

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 three months ended March 31, 2016 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 May 12, 2016. 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 recommended approval of the interim MD&A by the Board of Directors. The Board of Directors has 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 2016 First 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 2.8 times from its private equity activities since inception on realized, substantially realized and publicly traded investments. In our credit platform, we seek to generate strong risk-adjusted returns across 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) cost reduction and operational restructurings; (ii) platforms for add-on acquisitions; and (iii) carve-outs of subsidiaries and mission-critical supply divisions from multinational corporations.

Historically, we have been relatively conservative with the use of financial leverage, which has served Onex and its businesses well through many cycles. In addition, 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 generally invest in larger, more actively traded issues with a long-term view of expected outcomes. 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.

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 140 years of investing experience and have worked at Onex for an average of 25 years. Onex' stability results from its ownership culture, rigorous recruiting standards and highly collegial environment.

Onex' 85 investment professionals are each dedicated to a separate investment platform: Onex Partners (49), ONCAP (19) and Onex Credit (17). These investment teams are supported by more than 75 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 March 31, 2016, Onex had substantial financial resources available to support its investing strategy with:

- approximately \$2.0 billion of cash and near-cash items and no debt;
- \$2.9 billion of limited partner uncalled capital available for future Onex Partners IV investments; and
- C\$148 million of limited partner uncalled capital available for future ONCAP III investments.

Strong alignment of interests

Critical to 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 March 31, 2016, the Onex management team:

- was the largest shareholder in Onex, with a combined holding of approximately 17.5 million shares, or 17 percent of outstanding shares, and had invested in 0.6 million Deferred Share Units ("DSUs");
- had a total cash investment in Onex' current operating businesses of approximately \$325 million; and
- had a total investment at market in Onex Credit strategies of approximately \$275 million.

As well, the Onex management team 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 fund investor 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 to date in 2016.

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 value of Onex' private equity investments, including realizations and distributions, increased by 2 percent during the first three months of 2016 and by 12 percent for the 12 months ended March 31, 2016. One of Onex' long-term goals is to grow its capital per share by 15 percent per year. Including the impact of cash and other investments, Onex capital per share grew by 2 percent in U.S. dollars (fell by 4 percent in Canadian dollars) for the three months ended March 31, 2016 to \$55.46 (C\$72.02) from \$54.39 (C\$75.27) at December 31, 2015. For the 12 months ended March 31, 2016, Onex capital per share grew by 5 percent in U.S. dollars (8 percent in Canadian dollars). Over the past five years, Onex capital per share increased by 9 percent per year in U.S. dollars (16 percent per year in Canadian dollars).

Today, we have approximately \$2.0 billion of cash and near-cash items and \$3.0 billion of limited partner uncalled capital to deploy for new investments. As we continue to evaluate investment opportunities, our focus remains on identifying investments that will deliver long-term growth for our shareholders and partners.

Building businesses

During the first quarter of 2016, four of our operating businesses completed five follow-on acquisitions for total consideration of \$67 million. In April 2016, Schumacher Clinical Partners ("Schumacher") agreed to acquire ECI Healthcare Partners ("ECI"), a provider of emergency and hospital medicine physician management services in the United States, for \$140 million. In addition, during the first three months of 2016, our businesses paid down debt totalling approximately \$85 million.

Realizing on value

The table below presents the significant proceeds received to date in 2016 from realizations and cash distributions primarily from private equity activity:

Company	Fund	Transaction	Period	Gross Multiple of Capital Invested ⁽¹⁾	Total Amount (\$ millions)	Onex' Share ⁽²⁾ (\$ millions)
KraussMaffei	Onex Partners III	Sale of business	Apr '16	2.1x ⁽³⁾	\$ 713 ⁽³⁾	\$ 184 ⁽³⁾
Jack's	Onex Partners IV	Repayment of promissory note	Jan '16, Mar '16 and Apr '16	n/a	40	12
BBAM	Onex Partners III	Distributions	Mar '16 and Apr '16	n/a	15	4
Onex Real Estate Partners	Direct Investment	Distribution	Mar '16	n/a	14	12
AIT	Onex Partners IV	Distribution	Mar '16	n/a	7	1
Total					\$ 789	\$ 213

(1) Information is not presented for investments still held by Onex.

(2) Onex' share includes carried interest received by Onex and is reduced for amounts paid under the MIP, if applicable.

(3) Amounts for KraussMaffei exclude amounts held in escrow and amounts for any potential working capital adjustment. The impact of foreign exchange hedges is included in the table above.

In April 2016, the Onex Partners III Group sold its entire investment in KraussMaffei Group GmbH ("KraussMaffei") for a cash enterprise value of €925 million (\$1.0 billion). The Onex Partners III Group invested a total of €276 million (\$358 million) to acquire KraussMaffei in December 2012 and has received net proceeds of €664 million (\$747 million). Onex' portion of the proceeds was \$192 million, including carried interest and after the reduction for amounts relating to the MIP. The investment and net proceeds for the Onex Partners III Group and Onex included net realized losses from foreign exchange hedges of \$13 million and \$3 million, respectively.

The investment in KraussMaffei generated a gross multiple of capital invested of approximately 2.1 times, including the impact of foreign exchange hedges.

To date in 2016, Jack's Family Restaurants ("Jack's") has made repayments of the promissory note held by the Onex Partners IV Group totalling \$40 million, including accrued interest, with net proceeds from sale-leaseback transactions completed for certain of its fee-owned restaurant properties. Onex' share of the repayments was \$12 million.

To date in 2016, BBAM has completed distributions of \$15 million to the Onex Partners III Group, of which Onex' share was \$4 million. The distributions were funded by the company's free cash flow generated year-to-date.

In March 2016, our real estate platform distributed \$14 million of proceeds primarily from the sale of commercial units at Flushing Town Center. Onex' share of the distribution was \$12 million.

In March 2016, AIT completed a distribution of \$7 million to the Onex Partners IV Group, of which Onex' share was \$1 million. The distribution was funded from the company's free cash flow generated year-to-date.

Managing and growing fund investor capital

Onex' management of fund investor 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 March 31, 2016, Onex has raised \$11.8 billion of limited partner capital through seven Onex Partners and ONCAP Funds.

Our mid-market private equity fund, ONCAP III, has invested C\$389 million of third-party capital in seven businesses. Onex is now in a position to raise ONCAP IV as ONCAP III is more than 75 percent invested as of March 31, 2016.

In 2007, Onex acquired a 50 percent interest in an investment advisor focused on credit investing which, at that time, managed \$300 million. In January 2015, Onex acquired control of the investment advisor and now has a 100 percent ownership interest for accounting purposes.

In 2012, Onex began investing capital in Onex Credit's CLO platform to support its growth. In 2014, Onex Credit established a presence in London to focus on the placement of European CLOs and currently has a warehouse facility in anticipation of its first placement. To date, Onex Credit has closed 10 CLOs, with offerings of securities and loans totalling approximately \$5.8 billion. At March 31, 2016, capital under management related to these CLOs was \$5.3 billion. In April 2016, Onex Credit priced its eleventh CLO denominated in U.S. dollars, offering \$502 million of securities in a private placement transaction which will increase capital under management.

Today, our credit business manages non-investment grade debt through several investment strategies comprising event-driven, long/short, long-only, par, 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 CLO platform. Through March 31, 2016, Onex Credit has raised \$6.9 billion of fund investor capital through its various strategies and is focused on growing its other strategies through various product lines and distribution channels.

In April 2016, Onex Credit announced plans to launch a direct lending platform ("DLP") focused on providing credit to the middle-market and select larger borrowers. A DLP is a natural extension of Onex Credit's business and will leverage the firm's infrastructure and knowledge of the loan market. In addition, the platform will further contribute to Onex' objective to grow fee-generating assets under management.

The management of fund investor capital provides two significant benefits to Onex: (i) the Company earns management fees on \$15.0 billion of assets under management and (ii) Onex has the opportunity to share in the profits of its investors through the carried interest and incentive fee participation. This enables Onex to enhance the return from its investment activities. In 2015, combined management fees, carried interest and incentive fees received more than offset ongoing operating expenses. Onex Partners, ONCAP and Onex Credit earned a total of \$141 million in management and transaction fees in 2015, and today Onex has run-rate management fees of \$131 million for the next 12 months. Onex expects management fees and carried interest will again offset ongoing operating expenses in 2016.

Our private equity funds contribute \$95 million to the run-rate management fees for the next 12 months. Onex does not earn any management fees on the \$4.5 billion of capital it has invested or committed to its private equity funds. The additional run-rate fees that would be earned on this capital if it were subject to the same management fees as other investors is \$35 million.

Onex Credit contributes \$36 million to the run-rate management fees for the next 12 months, which includes \$3 million of management fees earned on Onex' capital invested in Onex Credit Funds.

One of Onex' long-term goals is to grow its fee-generating capital by 10 percent per year. During the three months ended March 31, 2016, fee-generating capital under management grew by 1 percent to \$15.0 billion. For the 12 months ended March 31, 2016, fee-generating capital under management increased by 10 percent primarily due to the completion of three CLOs. Over the past five years, fee-generating capital under management increased by 11 percent per year.

At March 31, 2016, Onex' share of the unrealized carried interest on Onex Partners' operating businesses was \$183 million based on the fair values compared to \$178 million at December 31, 2015. The amount of unrealized carried interest on Onex Partners' businesses has increased since December 31, 2015 due to fair value increases of certain businesses during the first three months of 2016. The actual amount of carried interest realized by Onex will depend on the ultimate performance of each fund.

At March 31, 2016, Onex managed \$16.7 billion of fund investor capital, in addition to \$6.0 billion of Onex capital.

Fund Investor Capital Under Management ⁽¹⁾							
(Unaudited) (\$ millions)							
	Total		Change in Total	Fee-Generating		Uncalled Commitments	
	March 31, 2016 ⁽²⁾	December 31, 2015 ⁽²⁾		March 31, 2016	December 31, 2015	March 31, 2016 ⁽²⁾	December 31, 2015 ⁽²⁾
Funds							
Onex Partners ⁽³⁾	\$ 9,958	\$ 9,803	2 %	\$ 8,360	\$ 8,249	\$ 3,248	\$ 3,233
ONCAP	C\$ 1,183	C\$ 1,197	(1)%	C\$ 991	C\$ 1,006	C\$ 148	C\$ 148
Onex Credit	\$ 5,833	\$ 5,869	(1)%	\$ 5,833	\$ 5,869	n/a	n/a

(1) Invested amounts included in fund investor 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.

(3) The principal repayments of the promissory note by Jack's, as described on page 18 of this interim MD&A, increased the uncalled commitments for Onex Partners Funds.

Growth in fund investor capital under management

The amount of fund investor capital under management will fluctuate as new capital is raised and existing investments are realized. During the first three months of 2016, this capital increased by \$165 million primarily due to a net increase of approximately \$210 million in the fair value of Onex Partners and ONCAP investments.

Partially offsetting this increase in fund investor capital during the first three months of 2016 were distributions received from operating businesses and a slight decrease in capital under management for Onex Credit.

Performance

Private equity

The ability to raise new capital commitments is dependent on the fundraising environment generally 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 March 31, 2016. 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	3.0x
Onex Partners II LP	2006	18%	14 %	2.4x	2.0x
Onex Partners III LP	2009	21%	13 %	1.9x	1.6x
Onex Partners IV LP	2014	10%	[3]%	1.1x	1.0x
ONCAP L.P. ^{[3][4]}	1999	43%	33 %	4.1x	3.1x
ONCAP II L.P. ^[3]	2006	30%	22 %	3.7x	2.6x
ONCAP III LP ^[3]	2011	30%	20 %	2.1x	1.6x

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

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

Credit

Through March 31, 2016, Onex had a net investment after dispositions and distributions of \$351 million in CLOs, including \$61 million for warehouse facilities of two CLOs.

Market pricing for CLO equity is more volatile than the underlying leveraged loan market due to the leverage employed in a CLO and the relative illiquidity of CLO equity. CLO equity pricing may also be affected by changes in fixed income market sentiment and investors' general appetite for risk. During the first quarter of 2016, the leveraged loan market experienced a partial recovery; however, general investor appetite for CLO equity resulted in a slight reduction in the market value of Onex' CLO positions. Onex experienced a net unrealized loss on its investments in CLOs of \$8 million during the quarter. All of Onex' CLOs remain comfortably outside their various coverage tests, and Onex received \$21 million of distributions from its CLO investments during the quarter.

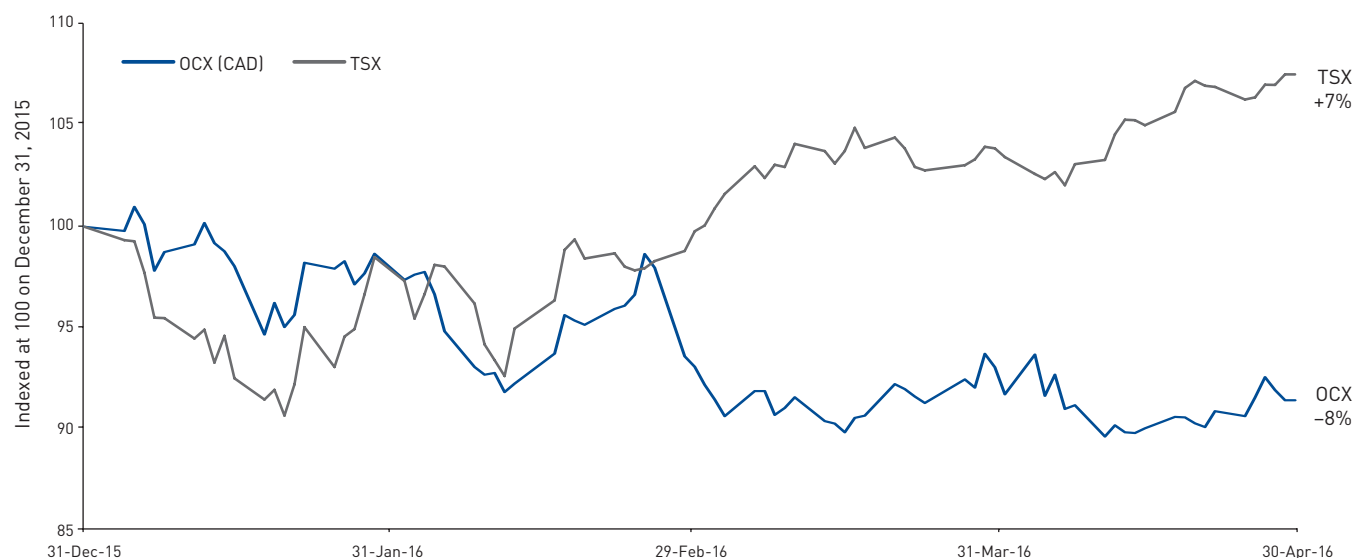
Share price

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 2016, Onex increased its quarterly dividend by 10 percent to C\$0.06875 per Subordinate Voting Share ("SVS") beginning in July 2016. This increase follows similar increases in the previous three years and reflects Onex' success and ongoing commitment to its shareholders. Year-to-date through April 30, 2016, \$10 million was returned to shareholders through dividends and Onex repurchased 2,010,843 SVS at a total cost of \$118 million (C\$164 million), or an average purchase price of \$58.49 (C\$81.42) per share.

At April 30, 2016, Onex' SVS closed at C\$77.83, an 8 percent decrease from December 31, 2015. This compares to a 7 percent increase in the S&P/TSX Composite Index ("TSX").

The chart below shows the performance of Onex' SVS during the first four months of 2016 relative to the TSX.

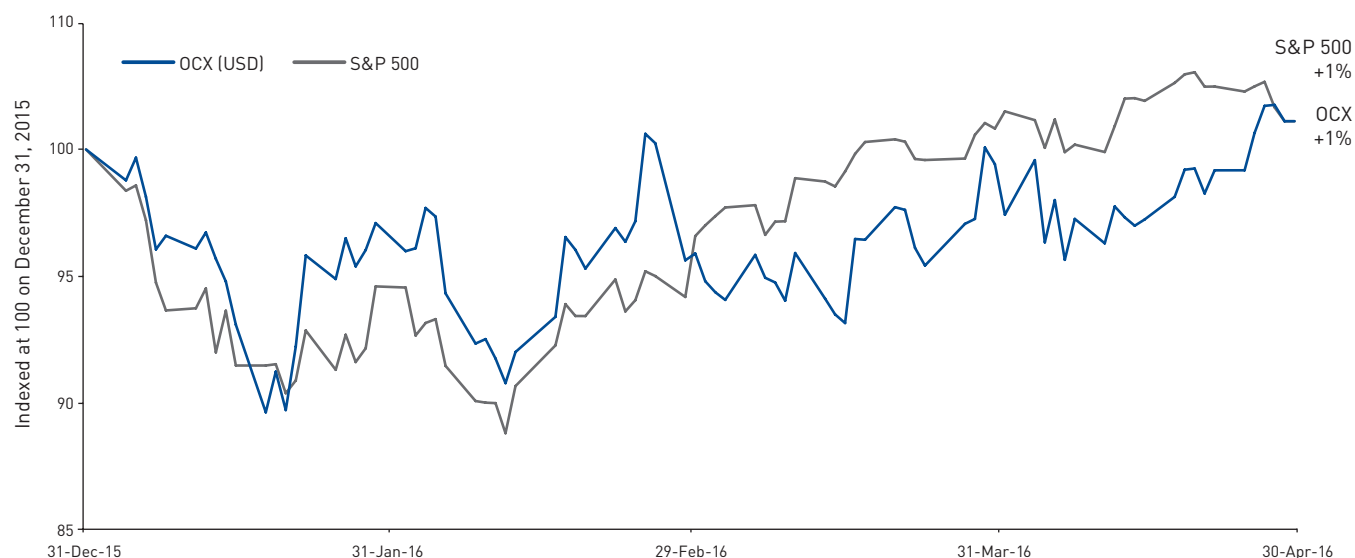
Onex Relative Performance (December 31, 2015 to April 30, 2016)



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 four months ended April 30, 2016, the value of Onex' SVS increased by 1 percent in U.S. dollars compared to a 1 percent increase in the Standard & Poor's 500 Index ("S&P 500").

The chart below shows the performance of Onex' SVS in U.S. dollars during the first four months of 2016 relative to the S&P 500.

Onex Relative Performance (December 31, 2015 to April 30, 2016)



INDUSTRY SEGMENTS

At March 31, 2016, Onex had eight reportable industry segments. In April 2016, Onex completed the sale of KraussMaffei. The operations of KraussMaffei have been presented as discontinued and comparative disclosures have been restated to reflect this change. 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 businesses' 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)	13% ^(a)	13% ^(a) /80%
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)
Insurance Services	USI Insurance Services , a leading U.S. provider of insurance brokerage services (www.usi.biz). 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	88%	25%/100%

(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 common and convertible preferred shares.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Insurance Services (cont'd)	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). 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	88%	29%/100%
Packaging Products and Services	SGS International, Inc., a global leader in providing marketing solutions, digital imaging and design-to-print graphic services to branded consumer products companies, retailers and the printers that service them (www.sgsco.com). 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.à r.l., a world-leading provider of aseptic carton packaging solutions for beverages and liquid food (www.sig.biz). 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	93% 99%	23%/93% 33%/95%
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, par, stressed, distressed and market dislocation strategies. Onex Credit Collateralized Loan Obligations, leveraged structured vehicles that hold a widely diversified collateral asset portfolio 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-11 and EURO CLO-1, at market value: \$237 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: \$480 million, of which \$356 million is invested in a segregated unlevered senior secured loan portfolio that purchases assets with greater liquidity and \$124 million is invested in other Onex Credit Funds.	100%	100%/(a)
Other Businesses	Advanced Integration Technology LP, 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% ^(b)

(a) Onex controls the Onex Credit asset management platform through contractual rights.

(b) Onex has certain contractual rights and protections, including the right to appoint members to the board of directors, in respect of this entity, which is accounted for at fair value in Onex' unaudited interim consolidated financial statements.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Other Businesses (cont'd)			
• <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: \$193 million Onex portion at cost: \$49 million Onex Partners III portion subject to a carried interest: \$135 million Included with the investment in BBAM Limited Partnership is an investment of \$28 million made concurrently in FLY Leasing Limited (NYSE: FLY) by the Onex Partners III Group, of which Onex' share was \$7 million. During the first quarter of 2016, the Onex Partners III Group invested \$8 million in FLY Leasing Limited, of which Onex' share was \$2 million.	50%	13%/50% ^(a)
	Meridian Aviation Partners Limited and affiliates, an aircraft investment company managed by BBAM and 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	100%	25%/100%
	Emerald Expositions, LLC, a leading operator of business-to-business tradeshow 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%
	Jack's Family Restaurants, a regional premium quick-service restaurant operator (www.eatatjacks.com). Total Onex, Onex Partners IV and Onex management investment at original cost: \$234 million^(b) Onex portion at cost: \$67 million^(b) Onex Partners IV portion subject to a carried interest: \$139 million^(b)	95%	28%/100%
	Schumacher Clinical Partners, a leading U.S. provider of emergency and hospital medicine physician practice management services (www.schumacherclinical.com). Total Onex, Onex Partners IV and Onex management investment at original cost: \$323 million Onex portion at cost: \$93 million Onex Partners IV portion subject to a carried interest: \$205 million	71%	21%/71%

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

(b) The original investment in Jack's included a \$195 million promissory note which was partially repaid during 2015 and 2016 with net proceeds from sale-leaseback transactions. After giving effect to the repayments, the investment in Jack's includes an amount outstanding under the promissory note of \$14 million, of which Onex' share was \$4 million.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Other Businesses (cont'd)			
• <i>Survival Equipment</i>	Survitec Group Limited, a market-leading provider of mission-critical marine, defence and aerospace survival equipment (www.survittegroup.com). Total Onex, Onex Partners IV and Onex management investment at original cost: \$336 million^(a) Onex portion at cost: \$76 million^(a) Onex Partners IV portion subject to a carried interest: \$234 million^(a)	99%	22%/85%
• <i>Healthcare</i>	Genesis Healthcare, Inc. (NYSE: GEN), a leading provider of integrated long-term healthcare services in the United States (www.genesishcc.com). Onex shares held: 3.5 million Onex Partners I shares subject to a carried interest: 10.7 million	10%	2%/10%
• <i>Mid-Market Opportunities</i>	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.englbecorp.com), CiCi's Pizza (www.cicispizza.com), Pinnacle Renewable Energy Group (www.pinnaclepellet.com) and PURE Canadian Gaming (www.purecanadiangaming.com). Total Onex, ONCAP II, Onex management and ONCAP management unrealized investments at original cost: \$258 million (C\$269 million) Onex portion at cost: \$120 million (C\$124 million) ONCAP II limited partners: \$115 million (C\$120 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), ITG (www.ingersolltillage.com) and Chatters (www.chatters.ca). Total Onex, ONCAP III, Onex management, ONCAP management, certain limited partners and others unrealized investments at original cost: \$523 million (C\$583 million) Onex portion at cost: \$165 million (C\$186 million) ONCAP III limited partners: \$307 million (C\$340 million)	100%	46% ^(b) /100%
		100%	29%/100%
• <i>Real Estate</i>	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 approximately 1,200 condominium units constructed above retail space and parking structures. The first phase of the project has substantially been realized. Onex' remaining investment in Flushing Town Center at cost: \$189 million	88%	88%/100%

(a) The investments in Survitec were made in pounds sterling and converted to U.S. dollars using the prevailing exchange rate on the date of the investments.

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

FINANCIAL REVIEW

This section discusses the significant changes in Onex' unaudited interim consolidated statements of earnings and unaudited interim consolidated statements of cash flows for the three months ended March 31, 2016 compared to those for the period ended March 31, 2015, and compares Onex' financial condition at March 31, 2016 to that at December 31, 2015.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with Onex' unaudited interim consolidated statements of earnings for the three months ended March 31, 2016 and 2015, the corresponding notes thereto and the December 31, 2015 audited annual 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 businesses; 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 held by the CLOs and the Onex Credit Funds as well as debt issued by 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 the leveraged loan market 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.

Repayment of promissory note by Jack's

In connection with the acquisition of Jack's in July 2015, the Onex Partners IV Group's initial investment included a \$195 million promissory note. During 2015, Jack's made repayments of the promissory note totalling \$143 million, including accrued interest, with net proceeds from sale-leaseback transactions completed for certain of its fee-owned restaurant properties. Onex' share of the repayments was \$41 million.

To date in 2016, Jack's has made repayments of the promissory note totalling \$40 million, including accrued interest, with net proceeds from sale-leaseback transactions completed for certain of its fee-owned restaurant properties. Onex' share of the repayments was \$12 million.

After giving effect to the repayments, the amount outstanding under the promissory note was \$14 million, of which Onex' share was \$4 million.

Warehouse facilities of CLO-11

In January 2016, Onex established a warehouse facility in connection with its eleventh CLO denominated in U.S. dollars. During the first quarter of 2016, Onex purchased a total of \$40 million of subordinated notes to support the warehouse facility's total return swap ("TRS"). Onex consolidated the warehouse facility for CLO-11, and at March 31, 2016, the TRS was recorded at a fair value of \$39 million, with the change in fair value recognized through earnings.

In April 2016, Onex purchased an additional \$20 million of subordinated notes to further support the warehouse facility's TRS.

In April 2016, Onex priced CLO-11, offering \$502 million of securities in a private placement transaction. The closing is expected to be completed during the second quarter of 2016. Upon the closing of CLO-11, Onex will receive a return of its investment that supported the warehouse facility and is expected to invest \$41 million in the most subordinated capital of CLO-11.

Investment in Incline Aviation Fund

In February 2016, Onex, the parent company, committed to investing \$75 million in Incline Aviation Fund, an aircraft investment fund managed by BBAM and focused on investments in leased commercial jet aircraft. The aggregate capital committed to the fund at the initial closing was \$200 million, which includes the \$75 million commitment from Onex, the parent company. The aggregate committed capital to the fund is expected to increase to the targeted \$750 million at the final closing of the fund.

In March 2016, Onex, the parent company, invested \$33 million in Incline Aviation Fund, of which \$14 million is designated as bridge financing, in anticipation of, or to support, a permanent investment by third-party investors, and is expected to be repaid or refinanced during the first 12 months after the date of financing. Onex has joint control of Incline Aviation Fund. The investment in Incline Aviation Fund has been recorded as a long-term investment at fair value through earnings.

Schumacher acquisition of ECI Healthcare Partners

In April 2016, Schumacher reached an agreement to acquire ECI, a provider of emergency and hospital medicine physician management services in the United States, for \$140 million. In connection with this transaction, Schumacher expects to enter into a \$125 million bridge loan supported by equity commitments from the Onex Partners IV Group and certain members of the Schumacher management team. The balance of the purchase price will be funded through a rollover of equity from management of ECI. Subsequent to the transaction, the Onex Partners IV Group will have a 68 percent economic interest in Schumacher, of which Onex' portion will be 20 percent.

Sale of KraussMaffei

In April 2016, the Onex Partners III Group sold its entire investment in KraussMaffei for a cash enterprise value of €925 million (\$1.0 billion). The Onex Partners III Group received net proceeds of €664 million (\$747 million). Onex' portion of the net proceeds was \$192 million, including carried interest and after the reduction for the amounts on account of the MIP. Net proceeds to the Onex Partners III Group and Onex included net realized losses from foreign exchange hedges of \$13 million and \$3 million, respec-

tively. In addition, net proceeds to the Onex Partners III Group include €9 million (\$10 million) held in escrow and are before any potential working capital adjustment. Onex' share of the escrow is €2 million (\$3 million).

The Onex Partners III Group invested a total of €276 million (\$358 million) to acquire KraussMaffei in December 2012, including a foreign exchange hedge gain. The investment in KraussMaffei generated a gross multiple of capital invested of approximately 2.1 times, including the impact of foreign exchange hedges.

Amounts received on account of the carried interest related to this transaction totalled \$27 million. Consistent with the terms of Onex Partners, Onex was allocated 40 percent of the carried interest with 60 percent allocated to management. Onex' share of the carried interest received was \$11 million and was included in the net proceeds to Onex. The carried interest that would have otherwise been distributed to Onex was reduced by \$7 million as a result of the realized loss from the sale of Tropicana Las Vegas, Inc. ("Tropicana Las Vegas") in August 2015. Management's share of the carried interest was \$16 million and was similarly reduced for the realized loss from the sale of Tropicana Las Vegas. Amounts paid on account of the MIP totalled \$7 million for this transaction and have been deducted from the net proceeds to Onex.

The operations of KraussMaffei have been presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows and the three-month period ended March 31, 2015 has been restated to report the results of KraussMaffei as discontinued on a comparative basis.

Distributions from operating businesses

Year-to-date through May 12, 2016, Onex and its partners received distributions from certain operating businesses of \$76 million, including the repayment of the promissory note by Jack's, as described on page 18 of this interim MD&A. Onex' portion of the distributions was \$29 million.

Advanced Integration Technology LP ("AIT") completed a distribution of \$7 million to the Onex Partners IV Group, of which Onex' share was \$1 million. The distribution was funded by the company's free cash flow generated year-to-date. The distribution to investors of the Onex Partners IV Group was completed in April 2016.

In March 2016, Onex Real Estate Partners distributed \$14 million of proceeds primarily from the sale of commercial units at Flushing Town Center, of which Onex' share was \$12 million.

BBAM Limited Partnership ("BBAM") completed a distribution in March 2016 of \$12 million to the Onex Partners III Group funded by the company's free cash flow generated during the period. Onex' share of the distributions was \$3 million. In addition, in April 2016, BBAM distributed an additional \$3 million to the Onex Partners III Group, of which Onex' share was \$1 million.

REVIEW OF MARCH 31, 2016 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 months ended March 31, 2016. Discontinued operations for the three months ended March 31, 2016 represent the results of operations of KraussMaffei. Discontinued operations for the three months ended March 31, 2015 represent the results of operations of KraussMaffei, SITEL Worldwide Corporation ("SiteL Worldwide") and Skilled Healthcare Group, Inc. ("Skilled Healthcare Group") (up to February 2015).

Consolidated revenues and cost of sales

Table 1 provides revenues and cost of sales by industry segment for the three months ended March 31, 2016 and 2015.

Revenues and Cost of Sales by Industry Segment

TABLE 1	(Unaudited) (\$ millions)		Revenues			Cost of Sales		
Three months ended March 31	2016	2015	Change	2016	2015	Change		
Electronics Manufacturing Services	\$ 1,353	\$ 1,298	4 %	\$ 1,241	\$ 1,189	4 %		
Healthcare Imaging	437	470	(7)%	252	290	(13)%		
Health and Human Services	453	442	2 %	346	336	3 %		
Building Products	800	737	9 %	623	591	5 %		
Insurance Services ^(a)	450	431	4 %	–	–	n/a		
Packaging Products and Services ^(b)	522	220	137 %	346	151	129 %		
Credit Strategies ^(c)	1	1	–	–	–	n/a		
Other ^(d)	982	530	85 %	636	282	125 %		
Total	\$ 4,998	\$ 4,129	21 %	\$ 3,444	\$ 2,839	21 %		

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

(a) The insurance services segment consists of USI and York. USI and York report their costs in operating expenses.

(b) The packaging products and services segment consists of SIG and sgsc. SIG began to be consolidated in March 2015, when the business was acquired by the Onex Partners IV Group.

(c) The credit strategies segment consists of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds.

(d) 2016 other includes Flushing Town Center, Meridian Aviation, Emerald Expositions, Survitec, Jack's, Schumacher, the operating companies of ONCAP II and ONCAP III and the parent company. 2015 other includes Flushing Town Center, Tropicana Las Vegas, Meridian Aviation, Emerald Expositions, Survitec (since March 2015), the operating companies of ONCAP II and ONCAP III and the parent company.

Electronics Manufacturing Services

Celestica Inc. ("Celestica") reported revenues of \$1.4 billion for the first three months of 2016, up 4 percent, or \$55 million, compared to the same period in 2015. The revenue increased primarily due to new program wins in the solar and aerospace and defence businesses of its diversified end market. Partially offsetting these increases were decreases in the servers and storage end markets in the first three months of 2016 compared to the same period in 2015 primarily due to customer demand softness in those end markets. Revenues from the communications end market were flat compared to the first quarter of 2015, with growth from new programs offsetting a program completed in the second half of 2015.

Cost of sales for the first three months of 2016 increased 4 percent, or \$52 million, to \$1.2 billion. Gross profit increased by 3 percent to \$112 million compared to the same period in 2015. Gross profit was positively impacted by margin improvements in the semiconductor and solar businesses, which were partially offset by unfavourable changes in overall mix.

Healthcare Imaging

Carestream Health Inc. ("Carestream Health") reported revenues of \$437 million during the first quarter of 2016, down 7 percent, or \$33 million, from the same period in 2015. Excluding the \$17 million impact of unfavourable foreign exchange translation on Carestream Health's non-U.S. revenues, Carestream Health reported a decrease in revenues of \$16 million. The decrease in revenues was primarily due to lower film and computed radiography ("CR") volume. The revenue decrease was partially offset by higher dental digital equipment and digital radiography volume.

Cost of sales was \$252 million during the first quarter of 2016, down 13 percent, or \$38 million, compared to the same period in 2015. The decrease was primarily due to lower film and CR volume, favourable foreign exchange translation of \$6 million and lower costs for silver, which is a major component in the production of film. Gross profit for the first quarter of 2016 increased to \$185 million from \$180 million for the same quarter in 2015. Excluding the \$11 million impact of unfavourable foreign exchange translation, gross profit increased by \$16 million primarily due to higher dental digital equipment volume, lower silver costs and improved manufacturing productivity.

Health and Human Services

During the three months ended March 31, 2016, ResCare Inc. ("ResCare") reported revenues of \$453 million, an increase of \$11 million, or 2 percent, compared to the first quarter of 2015. The increase in revenues was due to acquisitions within the HomeCare and Residential Services segments and organic growth within the Residential, Workforce and Pharmacy Services segments.

Cost of sales increased 3 percent, or \$10 million, during the first quarter of 2016 primarily due to the increase in revenues and medical and wage costs for the same period.

Building Products

For the three months ended March 31, 2016, revenues at JELD-WEN Holding, inc. ("JELD-WEN") increased by 9 percent, or \$63 million, to \$800 million. The increase in revenues was due to organic growth and acquisitions, offset by the strengthening of the U.S. dollar, which had a negative impact of \$17 million on the translation of revenues from the company's operations in Canada, Europe and Australia. On a local currency basis, revenues in most of these regions increased compared to the prior year primarily due to increased volume and pricing, and the inclusion of acquisitions completed in 2015 and 2016. Revenues from the company's U.S. operations increased due to pricing, acquisitions and organic growth.

Cost of sales was \$623 million during the first quarter of 2016, an increase of \$32 million, or 5 percent, compared to the first quarter of 2015. Excluding the \$14 million impact of favourable foreign exchange translation, cost of sales increased by \$46 million, or 8 percent. Gross profit for the first quarter of 2016 increased by 21 percent to \$177 million compared to the first quarter of 2015 primarily due to improved pricing and productivity in North America and the inclusion of acquisitions, partially offset by \$3 million of unfavourable foreign exchange translation.

Insurance Services

The insurance services segment consists of the operations of USI Insurance Services ("USI") and York Risk Services Holding Corp. ("York").

Table 2 provides revenues by operating company in the insurance services segment for the three months ended March 31, 2016 and 2015. USI and York record their costs in operating costs.

Insurance Services Revenues

TABLE 2	(Unaudited) (\$ millions)		Revenues
Three months ended March 31	2016	2015	Change
USI	\$ 272	\$ 257	6%
York	178	174	2%
Total	\$ 450	\$ 431	4%

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

USI

USI reported revenues of \$272 million during the three months ended March 31, 2016, an increase of 6 percent, or \$15 million, compared to the first quarter of 2015. The increase in revenues was primarily due to acquisitions and organic growth.

York

York reported revenues of \$178 million during the three months ended March 31, 2016, an increase of 2 percent, or \$4 million, compared to the first quarter of 2015. The increase in revenues was due to organic growth and acquisitions.

Packaging Products and Services

The packaging products and services segment consists of the operations of SGS International, Inc. ("sgsco") and SIG Combibloc Group Holdings S.à r.l. ("SIG"). SIG was acquired by the Onex Partners IV Group in March 2015.

Table 3 provides revenues and cost of sales by operating company in the packaging products and services segment for the three months ended March 31, 2016 and 2015.

Packaging Products and Services Revenues and Cost of Sales

TABLE 3	(Unaudited) (\$ millions)		Revenues	Cost of Sales		
Three months ended March 31	2016	2015	Change	2016	2015	Change
sgsco	\$ 123	\$ 117	5%	\$ 81	\$ 80	1%
SIG ^(a)	399	103	287%	265	71	273%
Total	\$ 522	\$ 220	137%	\$ 346	\$ 151	129%

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

(a) SIG was acquired in March 2015 by the Onex Partners IV Group. Revenues and cost of sales for 2015 represent the short period from the date of acquisition to March 31, 2015.

sgsco

sgsco reported revenues of \$123 million during the first quarter of 2016, an increase of \$6 million, or 5 percent, compared to the first quarter of 2015. This increase was primarily due to sales from recent acquisitions and net organic sales growth, partially offset by unfavourable foreign currency fluctuations.

Cost of sales of \$81 million increased by 1 percent, or \$1 million, from the first quarter of 2015. The increase was due to higher sales volumes, offset by lower labour costs due to workforce reductions.

SIG

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 reduce the impact of foreign currency translation on revenues and cost of sales. SIG has global operations and exposure to currency risk on the portion of its business that is not based on euros. Fluctuations in the value of the euro relative to other currencies can have an impact on SIG's reported results.

During the quarter ended March 31, 2016, SIG reported revenues of €362 million and cost of sales of €240 million. Since SIG was acquired in March 2015 by the Onex Partners IV Group, revenues and cost of sales for 2015 represent the short period from the date of acquisition to March 31, 2015. Excluding the impact of timing of the acquisition during the first quarter of 2015, the revenues and cost of sales decrease during 2016 was primarily due to unfavourable foreign exchange translation and lower sales volumes in Europe and Asia Pacific.

Credit Strategies

The credit strategies segment consists of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds.

Gross revenues earned by Onex Credit Manager during the three months ended March 31, 2016 increased by \$1 million to \$9 million. For the three months ended March 31, 2016, gross revenues included \$1 million earned on investments in Onex Credit Funds held by Onex, the parent company, compared to \$1 million during the same period in 2015. Credit strategies segment revenue for the first quarter of 2016, net of management and incentive fees from Onex Credit Funds and CLOs which are eliminated upon consolidation, was \$1 million compared to \$1 million during the same period in 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 Corp. (“EnGlobe”), CiCi's Holdings, Inc. (“CiCi's Pizza”), Pinnacle Pellet, Inc. (“Pinnacle Renewable Energy Group”), PURE Canadian Gaming Corp. (“PURE Canadian Gaming”), Hopkins Manufacturing Corporation (“Hopkins”), Davis-Standard Holdings, Inc. (“Davis-Standard”), Bradshaw International, Inc. (“Bradshaw”) and Chatters Canada (“Chatters”) (since July 2015) – Emerald Expositions, LLC (“Emerald Expositions”), Survitec Group Limited (“Survitec”) (since March 2015), Jack's (since July 2015), Schumacher (since late July 2015), Tropicana Las Vegas (up to August 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 months ended March 31, 2016 and 2015.

Other Businesses Revenues and Cost of Sales

TABLE 4	(Unaudited) (\$ millions)			Revenues			Cost of Sales		
Three months ended March 31		2016	2015	Change	2016		2015	Change	
ONCAP companies ^(a)		\$ 377	\$ 331	14 %	\$ 260		\$ 228	14 %	
Emerald Expositions		128	121	6 %	32		34	(6)%	
Jack's ^(b)		86	–	n/a	70		–	n/a	
Schumacher ^(b)		272	–	n/a	214		–	n/a	
Survitec ^(b)		104	37	181 %	51		18	183 %	
Other ^(c)		15	41	(63)%	9		2	350 %	
Total		\$ 982	\$ 530	85 %	\$ 636		\$ 282	126 %	

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

(a) 2016 ONCAP companies include EnGlobe, CiCi's Pizza, Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard, Bradshaw and Chatters. 2015 ONCAP companies include EnGlobe, CiCi's Pizza, Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard and Bradshaw.

(b) Survitec was acquired by the Onex Partners IV Group in March 2015. Jack's and Schumacher were acquired by the Onex Partners IV Group in the third quarter of 2015.

(c) 2016 other includes Flushing Town Center, Meridian Aviation and the parent company. 2015 other includes Flushing Town Center, Tropicana Las Vegas, Meridian Aviation and the parent company.

ONCAP companies

The ONCAP companies reported a 14 percent, or \$46 million, increase in revenues for the three months ended March 31, 2016 compared to the same period in 2015, while cost of sales increased 14 percent, or \$32 million.

The increase in revenue was primarily driven by acquisitions completed by the operating companies during 2015 and the inclusion of the operating results of Chatters, which was acquired in July 2015.

Emerald Expositions

During the first quarter of 2016, revenues at Emerald Expositions were \$128 million, an increase of \$7 million, or 6 percent, compared to the same period in 2015. The revenue increase was primarily attributable to acquisitions completed during 2015 and organic growth. Cost of sales of \$32 million reported by Emerald Expositions during the three months ended March 31, 2016 decreased by \$2 million from the same period in 2015. Gross profit increased by \$9 million, or 10 percent, to \$96 million compared to the same period in 2015 primarily due to the growth in revenues.

Jack's

During the three months ended March 31, 2016, Jack's reported revenues of \$86 million and cost of sales of \$70 million. Since Jack's was acquired in July 2015, there are no comparative results for the three months ended March 31, 2015.

Schumacher

During the first quarter of 2016, Schumacher reported revenues of \$272 million and cost of sales of \$214 million. Since Schumacher was acquired in late July 2015, there are no comparative results for the three months ended March 31, 2015.

Survitec

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 reduce the impact of foreign currency translation on revenues and cost of sales. Survitec has global operations and exposure to currency risk on the portion of its business that is not based on the pound sterling. Fluctuations in the value of the pound sterling relative to other currencies can have an impact on Survitec's reported results.

During the three months ended March 31, 2016, Survitec reported revenues of £73 million and cost of sales of £36 million. Since Survitec was acquired in March 2015 by Onex Partners IV Group, revenues and cost of sales for 2015 represent the short period from the date of acquisition to March 31, 2015. Excluding the impact of timing of the acquisition during the first quarter of 2015, the revenues and cost of sales increase during 2016 was primarily due to organic growth in existing markets as well as additional reserves from acquisitions made by Survitec in 2015.

Other

Other revenues decreased in the three months ended March 31, 2016 from the same period in 2015 primarily due to the sale of Tropicana Las Vegas in August 2015.

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 three months ended March 31, 2016 was \$246 million, up \$68 million from \$178 million in the same period of 2015. The increase was primarily due to the inclusion of interest expense for: (i) Survitec and SIG, which were acquired in March 2015; (ii) Chatters, Jack's and Schumacher, which were acquired in July 2015; and (iii) the additional debt from Onex Credit CLOs.

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. Investments that Onex has determined to be investments in joint ventures or associates and thus recorded at fair value comprise AIT, BBAM, Incline Aviation Fund (since March 2016), Ingersoll Tools Group ("ITG") (since June 2015), Mavis Tire Supply LLC ("Mavis Discount Tire") and certain Onex Real Estate investments (up to March 2015).

During the three months ended March 31, 2016, Onex recorded an increase in the fair value of investments in joint ventures and associates of \$20 million compared to \$19 million for the same period in 2015.

Of the total fair value increase recorded during the first three months of 2016, \$15 million (2015 – \$12 million) is attributable to the limited partners in the Onex Partners and ONCAP Funds, which contributes to the Limited Partners' Interests charge (recovery) discussed on page 27 of this interim MD&A. Onex' share of the total fair value increase was \$5 million (2015 – \$7 million).

Stock-based compensation expense

Onex recorded a consolidated stock-based compensation expense of \$51 million during the first quarter of 2016 compared to \$58 million in the same period in 2015. Onex, the parent company, represented an expense of \$3 million (2015 – \$30 million) primarily related to its stock options and MIP equity interests. The expense recorded by Onex, the parent company, included a recovery on its stock options during the first quarter of 2016 primarily due to the 7 percent decrease in the market value of Onex' shares to C\$79.16 at March 31, 2016 from C\$84.82 at December 31, 2015. This compares to a 9 percent increase during the same period in 2015.

Table 5 details the change in stock-based compensation of Onex, the parent company, and Onex' operating companies for the three months ended March 31, 2016 and 2015.

Stock-Based Compensation Expense (Recovery)

TABLE 5	(Unaudited) (\$ millions) Three months ended March 31	2016	2015	Change
Onex, the parent company,				
stock options	\$ (7)	\$ 24	\$ (31)	
Onex, the parent company,				
MIP equity interests	10	6	4	
Onex operating companies	48	28	20	
Total stock-based compensation	\$ 51	\$ 58	\$ (7)	

Other expense (income)

Table 6 provides a breakdown of and the change in other expense (income) for the three months ended March 31, 2016 and 2015.

Other Expense (Income)

TABLE 6	(Unaudited) (\$ millions) Three months ended March 31	2016	2015	Change
Derivatives losses (gains)	\$ 88	\$ (66)	\$ 154	
Transition, integration and other	23	30	(7)	
Decrease in value of other				
Onex Partners investments	17	19	(2)	
Restructuring	14	13	1	
Carried interest due to Onex				
and ONCAP management	12	33	(21)	
Impairment of goodwill,				
intangible assets and				
long-lived assets	9	9	-	
Transaction costs	2	52	(50)	
Gain on the Onex Credit				
transaction	-	(38)	38	
Gain on sale of B.C. Sugar				
residual property	-	(36)	36	
Change in fair value of contingent				
consideration	(3)	(4)	1	
Foreign exchange gain	(30)	(27)	(3)	
Gains on investments and				
long-term debt in CLOs				
and Onex Credit Funds	(85)	(3)	(82)	
Other	(6)	(2)	(4)	
Total other expense (income)	\$ 41	\$ (20)	\$ 61	

Derivatives losses (gains)

Derivatives losses for the three months ended March 31, 2016 compared to derivatives gains during the same period in 2015 were primarily related to embedded derivatives associated with debt agreements and foreign exchange hedges.

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 partner 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. During the three months ended March 31, 2016, a charge of \$12 million (2015 – \$33 million) was recorded in the unaudited interim consolidated statements of earnings for an increase in management's share of the carried interest primarily due to an increase in the fair value of certain of the investments in the Onex Partners and ONCAP Funds. The ultimate amount of carried interest earned will be based on the overall performance of each fund.

Transaction costs

Transaction costs for the three months ended March 31, 2016 decreased compared to the same period in 2015 primarily due to the acquisitions of SIG and Survitec, which were completed during the first quarter of 2015.

Gains on investments and long-term debt in CLOs and Onex Credit Funds

Gains on investments in CLOs and Onex Credit Funds were primarily unrealized and driven by a partial recovery in the leveraged loan market during the first three months of 2016.

Limited Partners' Interests charge (recovery)

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 the 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. The Limited Partners' Interests charge for the Onex Credit Funds includes the fair value changes of the underlying investments in the Onex Credit Funds consolidated by Onex.

During the three months ended March 31, 2016, Onex recorded a charge of \$153 million (2015 – \$181 million) 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 the Onex Partners and ONCAP Funds recorded in the three months ended March 31, 2016.

The Limited Partners' Interests charge for the Onex Partners and ONCAP Funds is net of an increase of \$16 million (2015 – \$47 million) in carried interest for the three months ended March 31, 2016. Onex' share of the change in carried interest for the first quarter of 2016 was an increase of \$5 million (2015 – \$16 million). The change in the amount of carried interest that has been netted against the Limited Partners' Interests for the Onex Partners and ONCAP Funds decreased during the first three months of 2016 due to a smaller 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 on the actual realizations for each fund in accordance with the limited partnership agreements.

During the three months ended March 31, 2016, Onex recorded a charge of \$6 million (2015 – recovery of \$3 million) for Limited Partners' Interests for the Onex Credit Funds.

Loss from continuing operations

Onex recorded a loss from continuing operations of \$171 million during the first quarter of 2016 compared to \$152 million in the same period of 2015. The loss from continuing operations attributable to equity holders of Onex Corporation was \$183 million (\$1.76 per share) compared to \$177 million (\$1.63 per share) in the first quarter of 2015. Note 14 to the unaudited interim consolidated financial statements shows the earnings (loss) from continuing operations by industry segment for the three months ended March 31, 2016 and 2015.

Included in the loss from continuing operations was a loss of \$183 million recorded in the other segment compared to \$194 million during the same period in 2015. Table 7 shows the major components of the earnings (loss) from continuing operations recorded in the other segment for the three months ended March 31, 2016 and 2015.

Loss from Continuing Operations Recorded in the Other Segment

TABLE 7	(Unaudited) (\$ millions)	
	Three months ended March 31	
	2016	2015
Loss (earnings) from continuing operations – other:		
Limited Partners' Interests charge	\$ 153	\$ 181
Interest expense of operating companies	45	29
Unrealized carried interest due to Onex and ONCAP management	12	33
Stock-based compensation expense	5	32
Other gains	–	(36)
Increase in value of investments in joint ventures and associates at fair value, net	(20)	(19)
Other	(12)	(26)
Loss from continuing operations – Other	\$ 183	\$ 194

Earnings (loss) from discontinued operations

Onex recorded an after-tax loss from discontinued operations of \$4 million during the first quarter of 2016 compared to earnings of \$68 million in the same period in 2015. The after-tax loss from discontinued operations attributable to equity holders of Onex Corporation was \$4 million (\$0.03 per share) during the first quarter of 2016 compared to earnings of \$70 million (\$0.65 per share) in the first quarter of 2015. The loss from discontinued operations for the three months ended March 31, 2016 represents the results of operations of KraussMaffei. Discontinued operations for the three months ended March 31, 2015 represent the results of operations of KraussMaffei, Sitel Worldwide and Skilled Healthcare Group (up to February 2015).

KraussMaffei

In April 2016, the Onex Partners III Group sold its entire investment in KraussMaffei, as described on page 19 of this interim MD&A. The operations of KraussMaffei have been presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows and the three-month period ended March 31, 2015 has been restated to report the results of KraussMaffei as discontinued on a comparative basis.

Sitel Worldwide

In September 2015, Onex completed the sale of Sitel Worldwide, as described in note 4 to the unaudited interim consolidated financial statements. The operations of Sitel Worldwide have been presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows and the three-month period ended March 31, 2015 has been restated to report 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 described in note 4 to the unaudited interim consolidated financial statements. The operations of Skilled Healthcare Group up to the date of the transaction in February 2015 are presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows.

Consolidated net loss

Onex recorded a consolidated net loss of \$175 million during the first quarter of 2016 compared to \$84 million in the same period in 2015. The net loss attributable to equity holders of Onex Corporation was \$187 million (\$1.79 per share) during the first quarter of 2016 compared to \$107 million (\$0.98 per share) in the first quarter of 2015. Note 14 to the unaudited interim consolidated financial statements shows the consolidated net earnings (loss) by industry segment and the amounts attributable to the equity holders of Onex Corporation and non-controlling interests for the three months ended March 31, 2016 and 2015.

Other comprehensive earnings (loss)

Other comprehensive earnings (loss) represent 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 March 31, 2016, Onex reported other comprehensive earnings of \$78 million compared to a loss of \$148 million in the same period last year. The earnings recorded during the first quarter of 2016 were largely due to favourable currency translation adjustments on foreign operations of \$61 million (2015 – unfavourable adjustments of \$99 million) and favourable change in fair value of derivatives designated as hedges of \$16 million (2015 – unfavourable change of \$15 million).

SUMMARY QUARTERLY INFORMATION

Table 8 summarizes Onex' key consolidated financial information for the last eight quarters. The financial information has been restated for discontinued operations.

Consolidated Quarterly Financial Information

TABLE 8	(Unaudited) (\$ millions except per share amounts)	2016	2015				2014		
			Dec.	Sept.	June	March	Dec.	Sept.	June
		March							
Revenues	\$ 4,998		\$ 5,442	\$ 5,184	\$ 4,926	\$ 4,129	\$ 4,444	\$ 4,272	\$ 4,277
Earnings (loss) from continuing operations	\$ (171)		\$ (317)	\$ (144)	\$ (271)	\$ (152)	\$ (387)	\$ 48	\$ (398)
Net earnings (loss)	\$ (175)		\$ (336)	\$ 204	\$ (289)	\$ (84)	\$ (367)	\$ 388	\$ 39
Net earnings (loss) attributable to:									
Equity holders of Onex Corporation	\$ (187)		\$ (346)	\$ 186	\$ (306)	\$ (107)	\$ (350)	\$ 364	\$ (89)
Non-controlling Interests	12		10	18	17	23	(17)	24	128
Net earnings (loss)	\$ (175)		\$ (336)	\$ 204	\$ (289)	\$ (84)	\$ (367)	\$ 388	\$ 39
Earnings (loss) per SVS of Onex Corporation									
Earnings (loss) from continuing operations	\$ (1.76)		\$ (3.10)	\$ (1.39)	\$ (2.74)	\$ (1.63)	\$ (3.35)	\$ 0.17	\$ (3.95)
Earnings (loss) from discontinued operations	(0.03)		(0.17)	3.15	(0.12)	0.65	0.15	3.14	3.15
Net earnings (loss)	\$ (1.79)		\$ (3.27)	\$ 1.76	\$ (2.86)	\$ (0.98)	\$ (3.20)	\$ 3.31	\$ (0.80)

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 \$35.7 billion at March 31, 2016 compared to \$35.8 billion at December 31, 2015. Onex' consolidated assets at March 31, 2016 were largely unchanged from December 31, 2015.

Table 9 shows consolidated assets by industry segment as at March 31, 2016 and December 31, 2015. The industry segment percentages of consolidated assets held by continuing operations are also shown.

Consolidated Assets by Industry Segment

TABLE 9	(Unaudited) (\$ millions)	As at March 31, 2016	Percentage Breakdown	As at December 31, 2015	Percentage Breakdown
	Electronics Manufacturing Services	\$ 2,622	8%	\$ 2,612	7%
	Healthcare Imaging	1,482	4%	1,609	5%
	Health and Human Services	1,051	3%	1,034	3%
	Building Products	2,435	7%	2,374	7%
	Insurance Services ^(a)	4,964	14%	5,034	15%
	Packaging Products and Services ^(b)	6,447	19%	6,366	18%
	Credit Strategies ^(c)	6,229	18%	6,284	18%
	Other ^(d)	9,091	27%	9,169	27%
	Assets held by continuing operations	34,321	100%	34,482	100%
	Other – assets held by discontinued operations ^(e)	1,400		1,328	
	Total consolidated assets	\$ 35,721		\$ 35,810	

(a) The insurance services segment consists of USI and York.

(b) The packaging products and services segment consists of sgsco and SIG.

(c) The credit strategies segment consists of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds.

(d) 2016 and 2015 other includes Flushing Town Center, Meridian Aviation, Emerald Expositions, Survitec, Jack's, Schumacher, the operating companies of ONCAP II, ONCAP III and the parent company. In addition, other includes investments in AIT, BBAM, Genesis Healthcare, Incline Aviation Fund (since March 2016), ITG and Mavis Discount Tire.

(e) At March 31, 2016 and December 31, 2015, the assets of KraussMaffei are included in the other segment as the company has been presented as a discontinued operation.

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 \$18.2 billion at March 31, 2016 compared to \$18.1 billion at December 31, 2015. Consolidated long-term debt does not include the debt of operating businesses that are included in investments in joint ventures and associates as investments in those businesses are accounted for at fair value and are 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.

The following describes significant changes to the consolidated long-term debt of the operating companies from the information provided in the 2015 audited annual consolidated financial statements.

Meridian Aviation

In January 2016, Meridian Aviation entered into a \$100 million revolving credit facility. The revolving credit facility bears interest at LIBOR plus a margin of 1.50 percent and matures in January 2017. The borrowings under the revolving credit facility are guaranteed and reimbursable by capital calls from the limited partners, including Onex, of Onex Partners III.

At March 31, 2016, no amounts were outstanding under the revolving credit facility.

Jack's

During the first three months of 2016, Jack's repaid \$31 million of the promissory note held by the Onex Partners IV Group, including accrued interest, as discussed on page 18 of this interim MD&A. At March 31, 2016, the amount outstanding under the promissory note was \$23 million, of which Onex' share was \$7 million.

In April 2016, Jack's repaid an additional \$9 million of the promissory note, as discussed on page 18 of this interim MD&A. Onex' share of the April 2016 repayment was \$3 million.

Table 10 details the aggregate debt maturities as at March 31, 2016 for Onex' consolidated operating businesses for each of the years up to 2020 and in total thereafter. As the table includes debt of investments in joint ventures and associates and excludes debt of the CLOs and warehouse facilities, 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

TABLE 10 (Unaudited) (\$ millions)	2016	2017	2018	2019	2020	Thereafter	Total
Consolidated operating companies ^[a]	\$ 384	\$ 276	\$ 424	\$ 4,388	\$ 1,063	\$ 7,121	\$ 13,656
Investments in joint ventures and associates	18	11	12	13	468	38	560
Total	\$ 402	\$ 287	\$ 436	\$ 4,401	\$ 1,531	\$ 7,159	\$ 14,216

[a] Debt amounts are presented gross of financing charges. Excludes debt amounts of subsidiaries held by Onex, the parent company, debt of the credit strategies segment, debt of Incline Aviation Fund and debt amounts of KraussMaffei, which is a discontinued operation.

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 primarily by

the change in the fair value of the underlying investments in the Onex Partners, ONCAP and Onex Credit Funds, the impact of the carried interest, as well as any contributions by and distributions to limited partners in those funds.

Table 11 shows the change in Limited Partners' Interests from December 31, 2014 to March 31, 2016.

Limited Partners' Interests

TABLE 11 (Unaudited) (\$ millions)	Onex Partners and ONCAP Funds	Onex Credit Funds	Total
Balance – December 31, 2014	\$ 5,176	\$ –	\$ 5,176
Addition from the Onex Credit transaction ^(a)	–	368	368
Limited Partners' Interests charge (recovery)	882	(26)	856
Contributions by Limited Partners	1,819	6	1,825
Distributions paid to Limited Partners	(888)	(19)	(907)
Balance – December 31, 2015 ^(b)	6,989	329	7,318
Limited Partners' Interests charge	153	6	159
Contributions by Limited Partners	6	2	8
Distributions paid to Limited Partners	(62)	(11)	(73)
Balance – March 31, 2016	7,086	326	7,412
Current portion of Limited Partners' Interests ^(c)	(584)	(5)	(589)
Non-current portion of Limited Partners' Interests	\$ 6,502	\$ 321	\$ 6,823

(a) In January 2015, Onex 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 consolidated by Onex.

(b) At December 31, 2015, the current portion of the Limited Partners' Interests was \$598 million. The current portion primarily represented the limited partners' share of distributions from AIT and BBAM, promissory note repayments by Jack's and expected proceeds from the sale of KraussMaffei.

(c) At March 31, 2016, the current portion of the Limited Partners' Interests was \$589 million. The current portion primarily represented the limited partners' share of the promissory note repayment by Jack's and the expected proceeds from the sale of KraussMaffei.

The Limited Partners' Interests charge is discussed in detail on page 27 of this interim MD&A.

Contributions by limited partners

The Limited Partners' Interests liability for the Onex Partners and ONCAP Funds increased by \$6 million for contributions made by the limited partners in the three months ended March 31, 2016, which related primarily to management fees and partnership expenses.

During the year ended December 31, 2015, the Limited Partners' Interests liability for the Onex Partners and ONCAP Funds increased by \$1.8 billion for contributions made during the period primarily for the acquisitions of SIG, Survitec, Jack's and Schumacher.

Distributions to limited partners

The Limited Partners' Interests liability for the Onex Partners and ONCAP Funds was reduced by \$62 million of distributions primarily from repayments by Jack's on its promissory note, and distributions from BBAM and AIT.

During the year ended December 31, 2015, the Limited Partners' Interests liability for the Onex Partners and ONCAP Funds was reduced by distributions of \$888 million primarily received from JELD-WEN, USI, ResCare and Meridian Aviation, repayments by Jack's on its promissory note and the proceeds from the sale of Tropicana Las Vegas.

At March 31, 2016, total carried interest netted against the Limited Partners' Interests for Onex Partners and ONCAP Funds in Onex' unaudited interim consolidated balance sheets was \$518 million, of which Onex' share was \$183 million.

Equity

Table 12 provides a reconciliation of the change in equity from December 31, 2015 to March 31, 2016.

Change in Equity

TABLE 12 | (Unaudited) (\$ millions)

Balance – December 31, 2015	\$ 1,190
Dividends declared	(5)
Repurchase and cancellation of shares	(108)
Investments in operating companies by shareholders other than Onex	26
Distributions to non-controlling interests	(5)
Repurchase of shares of operating companies	(42)
Net loss for the period	(175)
Other comprehensive earnings for the period, net of tax	78
Equity as at March 31, 2016	\$ 959

Dividend policy

In May 2016, Onex announced that it had increased its quarterly dividend by 10 percent to C\$0.06875 per SVS beginning with the dividend declared by the Board of Directors payable in July 2016.

Shares outstanding

At March 31, 2016, Onex had 100,000 Multiple Voting Shares outstanding, which have a nominal paid-in value reflected in Onex' unaudited interim consolidated financial statements. Onex also had 104,039,863 SVS issued and outstanding. 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 three months of 2016.

Table 13 shows the change in the number of SVS outstanding from December 31, 2015 to April 30, 2016.

Change in SVS Outstanding

TABLE 13 | (Unaudited)

SVS outstanding at December 31, 2015	105,893,578
Shares repurchased and cancelled	(2,010,843)
Issuance of shares – Dividend Reinvestment Plan	4,255
SVS outstanding at April 30, 2016	103,886,990

Shares repurchased and cancelled

For the four months ended April 30, 2016, Onex repurchased 2,010,843 SVS for a total cost of \$118 million (C\$164 million) or an average cost per share of \$58.49 (C\$81.42). The shares repurchased were comprised of: (i) 1,010,843 SVS repurchased under its Normal Course Issuer Bids (the "Bids") for a total cost of \$59 million (C\$80 million) or an average cost per share of \$58.13 (C\$78.75); and (ii) 1,000,000 SVS repurchased in a private transaction for a total cost of \$59 million (C\$84 million) or an average cost per share of \$58.85 (C\$84.12), as discussed on page 41 of this interim MD&A.

The Bids enable Onex to repurchase up to 10 percent of its public float of SVS during the period of the relevant Bid. Onex believes that it is advantageous to Onex and its shareholders to continue to repurchase Onex' SVS from time to time when the SVS are trading at prices that reflect a significant discount to their value as perceived by Onex.

On April 18, 2016, Onex renewed its Normal Course Issuer Bid ("NCIB") following the expiry of its previous NCIB on April 15, 2016. Under the new NCIB, Onex is permitted to purchase up to 10 percent of its public float of SVS, or 8,506,537 SVS. Onex may purchase up to 33,816 SVS during any trading day, being 25 percent of its average daily trading volume for the six months ended March 31, 2016. Onex may also purchase SVS 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 18, 2016 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 17, 2017. 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, 2016, Onex repurchased 2,963,425 SVS at a total cost of \$170 million (C\$217 million) or an average purchase price of \$57.39 (C\$73.21) per share. In addition, during the same period, Onex repurchased 1,275,000 SVS in private transactions at a total cost of \$74 million (C\$103 million) or an average purchase price of \$58.04 (C\$80.97) per share.

Issuance of shares – Dividend Reinvestment Plan

Onex' Dividend Reinvestment Plan enables Canadian shareholders to reinvest cash dividends to acquire new SVS of Onex at a market-related price at the time of reinvestment. During the period from January 1, 2016 to April 30, 2016, Onex issued 4,255 SVS at an average cost of C\$80.35 per SVS, creating a cash savings of less than \$1 million (less than C\$1 million).

Investments in operating companies by shareholders other than Onex

Onex reported an increase in consolidated equity of \$26 million during the three months ended March 31, 2016 primarily due to stock-based compensation provided to employees at the operating companies during the first quarter of 2016.

Repurchase of shares of operating companies

Onex reported a decrease in equity of \$42 million during the first three months of 2016 primarily due to shares repurchased by Celestica.

Stock Option Plan

At March 31, 2016, Onex had 12,514,733 options outstanding to acquire SVS, of which 5,031,765 options were vested and exercisable. During the first quarter of 2016, 104,600 options were surrendered at a weighted average exercise price of C\$29.76 for aggregate cash consideration of \$4 million (C\$5 million) and 8,700 options expired.

In May 2016, Onex issued 30,000 options to acquire SVS with an exercise price of C\$77.83 per share. The options vest at a rate of 20 percent per year from the date of grant.

Management Deferred Share Unit Plan

In early 2016, Onex issued 44,333 Management Deferred Share Units ("MDSUs") to management having an aggregate value, at the date of grant, of \$3 million (C\$4 million) in lieu of that amount of cash compensation for Onex' 2015 fiscal year. At March 31, 2016, there were 705,476 (2015 – 682,937) MDSUs outstanding.

Forward agreements were entered into with a counterparty financial institution to economically 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 have not changed since December 31, 2015.

At March 31, 2016, Onex, the parent company, had \$539 million of cash on hand and \$1.5 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 unlevered 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.

Beginning in 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 March 31, 2016, the fair value of investments, including cash yet to be deployed, managed by third-party investment managers was \$1.1 billion. The investments are managed in a mix of short-term and long-term portfolios. Short-term investments consist of liquid investments and include money market instruments and commercial paper with original maturities of three months to a year. Long-term investments consist of securities and

include money market instruments, federal and municipal debt instruments, corporate obligations and structured products with maturities of one to five years. The short- and long-term investments have current Standard & Poor's ratings ranging from BBB to AAA. The portfolio concentration limits range from a maximum of 10 percent for BBB investments to 100 percent for AAA investments. The investments are managed to maintain an overall weighted average duration of two years or less.

At March 31, 2016, Onex had access to \$3.0 billion of uncalled committed limited partner capital for acquisitions through Onex Partners IV (\$2.9 billion) and ONCAP III (C\$148 million).

Non-controlling interests

Non-controlling interests in equity in Onex' unaudited interim consolidated balance sheets as at March 31, 2016 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 March 31, 2016 of \$1.4 billion was largely unchanged from December 31, 2015.

LIQUIDITY AND CAPITAL RESOURCES

Major cash flow components

This section should be read in conjunction with the unaudited interim consolidated statements of cash flows and the corresponding notes thereto. Table 14 summarizes the major consolidated cash flow components for the three months ended March 31, 2016 and 2015.

Major Cash Flow Components

TABLE 14	(Unaudited) (\$ millions) Three months ended March 31	2016	2015
Cash from operating activities	\$ 207	\$ 375	
Cash from (used in) financing activities	\$ (422)	\$ 850	
Cash used in investing activities	\$ (232)	\$ (1,634)	
Consolidated cash and cash equivalents held by continuing operations	\$ 1,861	\$ 3,234	

Cash from operating activities

Table 15 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 three months ended March 31, 2016 and 2015.

Components of Cash from Operating Activities

TABLE 15	(Unaudited) (\$ millions) Three months ended March 31	2016	2015
Cash generated from operations	\$ 428	\$ 280	
Changes in non-cash working capital items:			
Accounts receivable	80	132	
Inventories	(175)	156	
Other current assets	79	87	
Accounts payable, accrued liabilities and other current liabilities	(256)	(352)	
Increase (decrease) in cash and cash equivalents due to changes in non-cash working capital items	(272)	23	
Increase in other operating activities	23	7	
Cash from operating activities of discontinued operations	28	65	
Cash from operating activities	\$ 207	\$ 375	

Cash generated from operations includes net earnings (loss) from continuing operations before interest and income taxes, adjusted for cash taxes paid and items not affecting cash and cash equivalents. The significant changes in non-cash working capital items for the three months ended March 31, 2016 were:

- an \$80 million decrease in accounts receivable primarily at Carestream Health and USI, partially offset by an increase in accounts receivable at JELD-WEN;
- a \$175 million increase in inventory primarily at Celestica and Flushing Town Center;
- a \$79 million decrease in other current assets primarily at USI and SIG; and
- a \$256 million decrease in accounts payable, accrued liabilities and other current liabilities primarily due to decreases in accounts payable at Carestream Health and USI and a decrease in other current liabilities at SIG.

Cash from operating activities for the three months ended March 31, 2016 also included \$28 million (2015 – \$65 million) of cash flows from the operating activities of discontinued operations. Discontinued operations for the three months ended March 31, 2016 represent the operations of KraussMaffei. Discontinued operations for the three months ended March 31, 2015 represent the operations of KraussMaffei, Sitel Worldwide and Skilled Healthcare Group (up to the date of combination with Genesis HealthCare in February 2015).

Cash from (used in) financing activities

Cash used in financing activities was \$422 million for the first three months of 2016 compared to cash from financing activities of \$850 million for the same period in 2015. Cash used in financing activities for the three months ended March 31, 2016 included:

- \$220 million of cash interest paid;
- \$108 million of cash used by Onex, the parent company, for purchases of its shares;
- \$78 million of distributions primarily to non-controlling interests and the limited partners of the Onex Partners and ONCAP Funds, as discussed under the Limited Partners' Interests on page 33 of this interim MD&A; and
- \$42 million of cash used for share repurchases primarily by Celestica.

For the three months ended March 31, 2015, cash from financing activities was \$850 million and included:

- \$1.1 billion of cash received primarily from the limited partners of the Onex Partners IV Group for the investments in SIG and Survitec; and
- \$143 million of net new long-term debt primarily from the warehouse facility in CLO-8, which closed in April 2015, and the increase in the term loan at ResCare, partially offset by debt repayments made by Meridian Aviation and Carestream Health.

Partially offsetting these were:

- \$143 million of cash interest paid;
- \$107 million of distributions primarily to the limited partners of Onex Partners I and Onex Partners III for their share of the distribution received from ResCare; and
- \$53 million of cash used for share repurchases primarily by Celestica and JELD-WEN.

Cash used in investing activities

Cash used in investing activities totalled \$232 million for the three months ended March 31, 2016 compared to cash used in investing activities of \$1.6 billion during the same period in 2015. Cash used in investing activities during the three months ended March 31, 2016 primarily consisted of:

- \$215 million of net purchases of investments and securities by the CLOs and Onex Credit Funds; and
- \$125 million used for the purchase of property, plant and equipment.

Partially offsetting these were:

- \$107 million of net proceeds received from third-party investment managers from the sale of investments and securities by Onex, the parent company.

Cash used in investing activities totalled \$1.6 billion for the three months ended March 31, 2015 and consisted primarily of:

- \$1.3 billion of cash used to fund acquisitions, which primarily related to the Onex Partners IV Group's acquisition of Survitec and SIG;
- \$271 million of net purchases of investments and securities by the CLOs and Onex Credit Funds; and
- \$173 million of cash used for the purchase of property, plant and equipment.

Partially offsetting these was \$55 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 and \$54 million of cash interest received.

Consolidated cash resources

At March 31, 2016, consolidated cash held by continuing operations decreased to \$1.9 billion from \$2.3 billion at December 31, 2015. The major component at March 31, 2016 was \$539 million of cash on hand at Onex, the parent company (December 31, 2015 – \$588 million). In addition to cash at the parent company, Onex had \$1.5 billion of near-cash items at March 31, 2016 (December 31, 2015 – \$1.5 billion). Near-cash items at March 31, 2016 include short- and long-term investments managed by third-party investment managers, as described on page 35 of this interim MD&A, as well as \$356 million invested in a segregated unlevered fund managed by Onex Credit.

Cash and near-cash at Onex, the parent company

Table 16 provides a reconciliation of the change in cash and near-cash at Onex, the parent company, from December 31, 2015 to March 31, 2016.

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

TABLE 16	(Unaudited) (\$ millions)	Amount
Cash and near-cash on hand at		
December 31, 2015^(a)		\$ 2,138
Private equity realizations:		
Jack's distributions	9	
BBAM distribution	3	
AIT distributions	1	13
Flushing Town Center distribution		12
Investment in Incline Aviation Fund		(33)
Net Onex Credit activity, including		
investments in warehouse facilities		(7)
Onex share repurchases		(108)
Other, net, including dividends, management		
fees and operating costs ^(b)		(26)
Cash and near-cash on hand at		
March 31, 2016^(c)		\$ 1,989

(a) Includes \$1.2 billion of short- and long-term investments managed by third-party investment managers and \$351 million invested in a segregated Onex Credit unlevered senior secured loan strategy fund.

(b) Other includes the impact of incentive compensation payments paid in 2016 related to 2015, timing of management fees received and favourable foreign exchange on cash.

(c) Includes \$1.1 billion of short- and long-term investments managed by third-party investment managers and \$356 million invested in a segregated Onex Credit unlevered senior secured loan strategy fund.

Subsequent to March 31, 2016, Onex, the parent company, received cash of \$187 million from the April sale of Krauss-Maffei and the April promissory note repayment by Jack's.

ADDITIONAL USES OF CASH

Onex' commitment to the Funds

Onex, the parent company, is the largest limited partner in each of the Onex Partners and ONCAP Funds. Table 17 presents the commitment and the uncalled committed capital of Onex, the parent company, in these funds at March 31, 2016.

Commitment and Uncalled Committed Capital of Onex, the Parent Company, at March 31, 2016

TABLE 17	(Unaudited) (\$ millions)	Fund Size	Onex' Commitment	Onex' Uncalled Committed Capital ^(a)
Onex Partners I		\$ 1,655	\$ 400	\$ 20 ^(b)
Onex Partners II		\$ 3,450	\$ 1,407	\$ 158 ^(b)
Onex Partners III		\$ 4,700	\$ 1,200	\$ 121
Onex Partners IV		\$ 5,660	\$ 1,700	\$ 1,125 ^(c)
ONCAP II		C\$ 574	C\$ 252	C\$ 1 ^(b)
ONCAP III ^(d)		C\$ 800	C\$ 252	C\$ 62

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

(b) Uncalled committed capital for Onex Partners I and II and ONCAP II is available only for possible future funding of partnership expenses.

(c) The principal repayments of the promissory note by Jack's, as described on page 18 of this interim MD&A, increased the uncalled commitments for the Onex Partners Funds.

(d) Onex' commitment has been reduced for the annual commitment for Onex management's participation.

ADDITIONAL SOURCES OF CASH

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 18 provides a summary of the remaining commitments available from limited partners at March 31, 2016. The remaining commitments for Onex Partners IV and ONCAP III will be used for future Onex-sponsored acquisitions. The remaining commitments from limited partners of Onex Partners I, Onex Partners II and ONCAP II are for future funding of management fees and partnership expenses. The remaining commitments from limited partners of Onex Partners III are for possible future funding for remaining businesses and for future funding of management fees and partnership expenses.

Private Equity Funds' Uncalled Limited Partners' Committed Capital, at March 31, 2016

TABLE 18	(Unaudited) (\$ millions)	Available Uncalled Committed Capital (excluding Onex) ^(a)
Onex Partners I		\$ 65 ^(b)
Onex Partners II		\$ 241 ^(b)
Onex Partners III		\$ 382
Onex Partners IV		\$ 2,866 ^(c)
ONCAP II		C\$ 2 ^(b)
ONCAP III		C\$ 148

(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) Uncalled committed capital for Onex Partners I and II and ONCAP II is available only for possible future funding of partnership expenses.

(c) The principal repayments of the promissory note by Jack's, as described on page 18 of this interim MD&A, increased the uncalled commitments for the Onex Partners Funds.

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

Carried interest participation

The General Partners of the Onex Partners and ONCAP Funds, which are controlled by Onex, are entitled to a carried interest, as described on page 27 of this interim MD&A.

Table 19 shows the amount of net carried interest received by Onex, the parent company, up to March 31, 2016.

Carried Interest

TABLE 19	(Unaudited) (\$ millions)	Carried Interest Received
2010 and prior years		\$ 172
2011		65
2012		3
2013		75
2014		171
2015		1
2016 (up to March 31)		-
Total		\$ 487

During the three months ended March 31, 2016, Onex, the parent company, received carried interest of less than \$1 million associated with residual proceeds on investments sold in prior years. Onex has the potential to receive \$183 million of carried interest on its businesses in the Onex Partners Funds based on their fair values determined at March 31, 2016. The amount of potential carried interest that Onex may receive takes into consideration the realized loss on Tropicana Las Vegas that occurred during the third quarter of 2015. This realized loss resulted in a \$7 million reduction in the carried interest that would have otherwise been distributed to Onex from the April 2016 sale of KraussMaffei by the Onex Partners III Group. The amount of carried interest ultimately received from the Onex Partners III Fund will be based on the overall performance of the Fund.

During the year ended December 31, 2015, Onex, the parent company, received carried interest totalling \$1 million associated with residual proceeds on investments sold prior to 2015.

During the three months ended March 31, 2016, management of Onex and ONCAP received carried interest of \$1 million associated with residual proceeds on investments sold in prior years. Management of Onex and ONCAP has the potential to receive \$342 million of carried interest on businesses in the Onex Partners and ONCAP Funds based on their values determined at March 31, 2016. The amount of potential carried interest that management of Onex and ONCAP may receive takes into consideration the realized loss on Tropicana Las Vegas that occurred dur-

ing the third quarter of 2015. The realized loss resulted in an \$11 million reduction in the carried interest that would have otherwise been distributed to management of Onex from the April 2016 sale of KraussMaffei by the Onex Partners III Group. The amount of carried interest ultimately received from the Onex Partners III Fund will be based on the overall performance of the Fund.

During the year ended December 31, 2015, management of Onex and ONCAP received carried interest totalling \$3 million associated with residual proceeds on investments sold prior to 2015.

Management fees

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

During the initial fee period of the Onex Partners and ONCAP Funds, Onex receives a management fee based on limited partners' committed capital to each fund. At March 31, 2016, 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 on limited partners' invested capital. At March 31, 2016, the management fees of Onex Partners II and III and ONCAP II are determined based on their limited partners' invested capital. As realizations occur in these funds, the management fees calculated based on invested limited partner capital will decline.

In January 2016, with the approval of a majority in interest of the limited partners, the term of Onex Partners I was further extended to February 4, 2017. As a result of this extension, management fees were no longer earned for Onex Partners I as of February 4, 2016.

Onex Credit earns management fees on \$5.8 billion of fund investor capital invested in a variety of investment strategies focused on event-driven, long/short, par, stressed and distressed opportunities as well as its CLOs. The management fees range from 0.50 percent to 2.00 percent on the capital invested in Onex Credit Funds and 0.50 percent on the capital invested in its CLOs.

Incentive fees

Onex Credit is entitled to incentive fees on \$5.6 billion of fund investor capital it manages. Incentive fees range between 5 percent and 20 percent. Certain incentive fees (including incentive fees on CLOs) are subject to a hurdle or minimum preferred return to investors. 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.

RELATED PARTY TRANSACTION

Private share repurchase

In January 2016, Onex repurchased in a private transaction 1,000,000 of its Subordinate Voting Shares that were held indirectly by Mr. Gerald W. Schwartz, Onex' controlling shareholder. The private transaction was approved by the Board of Directors of the Company. The shares were repurchased at a cash cost of \$58.85 (C\$84.12) per share or a total cost of \$59 million (C\$84 million), which represents a slight discount to the trading price of Onex shares at that date.

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 Schumacher (acquired in late July 2015), the operating results of which are included in the March 31, 2016 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 20 shows a summary of the financial information for Schumacher, which is included in the March 31, 2016 unaudited interim consolidated financial statements of Onex.

TABLE 20	(Unaudited) (\$ millions)	Schumacher
Three months ended March 31, 2016		
Revenue		\$ 272
Net earnings		\$ 1
As at March 31, 2016		
Current assets		\$ 233
Non-current assets		\$ 947
Current liabilities		\$ 124
Non-current liabilities		\$ 599