presents the net earnings (loss) per subordinate voting share of Onex Corporation.

Net Earnings (Loss) per Subordinate Voting Share

TABLE 14 (Unaudited) (\$ per share)	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Basic and Diluted:				
Continuing operations	\$ (2.74)	\$ (3.79)	\$ (4.24)	\$ (4.43)
Discontinued operations	(0.12)	2.99	0.41	3.27
Net Loss per Subordinate Voting Share	\$ (2.86)	\$ (0.80)	\$ (3.83)	\$ (1.16)

Other comprehensive earnings (loss)

Other comprehensive earnings (loss) represents the unrealized gains or losses, all net of income taxes, related to cash flow hedges, remeasurements for post-employment benefit plans and foreign exchange gains or losses on foreign self-sustaining operations. During the three months ended June 30, 2015, Onex reported other comprehensive earnings of \$28 million compared to \$19 million in the same period last year. The earnings recorded during the second quarter of 2015 were largely due to favourable currency translation

adjustments on foreign operations of \$9 million (2014 – \$11 million) and favourable remeasurements for post-employment benefit plans of \$12 million (2014 – unfavourable remeasurements of \$5 million). For the six months ended June 30, 2015, Onex reported other comprehensive loss of \$120 million compared to earnings of \$10 million during the same period of 2014. The loss recorded during the first half of 2015 was primarily due to unfavourable currency translation adjustments of \$111 million (2014 – \$5 million).

SUMMARY QUARTERLY INFORMATION

Table 15 summarizes Onex' key consolidated financial information for the last eight quarters. The financial information has been restated for discontinued operations.

TABLE 15	(Unaudited) (\$ millions except per share amounts)		2015		2014		2013	
	June	March	Dec.	Sept.	June	March	Dec.	Sept.
Revenues	\$ 5,245	\$ 4,453	\$ 4,831	\$ 4,644	\$ 4,640	\$ 4,238	\$ 4,625	\$ 4,776
Earnings (loss) from continuing operations	\$ (271)	\$ (139)	\$ (360)	\$ 38	\$ (380)	\$ (52)	\$ 10	\$ 407
Net earnings (loss)	\$ (289)	\$ (84)	\$ (367)	\$ 388	\$ 39	\$ 99	\$ (223)	\$ 399
Net earnings (loss) attributable to								
Equity holders of Onex Corporation	\$ (306)	\$ (107)	\$ (350)	\$ 364	\$ (89)	\$ (40)	\$ 200	\$ 366
Non-controlling interests	17	23	(17)	24	128	139	(423)	33
Net earnings (loss)	\$ (289)	\$ (84)	\$ (367)	\$ 388	\$ 39	\$ 99	\$ (223)	\$ 399
Earnings (loss) per Subordinate Voting Share of Onex Corporation								
Earnings (loss) from continuing operations	\$ (2.74)	\$ (1.51)	\$ (3.11)	\$ 0.08	\$ (3.79)	\$ (0.64)	\$ 0.15	\$ 3.19
Earnings (loss) from discontinued operations	(0.12)	0.53	(0.09)	3.23	2.99	0.28	1.62	0.03
Net earnings (loss)	\$ (2.86)	\$ (0.98)	\$ (3.20)	\$ 3.31	\$ (0.80)	\$ (0.36)	\$ 1.77	\$ 3.22

Onex' quarterly consolidated financial results do not follow any specific trends due to the acquisitions or dispositions of businesses by Onex, the parent company, and the varying business activities and cycles at Onex' operating companies.

CONSOLIDATED FINANCIAL POSITION

Consolidated assets

Consolidated assets totalled \$35.1 billion at June 30, 2015 compared to \$28.9 billion at December 31, 2014. Onex' consolidated assets at June 30, 2015 increased from December 31, 2014 primarily due to the acquisitions of SIG and Survitec, the investment in ITG, acquiring control of the

Onex Credit management platform, the closing of CLO-8 and the restricted cash received from the limited partners of Onex Partners IV for the July 2015 investment in Jack's.

Partially offsetting the increase in consolidated assets was a decrease from the June 2015 redemption of CLO-1 and the deconsolidation of Skilled Healthcare Group upon its combination with Genesis HealthCare, LLC.

Table 16 shows the consolidated assets by industry segment as at June 30, 2015 and December 31, 2014. The industry segment percentages of consolidated assets held by continuing operations are also shown.

Consolidated Assets by Industry Segment as at June 30, 2015 and December 31, 2014

TABLE 16	(Unaudited) (\$ millions)	June 30, 2015	Percentage Breakdown	December 31, 2014	Percentage Breakdown
	Electronics Manufacturing Services	\$ 2,625	7%	\$ 2,584	9%
	Healthcare Imaging ^(a)	1,651	5%	1,803	7%
	Health and Human Services ^(a)	1,111	3%	1,110	4%
	Building Products	2,354	7%	2,351	9%
	Insurance Services ^(b)	5,056	15%	5,088	18%
	Packaging Products and Services ^(c)	6,569	19%	1,037	4%
	Credit Strategies ^(d)	5,478	16%	4,373	16%
	Other ^(e)	9,633	28%	9,270	33%
	Assets held by continuing operations	34,477	100%	27,616	100%
	Other – assets held by discontinued operations ^(f)	613		1,320	
	Total consolidated assets	\$ 35,090		\$ 28,936	

(a) The healthcare imaging segment, consisting of Carestream Health, and the health and human services segment, consisting of ResCare, were previously included within the healthcare segment, which consisted of Carestream Health, ResCare and Skilled Healthcare Group. At December 31, 2014, the assets of Skilled Healthcare Group are included in the other segment as the company has been presented as a discontinued operation.

(b) The insurance services segment consists of USI and York. USI was previously included within the other segment. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.

(c) The packaging products and services segment consists of SGS International and SIG. SGS International was previously included within the other segment. SIG began to be consolidated in March 2015, when the business was acquired by the Onex Partners IV Group.

(d) The credit strategies segment, consisting of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds, was previously included within the other segment. Onex Credit Manager and Onex Credit Funds began to be consolidated in January 2015, when Onex acquired control of the Onex Credit asset management platform.

(e) June 2015 other includes Flushing Town Center, Tropicana Las Vegas, KraussMaffei, Meridian Aviation, Emerald Expositions, Survitec (since March 2015), the operating companies of ONCAP II and ONCAP III and the parent company. In addition, other includes the investments in AIT, BBAM, Genesis Healthcare (since February 2015), ITG (since June 2015) and Mavis Discount Tire at fair value. December 2014 other includes Flushing Town Center, Tropicana Las Vegas, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II and ONCAP III and the parent company. In addition, other includes the investments in AIT, BBAM and Mavis Discount Tire at fair value.

(f) At June 30, 2015, the assets of Sitel Worldwide are included in the other segment as the company has been presented as a discontinued operation. At December 31, 2014, the assets of Sitel Worldwide and Skilled Healthcare Group are included in the other segment as the companies have been presented as discontinued operations.

Consolidated long-term debt, without recourse to Onex Corporation

It has been Onex' policy to preserve a financially strong parent company that has funds available for new acquisitions and to support the growth of its operating companies. This policy means that all debt financing is within the operating companies and each company is required to support its own debt without recourse to Onex Corporation or other Onex operating companies.

The financing arrangements of each operating company typically contain certain restrictive covenants, which may include limitations or prohibitions on additional indebtedness, payment of cash dividends, redemption of capital, capital spending, making of investments, and acquisitions and sales of assets. The financing arrangements may also require the redemption of indebtedness in the event of a change of control of the operating company. In addition, the operating companies that have outstanding debt must meet certain financial covenants. Changes in business conditions relevant to an operating company, including those resulting from changes in financial markets and economic conditions generally, may result in non-compliance with certain covenants by that operating company.

Total consolidated long-term debt (consisting of the current and long-term portions of long-term debt, net of financing charges) was \$16.4 billion at June 30, 2015 compared to \$13.3 billion at December 31, 2014. Consolidated long-term debt does not include the debt of operating businesses that are included in investments in joint ventures and associates as investment in those businesses is accounted for at fair value and is not consolidated. In addition, when operating companies are reported as discontinued operations or as held for sale, their long-term debt is excluded from consolidated long-term debt on a prospective basis. Prior periods are not restated.

ResCare

In March 2015, ResCare increased its term loan by an additional \$105 million to fund a distribution to shareholders. The \$105 million incremental term loan was combined with an existing \$200 million term loan and a \$200 million delayed draw term loan. The newly combined term loan bears interest at LIBOR plus a margin of 2.75 percent and requires quarterly principal repayments of \$6 million beginning in March 2015. The required quarterly principal repayments increase throughout the term until they reach \$16 million in 2018. The entire facility matures in April 2019. The Onex Partners I and Onex Partners III Groups' portion of the distribution was \$47 million and \$50 million, respectively, of which Onex' share was \$20 million. The remaining balance was primarily distributed to management of ResCare.

ResCare's senior secured credit facility consists of a \$250 million revolving credit facility and a \$505 million combined term loan. At June 30, 2015, \$60 million and \$485 million were outstanding under the revolving credit facility and combined term loan, respectively. The combined term loan is recorded net of the unamortized discount of \$1 million.

Survitec

In March 2015, Survitec entered into a senior secured credit facility consisting of a £125 million pound sterling-denominated term loan, a €175 million euro-denominated term loan, a £30 million revolving facility and a £30 million acquisition facility. Borrowings under the pound sterling- and euro-denominated term loans bear interest at LIBOR plus a margin of 4.75 percent and EURIBOR plus a margin of 4.25 percent, respectively. The term loans can be repaid in whole or in part without premium or penalty at any time before maturity in March 2022. The revolving and acquisition facilities bear interest at LIBOR plus a margin of 4.00 percent and mature in March 2021. At June 30, 2015, £125 million (\$196 million) was outstanding under the pound sterling-denominated term loan, €175 million (\$195 million) was outstanding under the euro-denominated term loan and no amounts were outstanding under the revolving facility or the acquisition facility. The amount available under the revolving facility was reduced by £20 million (\$31 million) of letters of guarantee outstanding at June 30, 2015.

SIG

In March 2015, SIG entered into a senior secured credit facility consisting of a €1,050 million euro-denominated term loan, a \$1,225 million U.S. dollar-denominated term loan and a multi-currency €300 million revolving credit facility.

Borrowings under the term loans bore interest at EURIBOR or LIBOR (subject to a floor of 1.00 percent) plus a margin of 4.25 percent. The term loans require quarterly principal repayments, and can be repaid in whole or in part with a 1.00 percent premium up to and including May 2016. Subsequent repayments can be made without premium or penalty at any time before maturity in March 2022. The revolving credit facility bears interest at EURIBOR or LIBOR plus a margin of 4.00 percent and matures in March 2021.

In May 2015, SIG amended its senior secured credit facility to reduce the rate at which borrowings under its euro-denominated and U.S. dollar-denominated term loans bear interest to EURIBOR or LIBOR (subject to a floor of 1.00 percent) plus a margin of 3.25 percent. The amendment resulted in a total interest rate reduction of 100 basis points on the company's term loans. As a result of the amendment, SIG incurred \$26 million in fees during the second quarter of 2015, representing the payment of the soft call protection on the term loans and expenses associated with the amendment. The fees will be amortized over the term of the senior secured credit facility. At June 30, 2015, the euro-denominated term loan with €1,047 million (\$1,168 million) outstanding was recorded net of an unamortized discount of €5 million (\$6 million) and the U.S. dollar-denominated term loan with \$1,222 million outstanding was recorded net of an unamortized discount of \$6 million. In addition, the term loans are recorded net of unamortized embedded derivatives of €76 million (\$85 million), which were recognized at the inception of the term loans. There were no amounts drawn under the revolving credit facility at June 30, 2015. The amount available under the revolving credit facility was reduced by €10 million (\$11 million) due to an ancillary facility outstanding at June 30, 2015.

In February 2015, SIG issued €675 million in aggregate principal amount of 7.75 percent senior notes in connection with the acquisition. The amount raised was held in escrow until the closing of the acquisition. Interest is payable semi-annually beginning in August 2015. The senior notes may be redeemed by the company at various

premiums above face value at any time before maturity in February 2023. At June 30, 2015, senior notes of €675 million (\$753 million) were outstanding and were recorded together with an unamortized embedded derivative of €32 million (\$35 million), which was recognized at the inception of the senior notes.

CLO-8

In April 2015, Onex closed its eighth CLO denominated in U.S. dollars, CLO-8. CLO-8 issued secured notes, subordinated notes and equity in a private placement transaction in an aggregate amount of \$764 million. The subordinated notes and equity are the most subordinated capital of CLO-8 and are equally subordinated to the secured notes. Onex invested \$54 million for 94 percent of the most subordinated capital of CLO-8.

The secured notes were offered in an aggregate principal amount of approximately \$705 million and are due in April 2027 with interest payable beginning in October 2015. Secured notes of \$685 million bear interest at a rate of LIBOR plus a margin of 1.53 percent to 6.00 percent and \$20 million of secured notes bear interest at 4.00 percent.

Celestica

In June 2015, Celestica repurchased and cancelled approximately 26.3 million subordinate voting shares representing approximately 15 percent of the total issued and outstanding multiple voting and subordinate voting shares of the company at December 31, 2014. The purchase price per share was \$13.30 for a total cost of \$350 million. The transaction was financed using a combination of the net proceeds of a newly issued \$250 million term loan, \$25 million drawn on the company's existing revolving credit facility and cash on hand. Celestica amended its existing revolving credit facility to add the term loan as a component under such facility and to extend its maturity to May 2020. The term loan bears interest at LIBOR plus a margin of up to 3.00 percent, depending on the company's leverage ratio. As a result of the repurchase, Onex' economic and voting interests increased to 13 percent and 79 percent, respectively.

At June 30, 2015, \$25 million was outstanding under the revolving credit facility and \$250 million was outstanding under the term loan. Celestica had issued \$27 million of letters of credit under its revolving credit facility at June 30, 2015.

CLO-1

In June 2015, Onex redeemed its first CLO denominated in U.S. dollars, CLO-1. CLO-1 was established in March 2012 and its reinvestment period ended in March 2015. Upon the redemption of CLO-1, all secured notes were repaid, including accrued interest, and the equity was settled for the residual proceeds in the CLO. Onex received \$15 million for its remaining investment in the equity of CLO-1. In aggregate, Onex has received \$52 million of proceeds and distributions related to CLO-1 compared to its original investment of \$38 million. In addition, Onex expects to receive a final distribution of \$1 million in September 2015.

CLO-10

In June 2015, Onex established a warehouse facility in connection with its tenth CLO denominated in U.S. dollars, CLO-10. Onex invested in \$20 million of subordinated notes to support the warehouse facility and a financial institution provided an initial borrowing capacity of up to \$80 million. The subordinated notes do not have a stated rate of interest, but will receive certain excess available funds after payment of principal, accrued interest and certain expenses upon closing of CLO-10. The warehouse facility matures on the earlier of the closing of CLO-10 and June 2016.

In July 2015, Onex invested in an additional \$40 million of subordinated notes to increase the borrowing capacity of the warehouse facility up to \$240 million for CLO-10.

CLO-9

In early July 2015, Onex closed its ninth CLO denominated in U.S. dollars, CLO-9. CLO-9 issued secured notes, subordinated notes and equity in a private placement transaction in an aggregate amount of \$758 million. The subordinated notes and equity are the most subordinated capital of CLO-9 and are equally subordinated to the secured notes. Onex invested \$45 million for 75 percent of the most subordinated capital of CLO-9.

The secured notes were offered in an aggregate principal amount of approximately \$697 million, are due in July 2027 and bear interest at a rate of LIBOR plus a margin of 1.50 percent to 6.40 percent, payable beginning in January 2016.

Jack's

The Onex Partners IV Group acquired Jack's in July 2015, as described on page 23 of this MD&A. In July 2015, Jack's entered into a senior secured credit facility consisting of a \$230 million first lien term loan and a \$30 million revolving facility. Borrowings under the first lien term loan bear interest at LIBOR (subject to a floor of 1.00 percent) plus a margin of 4.75 percent. The first lien term loan requires quarterly principal repayments, and can be repaid in whole or in part at any time before maturity in July 2022. The revolving facility bears interest at LIBOR plus a margin of 4.75 percent and matures in July 2020.

At acquisition, \$230 million was outstanding under the first lien term loan and \$1 million was outstanding under the revolving facility.

In July 2015, Jack's entered into a \$195 million promissory note with the Onex Partners IV Group, as described on page 23 of this interim MD&A. The promissory note bears interest at LIBOR plus a margin ranging from 2.00 percent to 3.50 percent and matures in June 2016.

JELD-WEN

In July 2015, JELD-WEN increased its borrowings under its existing credit facility with an incremental \$480 million term loan. JELD-WEN's credit facility now consists of \$1,255 million of term loans and a \$300 million revolving credit facility. The proceeds were used to fund a distribution of \$432 million to shareholders with the balance to be used to fund future add-on acquisitions. The offering price of the incremental term loan was 99.50 percent of par. The incremental term loan bears interest at LIBOR (subject to a floor of 1.00 percent) plus a margin of up to 4.00 percent and requires quarterly principal repayments beginning in December 2015. The incremental term loan has no financial maintenance covenants and matures in July 2022. The Onex Partners III Group's portion of the distribution to shareholders was \$359 million, of which Onex' portion was \$89 million. The remaining balance was primarily distributed to third-party shareholders and management of JELD-WEN.

At June 30, 2015, the term loan with \$773 million outstanding was recorded net of the unamortized discount of \$7 million. JELD-WEN had \$27 million outstanding under its revolving credit facility at June 30, 2015. The amount available under the revolving credit facility was reduced by \$39 million of letters of credit outstanding at June 30, 2015.

Flushing Town Center

In July 2015, Flushing Town Center entered into new credit facilities with third-party lenders consisting of a \$152 million mortgage loan and \$288 million of mezzanine loans in connection with the construction of the second phase of condominiums at the project. Borrowings under the mortgage loan bear interest at LIBOR (subject to a floor of 0.25 percent) plus a margin of 3.30 percent. The mezzanine loans consist of a \$138 million loan bearing interest at LIBOR (subject to a floor of 0.25 percent) plus a margin of 11.00 percent and a \$150 million loan bearing interest at LIBOR (subject to a floor of 0.25 percent) plus a margin of 8.00 percent. The new credit facilities mature in July 2018 and have two one-year extension options.

The credit facilities have customary financial maintenance covenants, including a requirement to maintain a minimum net worth and cash liquidity.

Schumacher

The Onex Partners IV Group acquired Schumacher in July 2015, as described on page 23 of this MD&A. In July 2015, Schumacher entered into first and second lien senior secured credit facilities.

The first lien senior secured facility consists of a \$280 million first lien term loan and a \$50 million first lien revolving loan. The offering price of the first lien term

loan was 99.50 percent of par. Borrowings under the first lien term loan bear interest at LIBOR (subject to a floor of 1.00 percent) plus a margin of up to 3.50 percent. The first lien term loan matures in July 2022 and requires quarterly principal repayments beginning in December 2015. Borrowings under the first lien revolving loan bear interest at LIBOR (subject to a floor of zero percent) plus a margin of up to 3.50 percent and mature in July 2020. At acquisition, \$280 million was outstanding under the first lien term loan and no amounts were outstanding under the first lien revolving loan. The amount available under the first lien revolving loan was reduced by \$6 million of letters of credit outstanding.

The second lien senior secured facility consists of a \$105 million second lien term loan. The offering price of the second lien term loan was 99.00 percent of par. Borrowings under the second lien term loan bear interest at LIBOR (subject to a floor of 1.00 percent) plus 7.75 percent. The second lien term loan is not subject to amortization and matures in July 2023. At acquisition, \$105 million was outstanding under the second lien term loan.

The terms of Schumacher's first and second lien senior credit facilities are subject to change upon syndication of the credit facilities, which is expected to occur during the second half of 2015.

Table 17 details the aggregate debt maturities at June 30, 2015 for Onex' consolidated operating businesses for each of the years up to 2019 and in total thereafter. As the table includes debt of investments in joint ventures and associates and excludes debt of the CLOs, the total amount does not reconcile to reported consolidated debt. As the following table illustrates, most of the maturities occur in 2019 and thereafter.

Debt Maturity Amounts by Year as at June 30, 2015

TABLE 17 (Unaudited) (\$ millions)	2015	2016	2017	2018	2019	Thereafter	Total
Consolidated operating companies ^(a)	\$ 186	\$ 690	\$ 320	\$ 378	\$ 4,260	\$ 7,429	\$ 13,263
Investments in joint ventures and associates	13	7	10	11	12	300	353
Total	\$ 199	\$ 697	\$ 330	\$ 389	\$ 4,272	\$ 7,729	\$ 13,616

(a) Includes debt amounts of subsidiaries held by Onex, the parent company, and is gross of financing fees. Excludes debt of the CLOs, which are collateralized by the asset portfolio held by each respective CLO, and debt of companies reported as discontinued operations or as held for sale.

Limited Partners' Interests

Limited Partners' Interests liability represents the fair value of limited partners' invested capital in the Onex Partners, ONCAP and Onex Credit Funds and is affected by the change in the fair value of the underlying investments in the Onex Partners and ONCAP Funds, the impact of the carried interest, as well as any contributions by and distributions to limited partners in those Funds. In January 2015, Onex acquired control of the Onex Credit asset management platform and began consolidating the Onex Credit Funds in which Onex has an investment. The Limited Partners'

Interests liability for Onex Credit Funds includes investments by those other than Onex in the Onex Credit Funds.

At June 30, 2015, the Limited Partners' Interests liability for Onex Partners and ONCAP Funds totalled \$7.0 billion, an increase of \$1.9 billion from the balance at December 31, 2014. The Limited Partners' Interests liability for Onex Credit Funds was \$361 million at June 30, 2015. Limited Partners' Interests liability for Onex Credit Funds represents investments by those other than Onex in the Onex Credit Funds that Onex began consolidating in January 2015, as discussed on page 21 of this interim MD&A.

Table 18 shows the change in Limited Partners' Interests from December 31, 2013 to June 30, 2015.

Limited Partners' Interests as at June 30, 2015

TABLE 18 (Unaudited) (\$ millions)	Onex Partners and ONCAP Funds	Onex Credit Funds	Total
Balance – December 31, 2013	\$ 6,959	\$ –	\$ 6,959
Limited Partners' Interests charge	1,069	–	1,069
Contributions by Limited Partners	867	–	867
Distributions paid to Limited Partners	(3,719)	–	(3,719)
Balance – December 31, 2014 ^(a)	5,176	–	5,176
Addition from the Onex Credit transaction	–	368	368
Limited Partners' Interests charge (recovery)	540	(1)	539
Contributions by Limited Partners	1,437	4	1,441
Distributions paid to Limited Partners	(109)	(10)	(119)
Balance – June 30, 2015	\$ 7,044	\$ 361	\$ 7,405
Current portion of Limited Partners' Interests ^(b)	(182)	–	(182)
	\$ 6,862	\$ 361	\$ 7,223

(a) At December 31, 2014, the current portion of the Limited Partners' Interests was \$23 million and was included in accounts payable and accrued liabilities. The current portion represented the limited partners' share of proceeds on the sale of the residual assets of Tomkins.

(b) At June 30, 2015 the current portion of the Limited Partners' Interests was \$182 million and was included in accounts payable and accrued liabilities in the unaudited interim consolidated balance sheets. The current portion primarily represented the limited partners' share of the held-for-sale investment in Tropicana Las Vegas.

The Limited Partners' Interests liability for Onex Partners and ONCAP Funds increased by \$1.4 billion for contributions made in the first half of 2015, which consisted primarily of amounts received from the limited partners of the Onex Partners IV Group for the acquisitions of SIG and Survitec, amounts received from the limited partners of the ONCAP III Group for the investment in ITG and the limited partners of the Onex Partners and ONCAP Funds for management fees and partnership expenses. In addition, during the second quarter of 2015, contributions of \$295 million were received from the limited partners of the Onex Partners IV Group for the investment in Jack's, which was completed in July 2015, as described on page 23. The restricted cash for the investment in Jack's was included in other current assets in the unaudited interim consolidated balance sheets at June 30, 2015.

Contributions to Onex Partners and ONCAP Funds totalled \$867 million for the year ended December 31, 2014 primarily from (i) the limited partners of Onex Partners III for their acquisition of York, their add-on investment in Emerald Expositions, their investment in common stock of JELD-WEN and their add-on investment in Meridian Aviation; (ii) the limited partners of Onex Partners IV for their investment in AIT; (iii) the limited partners of ONCAP III for their investment in Mavis Discount Tire; and (iv) the limited partners of the Onex Partners and ONCAP Funds for management fees and partnership expenses.

During the first six months of 2015, the Limited Partners' Interests liability for Onex Partners and ONCAP Funds was reduced by \$109 million of distributions, which consisted primarily of distributions received from ResCare, BBAM and AIT.

During the year ended December 31, 2014, the Limited Partners' Interests liability for Onex Partners and ONCAP Funds was reduced by \$3.7 billion of distributions. The Onex Partners I Group distributed \$857 million to its limited partners primarily for their share of the sales of Spirit AeroSystems and The Warranty Group and the distribution received from ResCare. The Onex Partners II Group distributed \$1.2 billion to its limited partners primarily for their share of the proceeds on the sales of Allison Transmission and The Warranty Group and dividends received from

Allison Transmission. The Onex Partners III Group distributed \$1.4 billion to its limited partners for their share of the distributions received from ResCare and BBAM and their share of the proceeds on the sale of Tomkins. The ONCAP II Group and ONCAP III Group distributed a total of \$23 million to their limited partners for their share of the distribution received from PURE Canadian Gaming. In addition, the ONCAP II Group distributed \$178 million to its limited partners for the proceeds on the sale of Mister Car Wash.

At June 30, 2015, total carried interest netted against the Limited Partners' Interests for Onex Partners and ONCAP Funds in Onex' unaudited interim consolidated balance sheets was \$416 million, of which Onex' share was \$149 million.

The Limited Partners' Interests charge recorded for the second quarter of 2015 is discussed in detail on page 37 of this interim MD&A.

Equity

Total equity was \$1.4 billion at June 30, 2015 compared to \$2.5 billion at December 31, 2014. Table 19 provides a reconciliation of the change in equity from December 31, 2014 to June 30, 2015.

Change in Equity

TABLE 19 | (Unaudited) (\$ millions)

Balance – December 31, 2014	\$ 2,498
Dividends declared	(10)
Issuance of shares	6
Purchase and cancellation of shares	(147)
Investments in operating companies by shareholders other than Onex	79
Distributions to non-controlling interests and other adjustments	(82)
Repurchase of shares of operating companies	(404)
Non-controlling interests on loss of control of investments in operating companies	(86)
Net loss for the period	(373)
Other comprehensive loss for the period, net of tax	(120)
Equity as at June 30, 2015	\$ 1,361

Repurchase of shares of operating companies

Onex reported a decrease in equity of \$404 million during the first half of 2015 due primarily to Celestica's repurchase of its shares in the open market, as described on page 47 of this interim MD&A.

Non-controlling interests on loss of control of investments in operating companies

Onex recorded a decrease in equity of \$86 million during the six months ended June 30, 2015 related to non-controlling interests in Skilled Healthcare Group. Under IFRS, non-controlling interests represent the ownership interests of shareholders, other than Onex and its third-party limited partners in the Onex Partners and ONCAP Funds, in Onex' controlled operating companies. Onex lost its controlling interest in Skilled Healthcare Group as a result of the purchase and combination transaction in February 2015, as described on page 21 of this interim MD&A. The non-controlling interests attributable to Skilled Healthcare Group have been removed from equity since the operations of Skilled Healthcare Group are no longer consolidated.

Shares outstanding

At July 31, 2015, Onex had 106,122,524 Subordinate Voting Shares issued and outstanding. Table 20 shows the change in the number of Subordinate Voting Shares outstanding from December 31, 2014 to July 31, 2015.

Change in Subordinate Voting Shares Outstanding

TABLE 20 | (Unaudited)

Subordinate Voting Shares outstanding	
at December 31, 2014	108,858,066
Shares repurchased	(2,853,452)
Issuance of shares – Dividend Reinvestment Plan	6,517
Issuance of shares – Onex Credit transaction	111,393
Subordinate Voting Shares outstanding	
at July 31, 2015	106,122,524

In January 2015, in connection with acquiring control of the Onex Credit asset management platform as discussed on page 21 of this interim MD&A, Onex issued 111,393 of its Subordinate Voting Shares as part of the consideration in the transaction.

Onex also has 100,000 Multiple Voting Shares outstanding, which have a nominal paid-in value reflected in Onex' unaudited interim consolidated financial statements. Note 8 to the unaudited interim consolidated financial statements provides additional information on Onex' share capital. There was no change in the Multiple Voting Shares outstanding during the first six months of 2015.

Dividend policy

In May 2015, Onex announced that it had increased its quarterly dividend by 25 percent to C\$0.0625 per Subordinate Voting Share beginning with the dividend declared by the Board of Directors payable in July 2015.

Registered shareholders can elect to receive dividend payments in U.S. dollars by submitting a completed currency election form to CST Trust Company five business days before the record date of the dividend. Non-registered shareholders who wish to receive dividend payments in U.S. dollars should contact their broker to submit their currency election.

Dividend Reinvestment Plan

Onex' Dividend Reinvestment Plan enables Canadian shareholders to reinvest cash dividends to acquire new Subordinate Voting Shares of Onex at a market-related price at the time of reinvestment. During the period from January 1, 2015 to July 31, 2015, Onex issued 6,517 Subordinate Voting Shares at an average cost of C\$70.69 per Subordinate Voting Share, creating a cash savings of less than \$1 million (less than C\$1 million).

Stock Option Plan

At June 30, 2015, Onex had 12,365,326 options outstanding to acquire Subordinate Voting Shares, of which 3,020,125 options were vested and exercisable. During the second quarter of 2015, 41,733 options were surrendered at a weighted average exercise price of C\$17.48 for aggregate cash consideration of \$2 million (C\$2 million) and 46,050 options expired. During the first six months of 2015, 67,566 options were surrendered at a weighted average exercise price of C\$24.14 for aggregate cash consideration of \$3 million (C\$3 million) and 48,650 options expired.

In January 2015, in connection with acquiring control of the Onex Credit asset management platform as discussed on page 21 of this interim MD&A, Onex issued 60,000 options to acquire Subordinate Voting Shares to Onex Credit's chief executive officer. The options have an exercise price of C\$68.57 per share and vest at a rate of 20 percent per year from the date of grant. The options are subject to the same terms and conditions as the Company's existing Stock Option Plan; however, the options are also subject to an additional performance threshold specific to the Onex Credit asset management platform.

In addition, during the first quarter of 2015 Onex issued 10,000 options to acquire Subordinate Voting Shares with an exercise price of C\$74.87 per share. These options vest at a rate of 20 percent per year from the date of grant.

Normal Course Issuer Bids

Onex had Normal Course Issuer Bids (the "Bids") in place during 2015 that enable it to repurchase up to 10 percent of its public float of Subordinate Voting Shares during the period of the relevant Bid. Onex believes that it is advantageous to Onex and its shareholders to continue to repurchase Onex' Subordinate Voting Shares from time to time when the Subordinate Voting Shares are trading at prices that reflect a significant discount to their value as perceived by Onex.

On April 16, 2015, Onex renewed its Normal Course Issuer Bid ("NCIB") following the expiry of its previous NCIB on April 15, 2015. Under the new NCIB, Onex is permitted to purchase up to 10 percent of its public float of Subordinate Voting Shares, or 8,407,536 Subordinate Voting

Shares. Onex may purchase up to 30,385 Subordinate Voting Shares during any trading day, being 25 percent of its average daily trading volume for the six months ended March 31, 2015. Onex may also purchase Subordinate Voting Shares from time to time under the Toronto Stock Exchange's block purchase exemption, if available, or by way of private agreement pursuant to an issuer bid exemption order, if sought and received, under the new NCIB. The new NCIB commenced on April 16, 2015 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 15, 2016. A copy of the Notice of Intention to make the NCIB filed with the Toronto Stock Exchange is available at no charge to shareholders by contacting Onex.

Under the previous NCIB that expired on April 15, 2015, Onex repurchased 1,615,734 Subordinate Voting Shares at a total cost of \$92 million (C\$109 million), or an average purchase price of C\$67.19 per share. For the seven months ended July 31, 2015, Onex repurchased 2,723,452 Subordinate Voting Shares under its Bids for a total cost of \$155 million (C\$192 million), or an average cost per share of C\$70.64.

Director Deferred Share Unit Plan

During the second quarter of 2015, an annual grant of 29,653 Deferred Share Units ("DSUs") was issued to directors having an aggregate value, at the date of grant, of \$2 million (C\$2 million) in lieu of that amount of cash compensation for directors' fees. At June 30, 2015, there were 620,282 Director DSUs outstanding. Onex has hedged 577,862 of the outstanding Director DSUs with a counterparty financial institution.

Management Deferred Share Unit Plan

In early 2015, Onex issued 116,037 Management Deferred Share Units ("MDSUs") to management having an aggregate value, at the date of grant, of \$7 million (C\$8 million) in lieu of that amount of cash compensation for Onex' 2014 fiscal year. At June 30, 2015, there were 683,407 MDSUs outstanding.

Forward agreements were entered into with a counterparty financial institution to hedge Onex' exposure to changes in the value of all the outstanding MDSUs.

Management of capital

Onex considers the capital it manages to be the amounts it has in cash and cash equivalents, near-cash investments, short- and long-term investments managed by third-party investment managers and the investments made in the operating businesses and Onex Credit. Onex also manages capital from other investors in the Onex Partners, ONCAP and Onex Credit Funds. Onex' objectives in managing capital are to:

- preserve a financially strong parent company with appropriate liquidity and no, or a limited amount of, debt so that funds are available to pursue new acquisitions and growth opportunities, as well as support expansion of its existing businesses. Onex does not generally have the ability to draw cash from its operating businesses. Accordingly, maintaining adequate liquidity at the parent company is important;
- achieve an appropriate return on capital invested commensurate with the level of assumed risk;
- build the long-term value of its operating businesses;
- control the risk associated with capital invested in any particular business or activity. All debt financing is within the operating businesses and each company is required to support its own debt. Onex Corporation does not guarantee the debt of the operating businesses and there are no cross-guarantees of debt between the operating businesses; and
- have appropriate levels of committed limited partners' capital available to invest along with Onex' capital. This allows Onex to respond quickly to opportunities and pursue acquisitions of businesses of a size it could not achieve using only its own capital. The management of limited partners' capital also provides management fees to Onex and the ability to enhance Onex' returns by earning a carried interest on the profits of limited partners.

At June 30, 2015, Onex, the parent company, had approximately \$896 million of cash on hand and \$1.1 billion of near-cash items at market value. Near-cash items include short- and long-term investments managed by third-party investment managers, as described below, as well as \$356 million invested in a segregated unleveraged fund managed by Onex Credit.

Onex, the parent company, has a conservative cash management policy driven toward maintaining liquidity and preserving principal in all its investments.

During the second quarter of 2015, Onex, the parent company, transferred cash and cash equivalents to accounts managed by third-party investment managers in order to increase the return on this capital while maintaining appropriate liquidity. At June 30, 2015, the fair value of investments, including cash yet to be deployed, managed by third-party investment managers was \$768 million. The investments are managed in a mix of short-term and long-term portfolios. Short-term investments consist of liquid investments including money market instruments and commercial paper with original maturities of three months to a year. Long-term investments consist of securities including money market instruments, federal and municipal debt instruments, corporate obligations and structured products with maturities of one to five years. The investments are managed to maintain an overall weighted average duration of two years or less.

At June 30, 2015, Onex had access to \$3.0 billion of uncalled committed limited partners' capital for acquisitions through Onex Partners IV (\$2.9 billion) and ONCAP III (C\$154 million). Uncalled committed limited partners' capital at June 30, 2015 is net of \$451 million of capital called from the limited partners of Onex Partners IV for the investments in Jack's and Schumacher and C\$63 million of capital called from the limited partners of ONCAP III for the investment in Chatters and the add-on investment in Mavis Discount Tire.

Non-controlling interests

Non-controlling interests in equity in Onex' unaudited interim consolidated balance sheets as at June 30, 2015 primarily represent the ownership interests of shareholders, other than Onex and its limited partners in the Funds, in Onex' controlled operating companies. The non-controlling interests balance at June 30, 2015 decreased to \$1.2 billion from \$1.7 billion at December 31, 2014. The decrease was due primarily to the repurchase of shares of operating companies, primarily at Celestica, and the loss of Onex' controlling interest in Skilled Healthcare Group as a result of the purchase and combination transaction in February 2015, as described on page 21 of this interim MD&A.

LIQUIDITY AND CAPITAL RESOURCES

This section should be read in conjunction with the unaudited interim consolidated statements of cash flows and the corresponding notes thereto. Table 21 summarizes the major consolidated cash flow components for the first six months of 2015 and 2014.

Major Cash Flow Components

TABLE 21	(Unaudited) (\$ millions) Six months ended June 30	2015	2014
Cash from operating activities	\$ 694	\$ 471	
Cash from financing activities	\$ 906	\$ 118	
Cash used in investing activities	\$ (2,792)	\$ (329)	
Consolidated cash and cash equivalents held by continuing operations	\$ 2,538	\$ 3,266	

Cash from operating activities

Table 22 provides a breakdown of cash from operating activities by cash generated from operations and changes in non-cash working capital items, other operating activities and operating activities of discontinued operations for the six months ended June 30, 2015 and 2014.

Components of Cash from Operating Activities

TABLE 22	(Unaudited) (\$ millions) Six months ended June 30	2015	2014
Cash generated from operations	\$ 769	\$ 516	
Changes in non-cash working capital items:			
Accounts receivable	46	(193)	
Inventories	(117)	(77)	
Other current assets	12	(69)	
Accounts payable, accrued liabilities and other current liabilities	(47)	(2)	
Decrease in cash and cash equivalents due to changes in non-cash working capital items	(106)	(341)	
Decrease in other operating activities	(42)	(30)	
Cash flows from operating activities of discontinued operations	73	326	
Cash from Operating Activities	\$ 694	\$ 471	

Cash generated from operations includes net loss from continuing operations before interest and income taxes, adjusted for cash taxes paid and items not affecting cash and cash equivalents.

The main driver of the \$106 million decrease in cash and cash equivalents due to changes in non-cash working capital items was a \$117 million increase in inventories. This was due primarily to an increase in inventories at Carestream Health, Celestica and JELD-WEN, partially offset by a decrease in inventories at Meridian Aviation due to the sale of an aircraft.

Cash from operating activities for the six months ended June 30, 2015 also included \$73 million (2014 – \$326 million) of cash flows from the operating activities of discontinued operations. Discontinued operations for the six months ended June 30, 2015 represent the operations of Skilled Healthcare Group and Sitel Worldwide. Discontinued operations for the six months ended June 30, 2014 represent the operations of The Warranty Group, Spirit AeroSystems, Skilled Healthcare Group and Sitel Worldwide.

Cash from financing activities

Cash from financing activities was \$906 million for the first six months of 2015 compared to cash from financing activities of \$118 million for the same period in 2014. Cash from financing activities for the six months ended June 30, 2015 included:

- \$1.4 billion of contributions received primarily from the limited partners of the Onex Partners IV Group for the investments in Survitec (\$259 million), SIG (\$810 million) and Jack's (\$295 million) and from the limited partners of the ONCAP III Group for the investment in ITG (\$49 million); and
- \$576 million of net new long-term debt primarily from the closing of CLO-8 and the newly issued non-revolving term loan at Celestica, partially offset by debt repayments made by Carestream Health and CLO-1.

Partially offsetting these were:

- \$404 million of cash used for share repurchases primarily by Celestica and JELD-WEN;
- \$351 million of cash interest paid;
- \$145 million of cash used by Onex, the parent company, for purchases of its shares; and
- \$140 million of distributions primarily to the limited partners of the Onex Partners Funds for their share of the distributions received mainly from AIT, BBAM and ResCare.

For the six months ended June 30, 2014, cash from financing activities was \$118 million. Included in cash from financing activities for the second quarter of 2014 were:

- \$1.7 billion of net new long-term debt primarily from the note issuances by CLO-5 and CLO-6, debt raised by Emerald Expositions and USI, and an increase in outstanding debt at JELD-WEN;

- \$184 million of cash received primarily from the limited partners of Onex Partners III for their add-on investment in Emerald Expositions, their investment in common stock of JELD-WEN, and for management fees and partnership expenses; and
- \$171 million of cash received from the Onex Partners I Group's March 2014 sale of shares of Spirit AeroSystems.

Partially offsetting these were:

- \$1.3 billion of distributions primarily to the limited partners of Onex Partners I, Onex Partners II and Onex Partners III for their share of the proceeds from the sales of shares of Allison Transmission and Spirit AeroSystems and the distribution received from ResCare;
- \$320 million of cash interest paid;
- \$190 million of cash used in financing activities of discontinued operations primarily related to an increase of restricted cash by Spirit AeroSystems for its share repurchase;
- \$66 million invested to acquire common stock of JELD-WEN from existing shareholders;
- \$56 million of cash used by Celestica for purchases of its shares in the open market; and
- \$53 million of cash used by Onex, the parent company, for purchases of its shares under its Normal Course Issuer Bids.

Cash used in investing activities

Cash used in investing activities totalled \$2.8 billion for the six months ended June 30, 2015 compared to \$329 million during the same period in 2014. Cash used in investing activities during the six months ended June 30, 2015 primarily consisted of:

- \$1.3 billion of cash used to fund investments in operating companies, which primarily related to the investments in SIG and Survitec;
- \$747 million of cash used by Onex, the parent company, for purchases of short- and long-term investments by third-party investment managers;
- \$295 million of restricted cash received from the limited partners of Onex Partners IV for their July 2015 investment in Jack's;
- \$279 million of net purchases of investments and securities by the CLOs and Onex Credit Funds;
- \$230 million of cash used for the purchase of property, plant and equipment; and
- \$70 million for the ONCAP III Group's joint venture investment in ITG.

Partially offsetting these were:

- \$115 million of cash interest received; and
- \$58 million of proceeds on the sale of property, plant and equipment consisting primarily of the \$54 million of proceeds on the sale of the B.C. Sugar residual property.

Cash used in investing activities totalled \$329 million for the six months ended June 30, 2014 and consisted primarily of:

- \$765 million of net purchases of investments and securities by the CLOs;
- \$605 million used to fund acquisitions;
- \$528 million of cash used in investing activities of discontinued operations, due primarily to \$386 million of cash of Spirit AeroSystems at the date Onex ceased to consolidate the company; and
- \$173 million for the purchase of property, plant and equipment.

This was partially offset by cash proceeds of \$1.7 billion received on the sale of shares of Allison Transmission and the June 2014 sale of shares of Spirit AeroSystems.

Consolidated cash resources

At June 30, 2015, consolidated cash held by continuing operations decreased to \$2.5 billion from \$3.8 billion at December 31, 2014. The major component at June 30, 2015 was \$896 million of cash on hand at Onex, the parent company (December 31, 2014 – \$2.5 billion). In addition to cash at the parent company, Onex had \$1.1 billion of near-cash items at June 30, 2015 (December 31, 2014 – \$346 million). Near-cash items at June 30, 2015 include short- and long-term investments managed by third-party investment managers, as described on page 54, as well as \$356 million invested in a segregated unleveraged fund managed by Onex Credit.

Table 23 provides a reconciliation of the change in cash and near-cash at Onex, the parent company, from December 31, 2014 to June 30, 2015.

Change in Cash and Near-Cash at Onex, the Parent Company

TABLE 23 | (Unaudited) (\$ millions)

Cash and near-cash on hand at December 31, 2014^(a)	\$ 2,877
Sale of B.C. Sugar residual property	33
ResCare dividend	20
Investment in SIG	(405)
Investment in Survitec	(73)
Investment in ITG	(21)
Investment in Onex Credit asset management platform	(26)
Net Onex Credit activity, including investments in warehouse facilities	(73)
Net Onex Real Estate activity, including investments in Flushing Town Center	(35)
Onex share repurchases	(145)
Other, net, including dividends, management fees and operating costs ^(b)	(132)
Cash and near-cash on hand at June 30, 2015^(c)	\$ 2,020

(a) Includes \$346 million invested in a segregated Onex Credit unleveraged senior secured loan strategy fund.

(b) Other includes the impact of incentive compensation payments paid in 2015 related to 2014, timing of management fees received and unfavourable foreign exchange on cash.

(c) Includes \$768 million of short- and long-term investments managed by third-party investment managers and \$356 million invested in a segregated Onex Credit unleveraged senior secured loan strategy fund.

Subsequent to June 30, 2015, Onex, the parent company, funded its share of the July 2015 investments in Jack's (\$120 million), Chatters (\$13 million (C\$16 million)) and Schumacher (\$63 million) and the August 2015 add-on investment in Mavis Discount Tire (\$25 million). In addition, Onex received cash of \$89 million from the July 2015 distribution from JELD-WEN. These transactions are described in the significant transactions section starting on page 21 of this interim MD&A.

Private equity Funds

Onex' private equity Funds provide capital for Onex-sponsored acquisitions that are not related to Onex' operating companies that existed prior to the formation of the Funds. The Funds provide a substantial pool of committed capital, which enables Onex to be flexible and timely in responding to investment opportunities.

Table 24 provides a summary of the remaining commitments available from limited partners at June 30, 2015. Onex Partners IV and ONCAP III will be used for future Onex-sponsored acquisitions. The remaining commitments from limited partners of Onex Partners I and Onex Partners II are for future funding of management fees and partnership expenses. The remaining commitments from limited partners of Onex Partners III and ONCAP II are for possible future funding for remaining businesses in each respective fund and for future funding of management fees and partnership expenses.

Private Equity Funds' Uncalled Limited Partners' Committed Capital

TABLE 24	(Unaudited) (\$ millions)	Available Uncalled Committed Capital (excluding Onex)
Onex Partners I		\$ 62
Onex Partners II		\$ 226
Onex Partners III		\$ 391 ^(a)
Onex Partners IV		\$ 2,915 ^{(a)(b)}
ONCAP II		C\$ 2 ^(a)
ONCAP III		C\$ 154 ^{(a)(c)}

(a) Includes committed amounts from the management of Onex and ONCAP and directors, calculated based on the assumption that all of the remaining limited partners' commitments are invested.

(b) Onex Partners IV uncalled committed capital is shown net of amounts called for the July 2015 investments in Jack's and Schumacher and is not reduced for amounts called in August 2015 for the add-on investment to be completed in Schumacher.

(c) ONCAP III uncalled committed capital is shown net of amounts called for the July 2015 investment in Chatters and the August 2015 add-on investment in Mavis Discount Tire.

The committed amounts from the limited partners are not included in Onex' consolidated cash and will be funded as capital is called.

Management fees

Onex receives management fees on limited partners' capital through its private equity platforms, Onex Partners and ONCAP, Onex Credit Funds and directly from certain of its operating businesses. As Onex consolidates the Onex Partners, ONCAP and certain Onex Credit Funds, the management fees received in respect of limited partners' capital represent related party transactions.

During the initial fee period of the Onex Partners and ONCAP Funds, Onex receives a management fee based upon limited partners' committed capital to each Fund. At June 30, 2015, the management fees of Onex Partners IV and ONCAP III are determined based on limited partners' committed capital.

Following the termination of the initial fee period, Onex becomes entitled to a management fee based upon limited partners' invested capital. At June 30, 2015, the management fees of Onex Partners I, II and III and ONCAP II are determined based upon their limited partners' invested capital. As realizations occur in these Funds, the management fees calculated based on invested limited partners' capital will decline.

Onex Credit earns management fees on \$4.7 billion of other investors' capital in several investment strategies focused on a variety of event-driven, long/short, stressed and distressed opportunities as well as its CLOs.

Onex' commitment to the Funds

Onex, the parent company, is the largest limited partner in each of the Onex Partners and ONCAP Funds. Table 25 presents the commitment and the uncalled committed capital of Onex, the parent company, in these Funds at June 30, 2015:

TABLE 25	(Unaudited) (\$ millions)	Fund Size	Onex' Commitment	Onex' Uncalled Committed Capital ^(a)
Onex Partners I		\$ 1,655	\$ 400	\$ -
Onex Partners II		\$ 3,450	\$ 1,407	\$ -
Onex Partners III		\$ 4,700	\$ 1,200	\$ 124
Onex Partners IV ^(b)		\$ 5,660	\$ 1,700	\$ 1,145
ONCAP II		C\$ 574	C\$ 252	C\$ 2
ONCAP III ^(c)		C\$ 800	C\$ 252	C\$ 65

(a) Onex' uncalled committed capital is calculated based on the assumption that all of the remaining limited partners' commitments are invested.

(b) Onex Partners IV uncalled committed capital is shown net of amounts called for the July 2015 investments in Jack's and Schumacher. Onex increased its commitment to \$1,700 million for new Onex Partners IV investments completed after June 3, 2015.

(c) ONCAP III uncalled committed capital is shown net of amounts called for the July 2015 investment in Chatters and the August 2015 add-on investment in Mavis Discount Tire. Onex' commitment has been reduced for the annual commitment for Onex management's participation.

In June 2015, Onex' increased commitment to Onex Partners IV became effective, increasing by \$500 million to \$1.7 billion. The increased commitment did not change Onex' ownership of businesses acquired prior to June 3, 2015. Onex Partners IV's acquisition of Jack's in July 2015 was the first investment reflecting Onex' increased commitment.

Carried interest participation

The General Partners of the Onex Partners and ONCAP Funds, which are controlled by Onex, are entitled to a carried interest of 20 percent on the realized gains of the limited partners in each Fund, subject to an 8 percent compound annual preferred return to those limited partners on all amounts contributed in each particular Fund. Onex, as sponsor of the Onex Partners Funds, is entitled to 40 percent of the carried interest realized in the Onex Partners Funds. Onex management is allocated 60 percent of the carried interest realized in the Onex Partners Funds. ONCAP management is entitled to that portion of the carried interest realized in the ONCAP Funds that equates to a 12 percent carried interest on both limited partners' and Onex' capital. Under the terms of the partnership agreements, Onex may receive carried interest as realizations occur. The ultimate amount of carried interest earned will be based on the overall performance of each Fund, independently, and includes typical catch-up and claw-back provisions within each Fund, but not between Funds.

During the six months ended June 30, 2015, management of Onex received carried interest totalling \$1 million associated with residual proceeds on investments sold in 2014. Management of Onex and ONCAP has the potential to receive \$273 million of carried interest on businesses in the Onex Partners and ONCAP Funds based on their values determined at June 30, 2015.

During the year ended December 31, 2014, management of Onex received carried interest totalling \$256 million, primarily comprised of (i) \$56 million on the sale of shares of Allison Transmission in that company's share repurchases and secondary offerings; (ii) \$41 million on the sale of shares of Spirit AeroSystems in that company's secondary offerings and share repurchase; (iii) \$82 million of carried interest related to the sale of Tomkins; and (iv) \$76 million related to the sale of The Warranty Group. During 2014, management of ONCAP received carried interest of \$43 million, primarily from the sale of Mister Car Wash. The impact of this ONCAP transaction to Onex and management of Onex was a net payment of \$7 million in carried interest.

Table 26 shows the amount of net carried interest received by Onex, the parent company, by year up to June 30, 2015.

Carried Interest

TABLE 26	(Unaudited) (\$ millions)	Carried Interest Received
2003		\$ 1
2004		4
2005		16
2006		55
2007		77
2008		-
2009		19
2010		-
2011		65
2012		3
2013		75
2014		171
2015 up to June 30, 2015		1
Total		\$ 487

During the first six months of 2015, Onex, the parent company, received carried interest totalling \$1 million associated with residual proceeds on investments sold in 2014. Onex has the potential to receive \$149 million of carried interest on its businesses in the Onex Partners Funds based on their fair values determined at June 30, 2015.

During the year ended December 31, 2014, Onex, the parent company, realized carried interest of \$171 million primarily comprised of amounts received on the following transactions: (i) \$38 million on the sale of shares of Allison Transmission in that company's share repurchases and secondary offerings; (ii) \$27 million on the sale of shares of Spirit AeroSystems in that company's secondary offerings and share repurchase; (iii) \$54 million of carried interest related to the sale of Tomkins; and (iv) \$51 million related to the sale of The Warranty Group.

Incentive fees

Onex Credit is entitled to incentive fees on \$4.4 billion of other investors' capital it manages. Incentive fees range between 5 percent and 20 percent of the net income of a fund or a share of the return above an investment return hurdle of a CLO. Certain incentive fees are subject to a minimum preferred return to investors on all amounts contributed in a particular fund. Onex acquired control of the Onex Credit asset management platform in January 2015. As such, beginning in January 2015, incentive fees earned by Onex Credit are entirely attributable to Onex for accounting purposes.

During the year ended December 31, 2014, Onex Credit earned \$1 million of incentive fees, of which Onex' share as an owner of Onex Credit was \$1 million.

Related party transaction

In July 2015, Celestica entered into an agreement of purchase and sale to sell certain of its real property to a special-purpose entity to be formed by a consortium of three real estate developers (the "Property Purchaser") for approximately \$110 million (C\$137 million), exclusive of taxes and subject to adjustment. The proceeds will be received by Celestica in the form of a C\$15 million deposit, C\$54 million upon closing and C\$68 million in the form of an interest-free, first-ranking mortgage having a term of two years from the closing date. The transaction is subject to various conditions, including municipal approvals, and is expected to close within approximately two years.

Approximately 30 percent of the interests in the Property Purchaser are to be held by a privately held entity in which Mr. Gerald W. Schwartz, who is Onex' controlling shareholder and a director of Celestica, has a material interest. Mr. Schwartz also has a non-voting interest in an entity which is to have an approximate 25 percent interest in the Property Purchaser. Celestica formed a Special Committee, consisting solely of independent directors, to review and supervise the competitive bidding process. The bid of the Property Purchaser was approved by Celestica's board of directors, at a meeting at which Mr. Schwartz was not present, based on the unanimous recommendation of the Special Committee. Onex, the parent company, is not participating in this transaction.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and the Chief Financial Officer have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and the Chief Financial Officer have also designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by the Company in its corporate filings has been recorded, processed, summarized and reported within the time periods specified in securities legislation.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our internal controls over financial reporting and disclosure controls and procedures are effective in providing reasonable, not absolute, assurance that the objectives of our control systems have been met.

Limitation on scope of design

Management has limited the scope of the design of internal controls over financial reporting and disclosure controls and procedures to exclude the controls, policies and procedures of York (acquired in October 2014) and SIG (acquired in March 2015), the operating results of which are included in the June 30, 2015 unaudited interim consolidated financial statements of Onex. The scope limitation is in accordance with Section 3.3 of National Instrument 52-109, *Certification of Disclosure in Issuer's Annual and Interim Filings*, which allows an issuer to limit its design of internal controls over financial reporting and disclosure controls and procedures to exclude the controls, policies and procedures of a company acquired not more than 365 days before the end of the financial period to which the certificate relates.

Table 27 shows a summary of the financial information for York and SIG, which are included in the June 30, 2015 unaudited interim consolidated financial statements of Onex.

TABLE 27	(Unaudited) (\$ millions)	SIG	York
Three months ended June 30, 2015			
Revenue		\$ 481	\$ 184
Net earnings (loss)		\$ 67	\$ (8)
Six months ended June 30, 2015			
Revenue		\$ 584	\$ 358
Net earnings (loss)		\$ 98	\$ (14)
As at June 30, 2015			
Current assets		\$ 664	\$ 188
Non-current assets		\$ 4,879	\$ 1,603
Current liabilities		\$ 691	\$ 136
Non-current liabilities		\$ 3,579	\$ 1,091