CONSOLIDATED BALANCE SHEETS

(Unaudited) *(in millions of U.S. dollars)*	**As at June 30, 2018**	As at December 31, 2017	As at January 1, 2017
Assets			
Current assets			
Cash and cash equivalents	**$ 2,728**	$ 3,376	$ 2,371
Short-term investments	**146**	258	154
Accounts receivable	**3,226**	3,320	3,873
Inventories	**2,510**	2,248	2,510
Other current assets	**1,122**	1,119	1,412
	9,732	10,321	10,320
Property, plant and equipment	**5,078**	5,326	4,275
Long-term investments (note 5)	**12,818**	12,114	8,672
Other non-current assets	**779**	825	1,194
Intangible assets	**8,297**	7,887	9,286
Goodwill	**8,617**	8,223	9,174
	$ 45,321	$ 44,696	$ 42,921
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities	**$ 4,512**	$ 4,396	$ 4,294
Current portion of provisions	**220**	235	305
Other current liabilities	**1,504**	1,470	1,579
Current portion of long-term debt of operating companies and credit strategies, without recourse to Onex Corporation (note 6)	**1,615**	333	407
Current portion of Limited Partners' Interests (note 7)	**56**	59	89
	7,907	6,493	6,674
Non-current portion of provisions	**217**	243	340
Long-term debt of operating companies and credit strategies, without recourse to Onex Corporation (note 6)	**21,585**	21,716	22,456
Other non-current liabilities	**2,019**	2,051	2,169
Deferred income taxes	**1,208**	1,190	1,533
Limited Partners' Interests (note 7)	**7,915**	7,965	8,385
	40,851	39,658	41,557
Equity			
Share capital (note 8)	**319**	321	324
Non-controlling interests	**2,108**	2,145	1,857
Retained earnings (deficit) and accumulated other comprehensive earnings (loss)	**2,043**	2,572	(817)
	4,470	5,038	1,364
	$ 45,321	$ 44,696	$ 42,921

See accompanying notes to the unaudited interim consolidated financial statements, including the changes in accounting policies retrospectively adopted on January 1, 2018, as described in note 1.

These unaudited interim consolidated financial statements should be read in conjunction with the 2017 audited annual consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited) *(in millions of U.S. dollars except per share data)*	Three months ended June 30 **2018**	2017	Six months ended June 30 **2018**	2017
Revenues (note 9)	**$ 6,448**	$ 6,199	**$ 12,470**	$ 11,890
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	**(4,759)**	(4,557)	**(9,214)**	(8,773)
Operating expenses	**(1,080)**	(1,053)	**(2,151)**	(2,060)
Interest income (note 1)	**131**	89	**246**	175
Amortization of property, plant and equipment	**(168)**	(162)	**(339)**	(313)
Amortization of intangible assets and deferred charges	**(191)**	(167)	**(381)**	(329)
Interest expense of operating companies and credit strategies	**(340)**	(304)	**(651)**	(581)
Increase (decrease) in value of investments in joint ventures and associates at fair value, net (note 5)	**(70)**	95	**(155)**	120
Stock-based compensation expense	**(56)**	(116)	**(91)**	(178)
Other gain (note 10)	**–**	–	**82**	–
Other expense (note 11)	**(98)**	(149)	**(137)**	(359)
Limited Partners' Interests charge (note 7)	**(57)**	(357)	**(77)**	(876)
Loss before income taxes and discontinued operations	**(240)**	(482)	**(398)**	(1,284)
Provision for income taxes	**(22)**	(24)	**(28)**	(26)
Loss from continuing operations	**(262)**	(506)	**(426)**	(1,310)
Earnings from discontinued operations (note 4)	**–**	3,174	**–**	3,042
Net Earnings (Loss)	**$ (262)**	$ 2,668	**$ (426)**	$ 1,732

Earnings (Loss) from Continuing Operations attributable to:				
Equity holders of Onex Corporation	**$ (253)**	$ (517)	**$ (411)**	$ (1,308)
Non-controlling Interests	**(9)**	11	**(15)**	(2)
Loss from Continuing Operations	**$ (262)**	$ (506)	**$ (426)**	$ (1,310)

Net Earnings (Loss) attributable to:				
Equity holders of Onex Corporation	**$ (253)**	$ 2,712	**$ (411)**	$ 1,801
Non-controlling Interests	**(9)**	(44)	**(15)**	(69)
Net Earnings (Loss)	**$ (262)**	$ 2,668	**$ (426)**	$ 1,732

Net Earnings (Loss) per Subordinate Voting Share of Onex Corporation (note 12)				
Basic and Diluted:				
Continuing operations	**$ (2.50)**	$ (5.05)	**$ (4.06)**	$ (12.77)
Discontinued operations	**–**	31.65	**–**	30.37
Net Earnings (Loss) per Subordinate Voting Share	**$ (2.50)**	$ 26.60	**$ (4.06)**	$ 17.60

See accompanying notes to the unaudited interim consolidated financial statements, including the changes in accounting policies retrospectively adopted on January 1, 2018, as described in note 1.

These unaudited interim consolidated financial statements should be read in conjunction with the 2017 audited annual consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(Unaudited) *(in millions of U.S. dollars)*	Three months ended June 30 2018	Three months ended June 30 2017	Six months ended June 30 2018	Six months ended June 30 2017
Net earnings (loss)	**$ (262)**	$ 2,668	**$ (426)**	$ 1,732
Other comprehensive earnings (loss), net of tax				
Items that may be reclassified to net earnings (loss):				
Currency translation adjustments	**(253)**	62	**(129)**	143
Change in fair value of derivatives designated as hedges	**(15)**	10	**(14)**	22
Unrealized gains (losses) on financial assets	**(2)**	1	**(2)**	1
	(270)	73	**(145)**	166
Items that will not be reclassified to net earnings (loss):				
Remeasurements for post-employment benefit plans	**(60)**	7	**(65)**	–
Other comprehensive earnings from discontinued operations, net of tax (note 4)	**–**	155	**–**	174
Other comprehensive earnings (loss), net of tax	**(330)**	235	**(210)**	340
Total Comprehensive Earnings (Loss)	**$ (592)**	$ 2,903	**$ (636)**	$ 2,072

Total Comprehensive Earnings (Loss) attributable to:				
Equity holders of Onex Corporation	**$ (495)**	$ 2,874	**$ (542)**	$ 2,104
Non-controlling Interests	**(97)**	29	**(94)**	(32)
Total Comprehensive Earnings (Loss)	**$ (592)**	$ 2,903	**$ (636)**	$ 2,072

See accompanying notes to the unaudited interim consolidated financial statements, including the changes in accounting policies retrospectively adopted on January 1, 2018, as described in note 1.

These unaudited interim consolidated financial statements should be read in conjunction with the 2017 audited annual consolidated financial statements.

CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited) *(in millions of U.S. dollars except per share data)*	Share Capital (note 8)	Retained Earnings (Deficit)	Accumulated Other Comprehensive Earnings (Loss)	Total Equity Attributable to Equity Holders of Onex Corporation	Non-controlling Interests	Total Equity
Balance – January 1, 2017	$ 324	$ (305)	$ (509)[a]	$ (490)	$ 1,841	$ 1,351
Change in accounting policy (note 1)	–	(3)	–	(3)	16	13
Dividends declared[b]	–	(11)	–	(11)	–	(11)
Repurchase and cancellation of shares (note 8)	(2)	(56)	–	(58)	–	(58)
Investments in operating companies by shareholders other than Onex[c]	–	350	–	350	400	750
Distributions to non-controlling interests	–	–	–	–	(6)	(6)
Repurchase of shares of operating companies	–	–	–	–	(15)	(15)
Sale of interests in operating companies under continuing control	–	185	–	185	74	259
Non-controlling interests derecognized on sale of investments in operating companies (note 4)	–	–	–	–	(213)	(213)
Comprehensive Earnings (Loss)						
Net earnings (loss)	–	1,801	–	1,801	(69)	1,732
Other comprehensive earnings (loss), net of tax:						
Currency translation adjustments	–	–	127	127	16	143
Change in fair value of derivatives designated as hedges	–	–	6	6	16	22
Unrealized gains on financial assets	–	–	1	1	–	1
Remeasurements for post-employment benefit plans	–	15	–	15	(15)	–
Other comprehensive earnings from discontinued operations, net of tax (note 4)	–	1	153	154	20	174
Balance – June 30, 2017	$ 322	$ 1,977	$ (222)[d]	$ 2,077	$ 2,065	$ 4,142
Balance – December 31, 2017	$ 321	$ 2,547	$ 25[e]	$ 2,893	$ 2,145	$ 5,038
Change in accounting policy (note 1)	**–**	**11**	**–**	**11**	**1**	**12**
Dividends declared[b]	**–**	**(12)**	**–**	**(12)**	**–**	**(12)**
Repurchase and cancellation of shares (note 8)	**(2)**	**(52)**	**–**	**(54)**	**–**	**(54)**
Investments in operating companies by shareholders other than Onex	**–**	**17**	**–**	**17**	**150**	**167**
Distributions to non-controlling interests	**–**	**–**	**–**	**–**	**(12)**	**(12)**
Repurchase of shares of operating companies[f]	**–**	**–**	**–**	**–**	**(51)**	**(51)**
Sale of interest in operating company under continuing control (note 2(d))	**–**	**49**	**–**	**49**	**17**	**66**
Non-controlling interests derecognized on loss of control of investment in operating company (note 2(c))	**–**	**–**	**–**	**–**	**(48)**	**(48)**
Comprehensive Loss						
Net loss	**–**	**(411)**	**–**	**(411)**	**(15)**	**(426)**
Other comprehensive loss, net of tax:						
Currency translation adjustments	**–**	**–**	**(119)**	**(119)**	**(10)**	**(129)**
Change in fair value of derivatives designated as hedges	**–**	**–**	**–**	**–**	**(14)**	**(14)**
Unrealized losses on financial assets	**–**	**–**	**(2)**	**(2)**	**–**	**(2)**
Remeasurements for post-employment benefit plans	**–**	**(10)**	**–**	**(10)**	**(55)**	**(65)**
Balance – June 30, 2018	**$ 319**	**$ 2,139**	**$ (96)[g]**	**$ 2,362**	**$ 2,108**	**$ 4,470**

(a) Accumulated Other Comprehensive Earnings (Loss) as at January 1, 2017 consisted of currency translation adjustments of negative $473, unrealized losses on the effective portion of cash flow hedges of $38 and unrealized gains on financial assets of $2. Accumulated Other Comprehensive Earnings (Loss) as at January 1, 2017 included $153 of net losses related to discontinued operations. Income taxes did not have a significant effect on these items.

(b) Dividends declared per Subordinate Voting Share were C$0.1625 for the six months ended June 30, 2018 (2017 – C$0.14375). In 2018, shares issued under the dividend reinvestment plan amounted to less than $1 (2017 – less than $1). There are no tax effects for Onex on the declaration or payment of dividends.

(c) Investments in operating companies by shareholders other than Onex during 2017 included the issuance of new shares by JELD-WEN and Emerald Expositions in their initial public offerings and a transfer of the historical accounting carrying values associated with those ownership interests.

(d) Accumulated Other Comprehensive Earnings (Loss) as at June 30, 2017 consisted of currency translation adjustments of negative $192, unrealized losses on the effective portion of cash flow hedges of $32 and unrealized gains on financial assets of $2. Income taxes did not have a significant effect on these items.

(e) Accumulated Other Comprehensive Earnings (Loss) as at December 31, 2017 consisted of currency translation adjustments of positive $33, unrealized losses on the effective portion of cash flow hedges of $11 and unrealized gains on financial assets of $3. Income taxes did not have a significant effect on these items.

(f) Repurchase of shares of operating companies during the first six months of 2018 consisted primarily of shares repurchased by Celestica.

(g) Accumulated Other Comprehensive Earnings (Loss) as at June 30, 2018 consisted of currency translation adjustments of negative $86, unrealized losses on the effective portion of cash flow hedges of $11 and unrealized gains on financial assets of $1. Income taxes did not have a significant effect on these items.

See accompanying notes to the unaudited interim consolidated financial statements, including the changes in accounting policies retrospectively adopted on January 1, 2018, as described in note 1.

These unaudited interim consolidated financial statements should be read in conjunction with the 2017 audited annual consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited) *(in millions of U.S. dollars)*	Six months ended June 30 2018	2017
Operating Activities		
Loss for the period from continuing operations	**$ (426)**	$ (1,310)
Adjustments to loss from continuing operations:		
Provision for income taxes	**28**	26
Interest income	**(246)**	(175)
Interest expense of operating companies and credit strategies	**651**	581
Earnings (loss) before interest and provision for income taxes	**7**	(878)
Cash taxes paid	**(119)**	(112)
Items not affecting cash and cash equivalents:		
Amortization of property, plant and equipment	**339**	313
Amortization of intangible assets and deferred charges	**381**	329
Decrease (increase) in value of investments in joint ventures and associates at fair value, net (note 5)	**155**	(120)
Stock-based compensation expense	**64**	127
Other gain (note 10)	**(82)**	–
Foreign exchange (gain) loss	**29**	(56)
Limited Partners' Interests charge (note 7)	**77**	876
Change in provisions	**11**	48
Change in carried interest	**(27)**	(61)
Other	**(39)**	146
	796	612
Changes in non-cash working capital items:		
Accounts receivable	**132**	139
Inventories	**(206)**	(7)
Other current assets	**4**	3
Accounts payable, accrued liabilities and other current liabilities	**(38)**	(174)
Decrease in cash and cash equivalents due to changes in non-cash working capital items	**(108)**	(39)
Increase (decrease) in other operating activities	**(29)**	27
Cash flows from operating activities of discontinued operations (note 4)	**–**	10
	659	610
Financing Activities		
Issuance of long-term debt	**2,959**	1,400
Repayment of long-term debt	**(1,476)**	(1,587)
Cash interest paid	**(604)**	(504)
Cash dividends paid	**(12)**	(10)
Repurchase of share capital of Onex Corporation	**(54)**	(58)
Repurchase of share capital of operating companies	**(51)**	(15)
Contributions by Limited Partners (note 7)	**445**	459
Issuance of share capital by operating companies	**55**	196
Proceeds from sale of interests in operating companies under continuing control (note 2)	**120**	259
Distributions paid to non-controlling interests and Limited Partners (note 7)	**(587)**	(1,836)
Increase (decrease) due to other financing activities	**(12)**	14
Cash flows from financing activities of discontinued operations (note 4)	**–**	26
	783	(1,656)
Investing Activities		
Acquisitions, net of cash and cash equivalents in acquired companies of $58 (2017 – $62) (note 3)	**(1,347)**	(621)
Purchase of property, plant and equipment	**(363)**	(311)
Proceeds from sales of operating companies and businesses no longer controlled (note 4)	**–**	2,355
Proceeds from sales of investments in joint ventures and associates (note 5)	**570**	–
Distributions received from investments in joint ventures and associates (note 5)	**37**	46
Purchase of investments in joint ventures and associates (note 5)	**(27)**	(6)
Cash interest received	**240**	181
Change in restricted cash	**(9)**	(15)
Net sales (purchases) of investments and securities for credit strategies (note 5)	**(1,389)**	46
Net sales (purchases) of investments and securities at parent company and operating companies (note 5)	**383**	(148)
Increase (decrease) due to other investing activities	**(158)**	46
Cash flows used in investing activities of discontinued operations (note 4)	**–**	(240)
	(2,063)	1,333
Increase (Decrease) in Cash and Cash Equivalents for the Period	**(621)**	287
Increase (decrease) in cash due to changes in foreign exchange rates	**(27)**	23
Cash and cash equivalents, beginning of the period – continuing operations	**3,376**	2,169
Cash and cash equivalents, beginning of the period – discontinued operations (note 4)	**–**	202
Cash and Cash Equivalents	**2,728**	2,681
Cash and cash equivalents held by disposal group	**–**	2
Cash and Cash Equivalents Held by Continuing Operations	**$ 2,728**	$ 2,679

See accompanying notes to the unaudited interim consolidated financial statements, including the changes in accounting policies retrospectively adopted on January 1, 2018, as described in note 1.

These unaudited interim consolidated financial statements should be read in conjunction with the 2017 audited annual consolidated financial statements.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) (in millions of U.S. dollars except per share data)

Onex Corporation and its subsidiaries (collectively, the "Company") is a diversified company with operations in a range of industries including electronics manufacturing services, healthcare imaging, health and human services, insurance services, packaging products and services, business and information services, food retail and restaurants, aerospace automation, tooling and components, aircraft leasing and management, building products, holiday parks, hospital management services, survival equipment and industrial products, and in various middle-market private equity opportunities. Additionally, the Company has investments in credit strategies and real estate. Throughout these statements, the term "Onex" refers to Onex Corporation, the ultimate parent company.

Onex Corporation is a Canadian corporation domiciled in Canada and is listed on the Toronto Stock Exchange under the symbol ONEX. Onex Corporation's shares are traded in Canadian dollars. The registered address for Onex Corporation is 161 Bay Street, Toronto, Ontario. Mr. Gerald W. Schwartz controls Onex Corporation by indirectly holding all of the outstanding Multiple Voting Shares of the corporation and also indirectly holds 12% of the outstanding Subordinate Voting Shares of the corporation as at June 30, 2018.

All amounts are in millions of U.S. dollars unless otherwise noted.

The unaudited interim consolidated financial statements were authorized for issue by the Audit and Corporate Governance Committee on August 8, 2018.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These unaudited interim consolidated financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through total comprehensive earnings.

The U.S. dollar is Onex' functional currency. As such, the financial statements have been reported on a U.S. dollar basis.

CONSOLIDATION

The unaudited interim consolidated financial statements represent the accounts of Onex and its subsidiaries, including its controlled operating companies. Onex also controls and consolidates the operations of Onex Partners LP ("Onex Partners I"), Onex Partners II LP ("Onex Partners II"), Onex Partners III LP ("Onex Partners III"), Onex Partners IV LP ("Onex Partners IV") and Onex Partners V LP ("Onex Partners V"), referred to collectively as "Onex Partners", and ONCAP II L.P. ("ONCAP II"), ONCAP III LP ("ONCAP III") and ONCAP IV LP ("ONCAP IV"), referred to collectively as "ONCAP" (as described in note 32 to the 2017 audited annual consolidated financial statements). In addition, Onex controls and consolidates the operations of the Onex Credit asset management platform, certain funds managed by Onex Credit ("Onex Credit Funds") in which Onex, the parent company, holds investments, collateralized loan obligations ("CLOs") of Onex Credit and Onex Credit Lending Partners, referred to collectively as "Onex Credit" or "credit strategies".

The results of operations of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany balances and transactions have been eliminated.

Certain investments in operating companies over which the Company has joint control or significant influence, but not control, are measured at fair value through earnings. These investments are recorded at fair value in the unaudited interim consolidated balance sheets, with changes in fair value recognized in the unaudited interim consolidated statements of earnings.

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. 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.

The principal operating companies and Onex' economic ownership, Onex' and the limited partners' economic ownership and voting interests in these entities are as follows:

	June 30, 2018			December 31, 2017		
	Onex' Ownership	Onex' and Limited Partners' Ownership	Voting	Onex' Ownership	Onex' and Limited Partners' Ownership	Voting
Investment made through Onex						
Celestica Inc. ("Celestica")	13%	13%	79%	13%	13%	79%
Investments made through Onex and Onex Partners II						
Carestream Health, Inc. ("Carestream Health")	36%	91%	100%	36%	91%	100%
Investments made through Onex and Onex Partners III						
BBAM Limited Partnership ("BBAM")	9%	35%	(a)	9%	35%	(a)
Emerald Expositions Events, Inc. ("Emerald Expositions")[b]	16%	64%	64%	18%	74%	74%
JELD-WEN Holding, Inc. ("JELD-WEN")	8%	31%	31%[a]	8%	31%	31%[a]
Meridian Aviation Partners Limited and affiliates ("Meridian Aviation")	25%	100%	100%	25%	100%	100%
SGS International, LLC ("sgsco")	23%	92%	92%	24%	94%	94%
York Risk Services Holding Corp. ("York")	29%	88%	100%	29%	88%	100%
Investments made through Onex, Onex Partners I and Onex Partners III						
Res-Care, Inc. ("ResCare")	20%	98%	100%	20%	98%	100%
Investments made through Onex and Onex Partners IV						
Advanced Integration Technology LP ("AIT")	13%	50%	50%[a]	13%	50%	50%[a]
Clarivate Analytics	27%	72%	72%	27%	72%	72%
Jack's Family Restaurants ("Jack's")	31%	95%	100%	31%	95%	100%
Parkdean Resorts	28%[c]	93%[c]	80%	28%[c]	93%[c]	80%
Save-A-Lot	32%	99%	99%	32%	99%	99%
Schumacher Clinical Partners ("Schumacher")	22%	68%	68%	22%	68%	68%
SIG Combibloc Group Holdings S.à r.l. ("SIG")	35%	99%	94%	35%	99%	94%
SMG Holdings Inc. ("SMG")[d]	32%	99%	99%	–	–	–
Survitec Group Limited ("Survitec")	21%	79%	68%	21%	79%	68%
WireCo WorldGroup ("WireCo")	23%	71%	71%	23%	71%	71%
Investment made through Onex Real Estate						
Flushing Town Center	88%	88%	100%	88%	88%	100%
Other investments						
ONCAP II Fund ("ONCAP II")	47%[e]	100%	100%	47%[e]	100%	100%
ONCAP III Fund ("ONCAP III")	29%	100%	100%	29%	100%	100%
ONCAP IV Fund ("ONCAP IV")	39%	100%	100%	39%	100%	100%

(a) Onex exerts joint control or significant influence over these investments, which are measured at fair value through earnings, through its right to appoint members to the boards of directors of these entities.

(b) Emerald Expositions completed a secondary offering in March 2018, as described in note 2(d).

(c) Ownership interests reflect the conversion of the loan note held by the Onex Partners IV Group into additional equity in Parkdean Resorts in February 2018, as described in note 2(b).

(d) SMG was acquired in January 2018, as described in note 2(a).

(e) Represents Onex' blended economic ownership in the ONCAP II investments.

The ownership percentages are before the effect of any potential dilution relating to the Management Investment Plan (the "MIP"), as described in note 32(d) to the 2017 audited annual consolidated financial statements. The allocation of net earnings (loss) and comprehensive earnings (loss) attributable to equity holders of Onex Corporation and non-controlling interests is calculated using the economic ownership of Onex and the limited partners.

The voting interests include shares that Onex has the right to vote through contractual arrangements or through multiple voting rights attached to particular shares. In certain circumstances, the voting arrangements give Onex the right to elect the majority of the boards of directors of the companies. Onex may also control a company through contractual rights.

SIGNIFICANT ACCOUNTING POLICIES

The disclosures contained in these unaudited interim consolidated financial statements do not include all the requirements of IFRS for annual financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2017.

The unaudited interim consolidated financial statements are based on accounting policies, as described in note 1 to the 2017 audited annual consolidated financial statements, except as described below.

CHANGES IN ACCOUNTING POLICIES

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2018. These changes were made in accordance with applicable transitional provisions.

a) IFRS 15 – Revenue from Contracts with Customers

IFRS 15, *Revenue from Contracts with Customers*, supersedes IAS 18, *Revenue*, and provides a comprehensive five-step revenue recognition model for all contracts with customers. On January 1, 2018, and in accordance with the transition provisions in IFRS 15, the standard was adopted retrospectively and comparative period information has been restated.

Under IAS 18, revenue from product sales was recognized when the following criteria were met: significant risks and rewards of ownership had been transferred; involvement in the capacity as an owner of the goods had ceased; revenue and costs incurred could be reliably measured; and economic benefits were expected to be realized. As a result of adopting IFRS 15, revenue on product sales is recognized when or as performance obligations are satisfied by transferring control of the goods to the customer. Revenue recognition relating to the provision of services by Onex' operating companies was not significantly impacted as a result of adopting IFRS 15.

Certain new judgements and estimates are required in applying IFRS 15, including: identifying and allocating the transaction price among performance obligations; determining when performance obligations are satisfied; and measuring progress of completion when performance obligations are satisfied over time.

As a result of adopting IFRS 15, total equity on January 1, 2017 has increased by $13.

b) IFRS 9 – Financial Instruments

IFRS 9, *Financial Instruments*, supersedes IAS 39, *Financial Instruments: Recognition and Measurement*. On January 1, 2018, the Company adopted IFRS 9 retrospectively and has chosen to not restate comparative information in accordance with the transitional provisions in IFRS 9. As a result, the comparative information continues to be presented in accordance with the Company's previous accounting policies. The following significant accounting policy changes were adopted as of January 1, 2018:

Classification – Financial Assets

As of January 1, 2018, financial assets are classified in the following measurement categories:

- Those to be subsequently measured at fair value through earnings;
- Those to be subsequently measured at fair value through other comprehensive income ("OCI"); and
- Those to be measured at amortized cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Classification – Financial Liabilities

As of January 1, 2018, financial liabilities are classified in the following measurement categories:

- Those to be subsequently measured at fair value through earnings; and
- Those to be measured at amortized cost.

Modification of Financial Liabilities

When a financial liability that is measured at amortized cost has its cash flows modified without resulting in derecognition, the carrying value of the financial liability is adjusted to the present value of its modified cash flows, discounted at the financial liability's original effective interest rate, with a resulting gain or loss recognized in earnings.

For certain variable-rate financial liabilities that are pre-payable at par, amendments to the contractual terms of the financial liability to revise the interest rate to a new market interest rate are accounted for over the remaining term of the financial liability by adjusting the financial liability's effective interest rate.

Impairment

Onex' operating companies have applied the simplified approach, permitted by IFRS 9, to calculate the expected credit losses on accounts receivable. This approach requires the expected lifetime losses of accounts receivable to be recognized at the initial recognition of the accounts receivable, using the company's historical credit loss experience to assign provision rates depending on the number of days that the accounts receivable have been outstanding.

Interest Income

Interest income recognized by the Company primarily relates to interest earned from investments recognized at fair value through net earnings.

Impact of adoption as of January 1, 2018

As a result of adopting IFRS 9, total equity on January 1, 2018 has increased by $12 due to adjustments related to previous modifications of long-term debt which did not result in derecognition.

Financial assets were assessed to determine which measurement category they apply to, resulting in the following reclassifications:

	Fair Value through Net Earnings		Fair Value through OCI (2017 – Available-for-Sale)	Amortized Cost (2017 – Loans and Receivables)	Derivatives Used for Hedging	Total
	Recognized	Designated				
January 1, 2018						
Opening balance – IAS 39	$ 4,398	$ 11,109	$ 88	$ 3,875	$ 130	$ 19,600
Reclassification of investments held by Onex credit strategies[a]	7,142	(7,142)	–	–	–	–
Reclassification of cash and cash equivalents[a]	3,376	(3,376)	–	–	–	–
Other	408	(220)	11	(69)	(130)	–
Opening balance – IFRS 9	$ 15,324	$ 371	$ 99	$ 3,806	$ –	$ 19,600

a) Under IFRS 9, financial assets that are managed and whose performance is measured on a fair value basis are required to be measured at fair value through net earnings. The Company previously made an election under IAS 39 to measure these financial assets at fair value through net earnings.

Financial assets held by the Company, presented by financial statement line item, immediately following the adoption of IFRS 9 on January 1, 2018 were as follows:

	Fair Value through Net Earnings		Fair Value through OCI	Amortized Cost	Total
	Recognized	Designated			
January 1, 2018					
Assets as per balance sheet					
Cash and cash equivalents	$ 3,376	$ –	$ –	$ –	$ 3,376
Short-term investments	247	–	11	–	258
Accounts receivable	69	–	–	3,251	3,320
Other current assets	172	–	11	430	613
Long-term investments	11,276	371	77	10	11,734
Other non-current assets	184	–	–	115	299
Total	$ 15,324	$ 371	$ 99	$ 3,806	$ 19,600

There were no significant changes to the classification of financial liabilities as a result of adopting IFRS 9.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Standards, amendments and interpretations not yet adopted or effective

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16, *Leases*, which replaces IAS 17, *Leases*. The standard provides an updated definition of a lease contract, including guidance on the combination and separation of contracts. The standard requires lessees to recognize a right-of-use asset and a lease liability for substantially all lease contracts. The accounting for lessors is substantially unchanged from IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted. The Company is in the process of executing its implementation plan and intends to adopt IFRS 16 on January 1, 2019 on a modified retrospective basis. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements and currently expects a material recognition of right-of-use assets and corresponding lease liabilities upon transition.

2. SIGNIFICANT TRANSACTIONS

a) Acquisition of SMG

In January 2018, the Onex Partners IV Group completed the acquisition of SMG Holdings Inc., a global manager of convention centres, stadiums, arenas, theatres, performing arts centres and other venues. The Onex Partners IV Group's total investment was $429 for an economic interest of 99%. Onex' share of the investment was $139 for an economic interest of 32%. The remainder of the purchase price was financed through a rollover of equity by management of SMG and debt financing, without recourse to Onex Corporation. SMG is included within the business and information services segment.

As part of the acquisition of SMG, the Onex Partners IV Group also acquired $44 of SMG's second lien debt, which bears interest at LIBOR plus a margin of up to 7.00% and matures in January 2026. To finance the investment in SMG's second lien debt, the Onex Partners IV Group entered into a revolving credit facility in January 2018. The facility bears interest at LIBOR plus a margin of 1.75%, matures in January 2021 and is reimbursable by capital calls upon the limited partners of Onex Partners IV. Onex Corporation, the parent company, is only obligated to fund borrowings under the revolving credit facility based on its proportionate share of Onex Partners IV's investment in SMG.

b) Partial loan note repayment by Parkdean Resorts

In February 2018, Parkdean Resorts made a partial repayment of a loan note outstanding with the Onex Partners IV Group totalling £52 ($74), including accrued interest, with net proceeds from a sale-leaseback transaction completed for certain parks in August 2017. Onex' share of the repayment was £15 ($22). The remaining principal balance of £25 ($31) outstanding under the loan note, of which Onex' share was £7 ($9), was converted into additional equity of Parkdean Resorts in accordance with the loan note agreement. As of June 30, 2018, the Onex Partners IV Group has a 93% economic interest in Parkdean Resorts, of which Onex' share is 28%.

c) Initial and secondary offerings by Pinnacle Renewable Energy

In February 2018, Pinnacle Renewable Holdings, Inc. ("Pinnacle Renewable Energy") completed an initial public offering of approximately 15.3 million common shares (TSX: PL), including the exercise of an over-allotment option. The offering was priced at C$11.25 per share for gross proceeds of C$173. As part of the offering, Pinnacle Renewable Energy issued approximately 6.2 million treasury shares. The net proceeds from treasury shares were used to repay C$29 of existing shareholder subordinated debt, with the balance to fund construction of production facilities and for other general corporate purposes. The ONCAP II Group received C$20 ($16) for its share of the repayment of the existing shareholder subordinated debt, of which Onex' share was C$9 ($7). The ONCAP II Group did not sell any common shares as part of this transaction.

As a result of this transaction, the ONCAP II Group no longer controls Pinnacle Renewable Energy. The interest held by the Company has been recorded as a long-term investment at fair value, with changes in fair value recognized in the unaudited interim consolidated statements of earnings. In addition, a gain of $82 was recorded based on the excess of the interest retained at fair value over the historical accounting carrying value of the investment. The gain is entirely attributable to the equity holders of Onex Corporation, as the interests of the Limited Partners were recorded as a financial liability at fair value. Pinnacle Renewable Energy does not represent a separate major line of business, and as a result, the operating results up to the date of the loss of control have not been presented as a discontinued operation.

In June 2018, Pinnacle Renewable Energy completed a secondary offering of approximately 4.2 million common shares, including the exercise of an over-allotment option. The offering was priced at C$13.75 per share for gross proceeds of C$58. No treasury shares were issued as part of the offering. The ONCAP II Group sold approximately 3.7 million shares for net proceeds of C$49 ($37). Onex' portion of the net proceeds was C$22 ($17), including carried interest and after the reduction for amounts paid to the ONCAP management team. No gain was realized as a result of this transaction as the Company's interest in Pinnacle Renewable Energy is recorded at fair value.

Onex' share of carried interest received was C$1 ($1) and was included in the net proceeds to Onex. ONCAP management's share of carried interest was C$4 ($3), including C$2 ($2) from Onex and Onex management. No amounts were paid on account of the MIP for this transaction as the required realized investment return hurdle was not met on realizations to date.

The ONCAP II Group continues to hold approximately 10.4 million common shares of Pinnacle Renewable Energy for an economic and voting interest of 32%. Onex continues to hold approximately 5.0 million common shares for an economic interest of 15%.

d) Secondary offering by Emerald Expositions

In March 2018, Emerald Expositions completed a secondary offering of 6.75 million shares of its common stock, including the exercise of an over-allotment option. The offering was priced at $18.50 per share for gross proceeds of $125. No treasury shares were issued as part of the offering. The Onex Partners III Group sold all of the shares in this transaction for net proceeds of $120. Onex' portion of the net proceeds was $32, including carried interest.

Amounts received on account of the carried interest related to this transaction totalled $8. Onex' share of the carried interest received was $3 and was included in the net proceeds to Onex. Management's share of the carried interest was $5. No amounts were paid on account of the MIP for this transaction as the required realized investment return hurdle was not met on realizations to date.

The Onex Partners III Group continues to hold approximately 47.1 million shares of Emerald Expositions' common stock for a 64% economic and voting interest. Onex continues to hold approximately 11.4 million shares for a 16% economic interest. Since the sale of shares by the Onex Partners III Group did not result in a loss of control over Emerald Expositions, the transaction was recorded as a transfer from the equity holders of Onex Corporation to non-controlling interests in the unaudited interim consolidated financial statements, with the cash proceeds received in excess of the historical accounting carrying value of $49 being recorded directly to retained earnings.

e) Sale of Mavis Discount Tire

In March 2018, the ONCAP III Group sold its entire investment in Mavis Tire Supply LLC ("Mavis Discount Tire"). The ONCAP III Group received net proceeds of $519, of which Onex' share was $173, including carried interest and after the reduction for amounts paid to the Onex and ONCAP management teams. Included in the net proceeds is $1 held in escrow. No gain was realized as a result of this transaction as the Company's interest in Mavis Discount Tire was recorded at fair value.

Onex' share of carried interest received was $15 and was included in the net proceeds to Onex. ONCAP management's share of carried interest was $37, including $14 from Onex and Onex management. Management of Onex and ONCAP earned $14 on account of management incentive programs related to this transaction.

In addition, the unaudited interim consolidated financial statements include net proceeds of $15 from the sale of Mavis Discount Tire attributable to a third-party investor.

f) Investment in Ryan Specialty Group

In June 2018, Onex and Onex management invested a total of $175 in Ryan Specialty Group, LLC ("RSG"), an international specialty insurance organization, which includes a wholesale insurance brokerage firm and an underwriting management organization. The investment was comprised of $150 in preferred equity and $25 in common equity. Onex' share of the investment was $172.

The investment in RSG is recorded as a long-term investment at fair value with changes in fair value recognized in the unaudited interim consolidated statements of earnings.

g) Pending acquisition of KidsFoundation

In July 2018, the Onex Partners platform entered into an agreement to acquire KidsFoundation Holdings B.V. ("KidsFoundation") for €246. KidsFoundation is a leading provider of childcare services in the Netherlands. The Onex Partners platform expects to invest approximately $175 for an economic interest of 98%. Onex' share of the investment is expected to be approximately $50. In connection with this transaction, the Onex Partners platform entered into an agreement to hedge its commitment to pay the purchase price denominated in euros against fluctuations in value relative to the U.S. dollar. The transaction is expected to close during the third quarter of 2018, subject to customary conditions and regulatory approvals.

h) Investment in PowerSchool

In August 2018, the Onex Partners IV Group acquired an interest in PowerSchool, a non-instructional software provider primarily to K-12 primary schools, from Vista Equity Partners ("Vista"). Concurrent with this transaction, PowerSchool acquired PeopleAdmin, a provider of cloud-based talent management solutions for the education sector and also previously owned by Vista. The Onex Partners IV Group invested $872 for an economic interest of 50% in PowerSchool and is an equal partner with Vista. Onex' share of the investment was $283 for an economic interest of 16%.

i) Acquisition of Precision

In August 2018, the ONCAP IV Group acquired Precision Global ("Precision"), a global manufacturer of dispensing solutions. The ONCAP IV Group's total investment was $111 for an economic interest of 99%. Onex' share of the investment was $44 for an economic interest of 39%.

j) Distributions from operating businesses

Year-to-date through August 8, 2018, Onex and its partners have received distributions of $215 from certain operating businesses. Onex' portion of the distributions was $119, including carried interest. The distributions include the repayment of a loan note by Parkdean Resorts, as previously described in note 2(b), and the repayment of existing shareholder subordinated debt by Pinnacle Renewable Energy, as previously described in note 2(c). The other significant distributions received by the Company are described below.

Year-to-date through August 8, 2018, Flushing Town Center has distributed $92 of proceeds primarily from the sale of residential condominium units, of which Onex' share was $80.

Year-to-date through August 8, 2018, BBAM distributed $18 to the Onex Partners III Group, of which Onex' share was $5. The distribution was funded by the company's free cash flow.

k) Credit Strategies

Warehouse facility of EURO CLO-3

In March 2018, Onex established a warehouse facility in connection with its third CLO denominated in euros ("EURO CLO-3"). During the six months ended June 30, 2018, Onex invested €35 ($43) to support the warehouse facility and a financial institution provided borrowing capacity of up to €140 ($163) backed by the underlying collateral.

Onex consolidated the warehouse facility for EURO CLO-3.

Closing of CLO-15

In June 2018, Onex closed its fifteenth CLO denominated in U.S. dollars ("CLO-15"), which was funded through the issuance of collateralized loan instruments in a series of tranches of secured notes and preference shares in a private placement transaction for an aggregate principal amount of $614.

On closing, Onex invested $57 for 100% of the most subordinated capital of CLO-15. Reinvestment can be made in collateral by the CLO up to July 2023, or earlier, subject to certain provisions.

Fund closing for OCLP I

In June 2018, Onex completed the third closing for Onex Credit Lending Partners ("OCLP I"), reaching aggregate commitments of $362, including Onex' commitment of $100.

Distributions

During the six months ended June 30, 2018, Onex received $27 of distributions from its CLO investments.

3. ACQUISITIONS

Acquisitions completed by Onex are generally financed with proceeds from the Onex Partners and ONCAP Funds along with debt provided by third-party lenders. Debt provided by third-party lenders is held within the acquired companies and is without recourse to Onex Corporation, the ultimate parent company. This debt, along with debt incurred to finance acquisitions made by existing Onex subsidiaries, is excluded from the purchase price allocation table below.

During the first six months of 2018, 16 acquisitions were completed by Onex and its subsidiaries. Details of the purchase price and allocation to the assets and liabilities acquired are as follows:

	SMG[a]	Celestica[b]	ONCAP[c]	Other[d]	Total
Cash and cash equivalents	$ 51	$ 1	$ 1	$ 5	$ 58
Other current assets	59	31	33	95	218
Intangible assets with limited life	637	51	31	88	807
Goodwill	375	64	19	100	558
Property, plant and equipment and other non-current assets	44	8	2	6	60
	1,166	155	86	294	1,701
Current liabilities	(84)	(8)	(20)	(79)	(191)
Non-current liabilities	(77)	(4)	(1)	(8)	(90)
Interests in net assets acquired	1,005	143	65	207	1,420
Non-controlling interests in net assets acquired	(1)	–	–	(40)	(41)
	$ 1,004	$ 143	$ 65	$ 167	$ 1,379

a) In January 2018, the Company acquired SMG, as described in note 2(a).

b) In April 2018, Celestica acquired Atrenne Integrated Solutions, Inc. for total consideration of $143.

c) ONCAP includes acquisitions made by Chatters Canada, Davis-Standard Holdings, Inc., EnGlobe Corp., Hopkins Manufacturing Corporation and Tecta America Corporation for total consideration of $65, of which $6 was non-cash consideration.

d) Other includes acquisitions primarily made by Clarivate Analytics, ResCare and sgsco for total consideration of $207, of which $9 was non-cash consideration.

Included in the acquisitions above are gross receivables due from customers of $99, of which all contractual cash flows are expected to be recovered. The fair value of these receivables at the dates of acquisition was determined to be $99.

Revenue and net losses from the date of acquisition for these acquisitions to June 30, 2018 were $232 and $11, respectively.

The Company estimates it would have reported consolidated revenues of approximately $12,560 and a net loss of approximately $445 for the six months ended June 30, 2018 if acquisitions completed during 2018 had been acquired on January 1, 2018.

Goodwill of the acquisitions was attributable primarily to the skills and competence of the acquired workforce and non-contractual established supplier and customer bases of the acquired companies. Goodwill of the acquisitions that is expected to be deductible for tax purposes is $176.

4. DISCONTINUED OPERATIONS

The following table shows revenues, expenses and net after-tax results from discontinued operations for the three and six months ended June 30, 2017. The loss of control by the Company over Pinnacle Renewable Energy, as described in note 2(c), did not represent a separate major line of business, and as a result, has not been presented as a discontinued operation. The Company did not record any results from discontinued operations for the three or six months ended June 30, 2018.

	Three months ended June 30, 2017			Six months ended June 30, 2017		
	USI[a]	JELD-WEN[b]	Total	USI[a]	JELD-WEN[b]	Total
Revenues	$ 128	$ 545	$ 673	$ 400	$ 1,393	$ 1,793
Expenses	(121)	(689)	(810)	(510)	(1,580)	(2,090)
Earnings (loss) before income taxes	7	(144)	(137)	(110)	(187)	(297)
Recovery of income taxes	–	–	–	13	15	28
Gain, net of tax	1,797	1,514	3,311	1,797	1,514	3,311
Net earnings for the period	$ 1,804	$ 1,370	$ 3,174	$ 1,700	$ 1,342	$ 3,042

a) USI

The operations of USI have been presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows for the three and six months ended June 30, 2017.

b) JELD-WEN

The operations of JELD-WEN have been presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows for the three and six months ended June 30, 2017.

There are no assets or liabilities of discontinued operations at June 30, 2018 or December 31, 2017, as USI was sold in May 2017 and the Company ceased to consolidate JELD-WEN after losing control in May 2017.

The following table presents the summarized aggregate cash flows from (used in) discontinued operations of USI (up to May 2017) and JELD-WEN (up to May 2017).

For the six months ended June 30, 2017	USI	JELD-WEN	Total
Operating activities	$ 109	$ (99)	$ 10
Financing activities	(53)	79	26
Investing activities	(155)	(85)	(240)
Decrease in cash and cash equivalents for the period	(99)	(105)	(204)
Increase in cash due to changes in foreign exchange rates	–	2	2
Cash and cash equivalents, beginning of the period	99	103	202
Cash and cash equivalents, end of the period	–	–	–
Proceeds from sales of operating companies no longer controlled	1,889	466	2,355
	$ 1,889	$ 466	$ 2,355

5. LONG-TERM INVESTMENTS

Long-term investments comprised the following:

	June 30, 2018	December 31, 2017	January 1, 2017
Long-term investments held by credit strategies[a]	**$ 9,881**	$ 8,491	$ 7,025
Investments in joint ventures and associates – at fair value through earnings[b]	**1,652**	2,252	751
Onex Corporation investments in managed accounts[c]	**497**	774	325
Investments in joint ventures and associates – equity-accounted[d]	**385**	380	318
Other[e]	**403**	217	253
Total	**$ 12,818**	$ 12,114	$ 8,672

a) Long-term investments held by credit strategies

During the six months ended June 30, 2018, Onex completed certain transactions which impacted the balance of long-term investments held by credit strategies. These transactions are described in note 2(k) and include the closing of CLO-15, establishing the warehouse facility for EURO CLO-3 and continued investing activity for OCLP I.

b) Investments in joint ventures and associates – at fair value through earnings

Certain investments in joint ventures and associates over which the Company has joint control or significant influence, but not control, are measured at fair value. The fair value of these investments in joint ventures and associates is assessed at each reporting date, with changes to the values being recorded through earnings.

Investments in joint ventures and associates measured at fair value through earnings primarily include investments in AIT, BBAM, JELD-WEN (since May 2017), Mavis Discount Tire (up to March 2018), Pinnacle Renewable Energy (since February 2018) and Venanpri Group. With the exception of JELD-WEN and Pinnacle Renewable Energy, the fair value measurements for these investments include significant unobservable inputs (Level 3 of the fair value hierarchy). The fair value measurements for the investments in JELD-WEN and Pinnacle Renewable Energy include significant other observable inputs (Level 2 of the fair value hierarchy), as a marketability factor is applied to JELD-WEN and Pinnacle Renewable Energy's publicly traded share price. The joint ventures and associates typically have financing arrangements that restrict their ability to transfer cash and other assets to the Company.

Details of changes in investments in joint ventures and associates at fair value through earnings are as follows:

Balance – January 1, 2017	$ 751
Purchase of investments	6
Transfer of investment in JELD-WEN no longer under control	1,397
Distributions received	(46)
Increase in fair value of investments, net	120
Balance – June 30, 2017	2,228
Distributions received	(25)
Sale of investments	(591)
Increase in fair value of investments, net	640
Balance – December 31, 2017	$ 2,252
Transfer of investment in Pinnacle Renewable Energy no longer under control	**136**
Purchase of investments	**27**
Sale of investments	**(571)**
Distributions received	**(37)**
Decrease in fair value of investments, net	**(155)**
Balance – June 30, 2018	**$ 1,652**

Pinnacle Renewable Energy

In February 2018, Pinnacle Renewable Energy completed an initial public offering of approximately 15.3 million common shares. As a result of this transaction, the ONCAP II Group no longer controls Pinnacle Renewable Energy, as described in note 2(c). The interest held by the Company has been recorded as a long-term investment at fair value, with changes in fair value recognized in the unaudited interim consolidated statements of earnings.

In June 2018, Pinnacle Renewable Energy completed a secondary offering, as described in note 2(c).

Mavis Discount Tire

In March 2018, the ONCAP III Group sold its entire investment in Mavis Discount Tire, as described in note 2(e).

c) Onex Corporation investments in managed accounts

Long-term investments consist of securities that include money market instruments, federal and municipal debt instruments, corporate obligations and structured products with maturities of one year to five years. Short-term investments consist of liquid investments that include money market instruments and commercial paper with original maturities of three months to one year. The investments are managed to maintain an overall weighted average duration of two years or less. At June 30, 2018, the fair value of investments managed by third-party investment managers was $634 (December 31, 2017 – $1,021), of which $137 (December 31, 2017 – $247) was included in short-term investments and $497 (December 31, 2017 – $774) was included in long-term investments. The decrease in investments in managed accounts was primarily driven by redemptions by Onex to fund investments completed during the six months ended June 30, 2018.

d) Investments in joint ventures and associates – equity-accounted

Certain investments in joint ventures and associates over which the Company has joint control or significant influence, but not control, are initially recognized at cost, and the carrying amount of the investment is adjusted to recognize the Company's share of the profit or loss in the investment from the date that joint control or significant influence commences until the date that joint control or significant influence ceases. The Company's share of the profit or loss is recognized in other income (expense) and any distributions received reduce the carrying amount of the investment.

At June 30, 2018 and December 31, 2017, the balances consisted primarily of investments in joint ventures and associates held by Meridian Aviation and SIG.

e) Other long-term investments

At June 30, 2018, the balance consisted primarily of Onex' investment in RSG, as described in note 2(f), forward contracts to economically hedge the Company's exposure to changes in the market value of Onex' SVS associated with the outstanding Deferred Share Units ("DSUs"), as described in note 1 to the 2017 audited annual consolidated financial statements, and long-term investments held by certain operating companies. At December 31, 2017, the balance primarily consisted of DSU forward contracts held by the Company and long-term investments held by certain operating companies.

6. LONG-TERM DEBT OF OPERATING COMPANIES AND CREDIT STRATEGIES, WITHOUT RECOURSE TO ONEX CORPORATION

The following describes the significant changes to Onex Corporation's long-term debt from the information provided in the 2017 audited annual consolidated financial statements, in chronological order.

a) Onex Partners V

In December 2017 and January 2018, Onex Partners V entered into a $997 revolving credit facility. The limited partners of Onex Partners V could elect to participate in the credit facility at the time of their commitment. Of the aggregate commitments to Onex Partners V, 46% of the commitments were from limited partners that elected to participate in the credit facility. Onex, as a limited partner of Onex Partners V, did not elect to participate in the credit facility. The credit facility is available to finance Onex Partners V capital calls, bridge investments in Onex Partners V operating companies and to finance other uses permitted by Onex Partners V's limited partnership agreement. Borrowings under the credit facility are limited to the lesser of the amount available under the credit facility and the maximum amount of obligations permitted under the partnership agreement. Amounts under the credit facility are available in U.S. dollars, Canadian dollars, euros, pounds sterling and other currencies as requested, subject to the approval of the lenders.

Borrowings drawn on the credit facility bear interest at either: an adjusted LIBOR rate, plus a margin of 1.50%, with respect to LIBOR rate loans; or the reference rate in effect from day to day, plus a margin of 1.50%, for reference rate loans. In addition, a fee of 0.25% per annum accrues on the portion of the credit facility that is available but unused.

The credit facility matures on the earlier of December 15, 2020, or upon the occurrence of certain events defined in the agreement, with an option to extend the term for an additional 364 days.

At June 30, 2018, no amounts were outstanding under the revolving credit facility.

b) ONCAP IV

In January 2018, ONCAP IV repaid $64 under its existing credit facility from capital contributions made primarily by the limited partners of ONCAP IV. At June 30, 2018, no amounts were outstanding under the credit facility.

c) SMG

The Onex Partners IV Group acquired SMG in January 2018, as described in note 2(a). In January 2018, SMG entered into a senior secured credit facility consisting of a $415 first lien term loan, a $180 second lien term loan and a $55 revolving credit facility. Borrowings under the first lien term loan bear interest at LIBOR plus a margin of up to 3.25%, depending on the company's leverage ratio. The first lien term loan matures in January 2025. Borrowings under the second lien term loan bear interest at LIBOR plus a margin of up to 7.00%, depending on the company's leverage ratio. The second lien term loan matures in January 2026. Borrowings under the revolving credit facility bear interest at LIBOR plus a margin of up to 3.25%, depending on the company's leverage ratio. The revolving credit facility matures in January 2023. Substantially all of SMG's assets are pledged as collateral under the senior secured credit facility.

At June 30, 2018, $414 was outstanding under the first lien term loan, $180 was outstanding under the second lien term loan, of which $44 was held by the Onex Partners IV Group, and no amounts were outstanding under the revolving credit facility.

d) Onex Partners IV

In January 2018, Onex Partners IV entered into a revolving credit facility, as described in note 2(a). At June 30, 2018, $44 was outstanding under the revolving credit facility.

e) sgsco

In February 2018, sgsco's delayed draw term loan was fully drawn for $80 to partially finance an acquisition.

In June 2018, sgsco amended its secured credit facility to reduce the rate at which borrowings under its first lien term loan and revolving credit facility bear interest to LIBOR (subject to a floor of 0.00%) plus a margin of up to 3.25%, depending on the company's leverage ratio. The amendment resulted in a total interest rate reduction of 25 basis points on the company's first lien term loan and revolving credit facility.

At June 30, 2018, $572 was outstanding under the first lien term loan, including the delayed draw term loan, and $21 was outstanding under the revolving credit facility.

f) SIG

In March 2018, SIG amended its senior secured credit facility to reduce the rate at which borrowings under its U.S. dollar-denominated term loan bear interest to LIBOR (subject to a floor of 1.00%) plus a margin of 2.75%. The amendment resulted in a total interest rate reduction of 25 basis points on the company's U.S. dollar-denominated term loan.

At June 30, 2018, $1,095 was outstanding under the U.S. dollar-denominated term loan.

g) ResCare

In March 2018, ResCare amended and restated its existing senior secured credit facility, resulting in a term loan of $390 and a revolving credit facility of $300. The term loan and revolving credit facility bear interest at LIBOR (subject to a floor of 0.00%) plus a margin of up to 2.75%, depending on the company's leverage ratio. The maturity dates for the term loan and revolving credit facility were extended to March 2023. The company may also borrow up to an additional $150 on either its term loan or revolving credit facility, subject to the company's leverage ratio.

At June 30, 2018, $385 was outstanding under the term loan and no amounts were outstanding under the revolving credit facility.

h) Jack's

In May 2018, Jack's amended its existing credit facility to reduce the rate at which borrowings under its term loan bear interest to LIBOR (subject to a floor of 1.00%) plus a margin of up to 3.50%, depending on the company's leverage ratio. In addition, the rate at which the company borrows under its revolving credit facility was reduced to LIBOR (subject to a floor of 0.00%) plus a margin of up to 3.50%, depending on the company's leverage ratio. The amendment resulted in a total interest rate reduction of 50 and 75 basis points on the company's term loan and revolving credit facility, respectively.

At June 30, 2018, $241 was outstanding under the term loan and no amounts were outstanding under the revolving credit facility.

i) WireCo

In May 2018, WireCo amended its existing senior secured credit facility to reduce the rate at which borrowings under its first lien term loan bear interest to LIBOR (subject to a floor of 1.00%) plus a margin of 5.00%. The amendment resulted in a total interest rate reduction of 50 basis points on the company's first lien term loan.

At June 30, 2018, $452 was outstanding under the first lien term loan.

j) Celestica

In June 2018, Celestica entered into a new $800 secured credit facility consisting of a $350 term loan and a $450 revolving credit facility. Borrowings under the term loan bear interest at LIBOR plus a margin of 2.00%. The term loan matures in June 2025. Borrowings under the revolving credit facility bear interest at a base rate plus a margin of up to 2.50%, depending on the company's leverage ratio. The revolving credit facility matures in June 2023. The net proceeds from the secured credit facility were used to repay the existing debt facility.

At June 30, 2018, $350 was outstanding under the term loan and no amounts were outstanding under the revolving credit facility.

k) Survitec

As a result of recent operational difficulties driven by the ongoing integration of Wilhelmsen Safety, Survitec was not in compliance with its debt covenant ratio at June 30, 2018. In July 2018, the company amended its senior secured credit facility to revise its debt covenant ratio such that it did not have an event of default. In addition, the rate at which borrowings under the company's senior secured credit facility changed to: (i) LIBOR plus a margin of up to 5.25% for its pound sterling-denominated term loan; (ii) EURIBOR plus a margin of up to 4.75% for its euro-denominated term loan; and (iii) LIBOR plus a margin of up to 4.50% for both its pound sterling-denominated acquisition facility and pound sterling-denominated revolving credit facility. The amendment resulted in a total interest rate increase of up to 50 basis points on all debt under the company's senior secured credit facility, subject to the company's leverage ratio.

At June 30, 2018, the company did not have the unconditional right to defer settlement and maintain compliance with its debt covenant ratio without obtaining the subsequent amendment to its credit agreement. In accordance with IAS 1, *Presentation of Financial Statements*, all outstanding debt under the company's senior secured credit facility was classified as a current liability at June 30, 2018. All debt under the company's senior secured credit facility is expected to be classified as long-term at September 30, 2018.

At June 30, 2018, the following balances were outstanding under the company's senior secured credit facility: (i) $185 (£140) under the pound sterling-denominated term loan; (ii) $359 (€308) under the euro-denominated term loan; (iii) $19 (£14) under the pound sterling-denominated acquisition facility; and (iv) $28 (£21) under the pound sterling-denominated revolving credit facility.

l) Credit Strategies

OCLP I

In February 2018, OCLP I amended its asset backed financing facility to increase the size of the facility to $700. At June 30, 2018, $339 was outstanding under the asset backed financing facility.

CLO-15

In June 2018, Onex closed CLO-15, which was funded through the issuance of collateralized loan instruments in a series of tranches of secured notes and preference shares, as described in note 2(k). The secured notes were offered in an aggregate principal amount of $550 and are due in July 2031. The floating rate secured notes bear interest at a rate of LIBOR plus a margin of 1.10% to 5.85%. Interest on the secured notes is payable beginning in January 2019. The secured notes are measured at fair value through net earnings in these unaudited interim consolidated financial statements.

The secured notes are subject to redemption and prepayment provisions, including mandatory redemption, if certain coverage tests are not met by CLO-15. Optional redemption of the secured notes is available beginning in July 2020. Optional repricing for certain secured obligations is available subject to certain customary terms and conditions being met by CLO-15.

The secured notes of CLO-15 are secured by, and only have recourse to, the assets of CLO-15.

7. LIMITED PARTNERS' INTERESTS

The investments in the Onex Partners, ONCAP, Onex Credit Lending Partners and Onex Credit Funds by those other than Onex are presented within Limited Partners' Interests. Details of the change in Limited Partners' Interests are as follows:

	Onex Partners and ONCAP Funds			Credit Strategies	Total
	Gross Limited Partners' Interests	Carried Interest	Net Limited Partners' Interests	Net Limited Partners' Interests[i]	
Balance – January 1, 2017	$ 8,660	$ (556)	$ 8,104	$ 370	$ 8,474
Limited Partners' Interests charge[a]	998	(135)	863	13	876
Contributions by Limited Partners[b]	459	–	459	–	459
Distributions paid to Limited Partners[c]	(2,063)	238	(1,825)	(5)	(1,830)
Balance – June 30, 2017	8,054	(453)	7,601	378	7,979
Limited Partners' Interests charge[a]	547	(80)	467	7	474
Contributions by Limited Partners[b]	101	–	101	113	214
Distributions paid to Limited Partners[c]	(519)	69	(450)	(37)	(487)
Limited partnership interest acquired by Onex, the parent company[d]	(156)	–	(156)	–	(156)
Balance – December 31, 2017[e]	8,027	(464)	7,563	461	8,024
Limited Partners' Interests charge[a]	**74**	**(14)**	**60**	**17**	**77**
Contributions by Limited Partners[b]	**362**	**–**	**362**	**83**	**445**
Distributions paid to Limited Partners[c]	**(545)**	**52**	**(493)**	**(82)**	**(575)**
Balance – June 30, 2018	**7,918**	**(426)**	**7,492**	**479**	**7,971**
Current portion of Limited Partners' Interests[e]	**(50)**	**3**	**(47)**	**(9)**	**(56)**
Non-current portion of Limited Partners' Interests	**$ 7,868**	**$ (423)**	**$ 7,445**	**$ 470**	**$ 7,915**

(i) Net of incentive fees in the credit strategies.

a) The gross Limited Partners' Interests charge for the Onex Partners and ONCAP Funds is primarily due to net fair value increases of the underlying investments in the Onex Partners and ONCAP Funds. Onex' share of the change in carried interest was an increase of $6 for the six months ended June 30, 2018 (2017 – $52) and $84 for the year ended December 31, 2017.

b) The following tables show contributions by limited partners of the Onex Partners and ONCAP Funds for the six months ended June 30, 2018 and 2017 and for the year ended December 31, 2017.

Company	**Fund**	**Transaction**	**Contribution**
SMG	Onex Partners IV	Original investment	**$ 290**
Laces[i]	ONCAP IV	Original investment	**60**
Management fees, partnership expenses and other	Various	Various	**12**
Contributions by Limited Partners – June 30, 2018			**$ 362**

Company	Fund	Transaction	Contribution
Parkdean Resorts[ii]	Onex Partners IV	Original investment	$ 446
Management fees, partnership expenses and other	Various	Various	13
Contributions by Limited Partners – June 30, 2017			$ 459
IntraPac	ONCAP IV	Original investment	72
Management fees, partnership expenses and other	Various	Various	29
Contributions by Limited Partners – December 31, 2017			$ 560

(i) Contributions received were used to repay borrowings under the ONCAP IV credit facility, as described in note 6(b).

(ii) Includes amounts from certain limited partners and others.

c) The following tables show distributions made to limited partners of the Onex Partners and ONCAP Funds for the six months ended June 30, 2018 and 2017 and the year ended December 31, 2017.

Company	Fund	Transaction	Distribution
Mavis Discount Tire[i]	ONCAP III	Sale of business	**$ 311**
Emerald Expositions	Onex Partners III	Secondary offering and dividend	**85**
Parkdean Resorts[i]	Onex Partners IV	Repayment of loan note	**52**
PURE Canadian Gaming	ONCAP II & III	Distribution	**20**
Pinnacle Renewable Energy	ONCAP II	Repayment of shareholder subordinated debt	**8**
Other	Various	Various	**17**
Distributions to Limited Partners – June 30, 2018			**$ 493**

(i) Includes amounts distributed to certain limited partners and others.

Company	Fund	Transaction	Distribution
USI[i]	Onex Partners III	Sale of business	$ 1,198
JELD-WEN[i]	Onex Partners III	Initial and secondary public offerings	393
Emerald Expositions	Onex Partners III	Initial public offering	83
Jack's	Onex Partners IV	Distribution	58
Hopkins	ONCAP III	Distribution	41
Tecta[ii]	ONCAP III	Syndication	24
BBAM	Onex Partners III	Distribution	20
PURE Canadian Gaming	ONCAP II & III	Distribution	6
AIT	Onex Partners IV	Distribution	1
Other	Various	Various	1
Distributions to Limited Partners – June 30, 2017			$ 1,825
JELD-WEN[i]	Onex Partners III	Secondary offering	298
BBAM	Onex Partners III	Distribution and partial sale of business	89
Emerald Expositions	Onex Partners III	Dividends	9
Bradshaw	ONCAP III	Distribution	34
Genesis Healthcare	Onex Partners I	Sale of shares	13
Other	Various	Various	7
Distributions to Limited Partners – December 31, 2017			$ 2,275

(i) Includes amounts distributed to certain limited partners and others.

(ii) Represents contributions returned to the limited partners of ONCAP III from the syndication of a portion of the Tecta investment to ONCAP IV in 2016.

d) During 2017, Onex, the parent company, acquired an interest in Onex Partners IV from a limited partner.

e) At June 30, 2018, the current portion of the Limited Partners' Interests was $56, and consisted primarily of the limited partners' share of the proceeds from Pinnacle Renewable Energy's June 2018 secondary offering and distributions received from BBAM.

At December 31, 2017, the current portion of the Limited Partners' Interests was $59, and consisted primarily of (i) the distribution received from PURE Canadian Gaming; (ii) residual escrow balances from the sale of certain investments; and (iii) redemptions received by certain Onex Credit Funds.

8. SHARE CAPITAL

a) At June 30, 2018, the issued and outstanding share capital consisted of 100,000 Multiple Voting Shares (December 31, 2017 – 100,000) and 100,781,489 SVS (December 31, 2017 – 101,532,181). The Multiple Voting Shares have a nominal paid-in value in these unaudited interim consolidated financial statements.

There were no issued and outstanding Senior and Junior Preferred shares at June 30, 2018 or December 31, 2017.

The Company increased its quarterly dividend by 17% to C$0.0875 per SVS beginning with the dividend declared by the Board of Directors in May 2018.

b) During the first six months of 2018, under the Dividend Reinvestment Plan, the Company issued 3,636 SVS (2017 – 3,813) at an average cost of C$91.66 per share (2017 – C$92.48). In the first six months of 2018 and 2017, no SVS were issued upon the exercise of stock options.

Onex renewed its Normal Course Issuer Bid in April 2018 for one year, permitting the Company to purchase on the Toronto Stock Exchange up to 10% of the public float of its SVS. The 10% limit represents approximately 8.3 million shares.

During the first six months of 2018, the Company repurchased and cancelled 754,328 of its SVS at a cost of $54 (C$69). The excess of the purchase cost of these shares over the average paid-in amount was $52 (C$66), which was charged to retained earnings. The shares repurchased were comprised of: (i) 254,328 SVS repurchased under the Normal Course Issuer Bids for a total cost of $18 (C$23) or an average cost per share of $71.60 (C$89.34); and (ii) 500,000 SVS repurchased in a private transaction for a total cost of $36 (C$47) or an average cost per share of $72.23 (C$93.00).

During the first six months of 2017, the Company repurchased and cancelled 818,048 of its SVS at a cost of $58 (C$78). The excess of the purchase cost of these shares over the average paid-in amount was $56 (C$74), which was charged to retained earnings. The shares repurchased were comprised of: (i) 68,048 SVS repurchased under the Normal Course Issuer Bids for a total cost of $5 (C$7) or an average cost per share of $71.03 (C$94.87); and (ii) 750,000 SVS repurchased in a private transaction for a total cost of $53 (C$71) or an average cost per share of $71.24 (C$94.98).

c) During the first six months of 2018, the total cash consideration paid on 226,400 options (2017 – 430,407) surrendered was $12 (C$16) (2017 – $21 (C$28)). This amount represents the difference between the market value of the SVS at the time of surrender and the exercise price, both as determined under Onex' Stock Option plan, as described in note 20(e) to the 2017 audited annual consolidated financial statements.

During the first six months of 2018, the Company issued 1,067,250 options to acquire SVS with a weighted average exercise price of C$92.15 per share. The options vest at a rate of 20% per year from the date of grant.

In addition, 32,400 options (2017 – 114,500) expired during the first six months of 2018. At June 30, 2018, the Company had 13,186,892 options (December 31, 2017 – 12,378,442) outstanding to acquire SVS, of which 7,123,192 options were vested and exercisable. The exercisable options at June 30, 2018 had a weighted average exercise price of C$50.59.

d) During the second quarter of 2018, an annual grant of 26,931 DSUs (2017 – 27,720) was issued to the Directors. During the first six months of 2018 and 2017, no DSUs were redeemed. At June 30, 2018, 736,847 Director DSUs were outstanding (December 31, 2017 – 704,036).

Certain members of Onex management have chosen in prior years to apply a portion of their annual compensation earned to acquire DSUs based on the market value of Onex shares at the time. In early 2018, 74,646 DSUs (2017 – 28,670) were issued to certain members of Onex management in lieu of a portion of cash compensation for the prior fiscal year. At June 30, 2018, 741,722 Management DSUs were outstanding (December 31, 2017 – 665,921).

The Company has entered into forward agreements with a counterparty financial institution to hedge the Company's exposure to changes in the market value of Onex' SVS associated with 79% of the outstanding Director DSUs and all of the outstanding Management DSUs, as described in note 1 to the 2017 audited annual consolidated financial statements.

9. REVENUE

The Company derives revenue primarily from the transfer of goods and services and has recognized the following amounts of revenue in the statement of earnings:

Three months ended June 30, 2018	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other	Consolidated Total
Type of revenue										
Revenue from product sales	$ 1,637	$ 320	$ 29	$ –	$ 586	$ 52	$ 605	$ –	$ 747	$ 3,976
Revenue from the provision of services	59	95	420	197	60	351	15	1	579	1,777
Revenue from bundled product sales and services	–	–	–	–	–	–	501	–	141	642
Leasing revenue	–	–	–	–	22	–	1	–	22	45
Royalties	–	–	–	–	8	–	–	–	–	8
Total revenues	$ 1,696	$ 415	$ 449	$ 197	$ 676	$ 403	$ 1,122	$ 1	$ 1,489	$ 6,448
Timing of revenue recognition										
Revenue recognized at a point in time	$ 77	$ 415	$ 449	$ –	$ 615	$ 174	$ 1,121	$ –	$ 694	$ 3,545
Revenue recognized over time	1,619	–	–	197	61	229	1	1	795	2,903
Total revenues	$ 1,696	$ 415	$ 449	$ 197	$ 676	$ 403	$ 1,122	$ 1	$ 1,489	$ 6,448

Three months ended June 30, 2017	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other	Consolidated Total
Type of revenue										
Revenue from product sales	$ 1,510	$ 394	$ 27	$ –	$ 511	$ 5	$ 631	$ –	$ 742	$ 3,820
Revenue from the provision of services	47	110	419	191	41	294	15	1	552	1,670
Revenue from bundled product sales and services	–	–	–	–	–	–	549	–	123	672
Leasing revenue	–	–	–	–	18	–	1	–	17	36
Royalties	–	–	–	–	1	–	–	–	–	1
Total revenues	$ 1,557	$ 504	$ 446	$ 191	$ 571	$ 299	$ 1,196	$ 1	$ 1,434	$ 6,199
Timing of revenue recognition										
Revenue recognized at a point in time	$ 68	$ 504	$ 446	$ –	$ 524	$ 121	$ 1,195	$ –	$ 732	$ 3,590
Revenue recognized over time	1,489	–	–	191	47	178	1	1	702	2,609
Total revenues	$ 1,557	$ 504	$ 446	$ 191	$ 571	$ 299	$ 1,196	$ 1	$ 1,434	$ 6,199

Six months ended June 30, 2018	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other	Consolidated Total
Type of revenue										
Revenue from product sales	**$ 3,084**	**$ 607**	**$ 56**	**$ –**	**$ 1,112**	**$ 89**	**$ 1,207**	**$ –**	**$ 1,441**	**$ 7,596**
Revenue from the provision of services	**111**	**185**	**824**	**396**	**115**	**744**	**30**	**2**	**1,084**	**3,491**
Revenue from bundled product sales and services	**–**	**–**	**–**	**–**	**–**	**–**	**1,023**	**–**	**256**	**1,279**
Leasing revenue	**–**	**–**	**–**	**1**	**42**	**–**	**1**	**–**	**45**	**89**
Royalties	**–**	**–**	**–**	**–**	**14**	**–**	**–**	**–**	**1**	**15**
Total revenues	**$ 3,195**	**$ 792**	**$ 880**	**$ 397**	**$ 1,283**	**$ 833**	**$ 2,261**	**$ 2**	**$ 2,827**	**$ 12,470**
Timing of revenue recognition										
Revenue recognized at a point in time	**$ 152**	**$ 792**	**$ 880**	**$ –**	**$ 1,166**	**$ 391**	**$ 2,260**	**$ –**	**$ 1,362**	**$ 7,003**
Revenue recognized over time	**3,043**	**–**	**–**	**397**	**117**	**442**	**1**	**2**	**1,465**	**5,467**
Total revenues	**$ 3,195**	**$ 792**	**$ 880**	**$ 397**	**$ 1,283**	**$ 833**	**$ 2,261**	**$ 2**	**$ 2,827**	**$ 12,470**

Six months ended June 30, 2017	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other	Consolidated Total
Type of revenue										
Revenue from product sales	$ 2,943	$ 710	$ 51	$ –	$ 953	$ 10	$ 1,224	$ –	$ 1,351	$ 7,242
Revenue from the provision of services	96	215	832	378	81	634	30	2	1,025	3,293
Revenue from bundled product sales and services	–	–	–	–	–	–	1,061	–	219	1,280
Leasing revenue	–	–	–	1	37	–	1	–	34	73
Royalties	–	–	–	–	1	–	–	–	1	2
Total revenues	$ 3,039	$ 925	$ 883	$ 379	$ 1,072	$ 644	$ 2,316	$ 2	$ 2,630	$ 11,890
Timing of revenue recognition										
Revenue recognized at a point in time	$ 141	$ 925	$ 883	$ –	$ 979	$ 300	$ 2,315	$ –	$ 1,350	$ 6,893
Revenue recognized over time	2,898	–	–	379	93	344	1	2	1,280	4,997
Total revenues	$ 3,039	$ 925	$ 883	$ 379	$ 1,072	$ 644	$ 2,316	$ 2	$ 2,630	$ 11,890

10. OTHER GAIN

In February 2018, Pinnacle Renewable Energy completed an initial public offering, resulting in a gain of $82 being recognized by the Company, as described in note 2(c).

11. OTHER EXPENSE

	Three months ended June 30		Six months ended June 30	
	2018	2017	**2018**	2017
Transition, integration and other[a]	**$ 42**	$ 44	**$ 84**	$ 82
Foreign exchange losses (gains), net[b]	**10**	(23)	**33**	(43)
Restructuring[c]	**11**	12	**25**	60
Transaction costs[d]	**14**	11	**24**	36
Carried interest charge due to Onex and ONCAP management[e]	**15**	26	**21**	83
Derivatives losses, net[f]	**2**	25	**9**	33
Losses (gains) on investments and long-term debt in credit strategies, net[g]	**23**	36	**(3)**	67
Change in fair value of other investments, net	**(2)**	12	**(3)**	34
Change in fair value of contingent consideration, net	**(1)**	(2)	**(6)**	(18)
Impairment of goodwill, intangible assets and long-lived assets	**–**	8	**–**	29
Other	**(16)**	–	**(47)**	(4)
Total other expense	**$ 98**	$ 149	**$ 137**	$ 359

a) Transition, integration and other expenses typically provide for the costs of establishing and transitioning from a prior parent company the activities of an operating company upon acquisition and to integrate new acquisitions at the operating companies. In addition, expenses may relate to the disposition and transition of business units at the operating companies. The costs may be incurred over several years as the establishment and transition of activities progress.

Transition, integration and other expenses for the first six months of 2018 were primarily due to Clarivate Analytics, Carestream Health and Survitec. Transition, integration and other expenses for the first six months of 2017 were primarily due to Clarivate Analytics and Carestream Health.

b) For the six months ended June 30, 2018, foreign exchange losses were primarily due to losses recognized by SIG and WireCo, as well as the recognition of accumulated currency translation adjustments related to Pinnacle Renewable Energy. Foreign exchange gains for the six months ended June 30, 2017 were primarily due to gains recognized by SIG.

c) Restructuring expenses typically provide for the costs of facility consolidations and workforce reductions incurred at the operating companies.

The operating companies with restructuring activities at December 31, 2017 continue to implement their restructuring activities. During the first six months of 2018, restructuring expenses were primarily due to Celestica and Save-A-Lot. Restructuring expenses for the first six months of 2017 were primarily due to Save-A-Lot, related to the closure of facilities and associated lease abandonment costs.

The closing balance of restructuring provisions, including amounts from acquisitions, consisted of the following at:

	June 30, 2018	December 31, 2017	January 1, 2017
Employee termination costs	**$ 29**	$ 51	$ 40
Lease and other contractual obligations	**10**	15	7
Facility exit costs and other	**7**	4	3
	$ 46	$ 70	$ 50

d) Transaction costs are incurred by Onex and its operating companies to complete business acquisitions, and typically include advisory, legal and other professional and consulting costs. Transaction costs for the six months ended June 30, 2018 were primarily due to the acquisition of SMG, in addition to acquisitions completed by the operating companies. Transaction costs for the six months ended June 30, 2017 were primarily due to the acquisition of Parkdean Resorts, in addition to acquisitions completed by the operating companies.

e) Carried interest charge reflects the change in the amount of carried interest due to Onex and ONCAP management through the Onex Partners and ONCAP Funds. Unrealized carried interest is calculated based on the current fair values of the Funds' investments and the overall unrealized gains in each respective Fund in accordance with the limited partnership agreements. The unrealized carried interest liability is recorded primarily in other non-current liabilities and reduces the Limited Partners' Interests, as described in note 7. The liability will ultimately be settled upon the realization of the underlying investments in each respective Onex Partners and ONCAP Fund.

During the six months ended June 30, 2018, a charge of $21 (2017 – $83) was recorded in the 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.

f) Derivatives losses primarily related to embedded derivatives associated with debt agreements and foreign exchange hedges.

g) Net gains of $3 on investments and long-term debt in credit strategies during the first six months of 2018 (2017 – losses of $67) were driven by net realized and unrealized gains and losses on the investments and long-term debt recognized at fair value through earnings in credit strategies.

12. NET LOSS PER SUBORDINATE VOTING SHARE

The weighted average number of SVS for the purpose of the loss per share calculations was as follows:

	Three months ended June 30		Six months ended June 30	
	2018	2017	**2018**	2017
Weighted average number of shares outstanding *(in millions)*:				
Basic	**101**	102	**101**	102
Diluted	**101**	102	**101**	102

13. FINANCIAL INSTRUMENTS

Financial assets held by the Company, presented by financial statement line item, were as follows:

	Fair Value through Net Earnings		Fair Value through Other Comprehensive Income	Amortized Cost	Total
	Recognized	Designated			
June 30, 2018					
Assets as per balance sheet					
Cash and cash equivalents	$ 2,728	$ –	$ –	$ –	$ 2,728
Short-term investments	137	–	9	–	146
Accounts receivable	23	–	–	3,203	3,226
Other current assets	148	–	1	414	563
Long-term investments	11,649	694	78	12	12,433
Other non-current assets	174	–	7	121	302
Total	$ 14,859	$ 694	$ 95	$ 3,750(i)	$ 19,398

(i) The carrying value of financial assets at amortized cost approximates their fair value.

	Fair Value through Net Earnings		Available-for-Sale	Loans and Receivables	Derivatives Used for Hedging	Total
	Recognized	Designated				
December 31, 2017						
Assets as per balance sheet						
Cash and cash equivalents	$ –	$ 3,376	$ –	$ –	$ –	$ 3,376
Short-term investments	247	–	11	–	–	258
Accounts receivable	–	–	–	3,320	–	3,320
Other current assets	2	150	–	430	31	613
Long-term investments	4,039	7,516	77	10	92	11,734
Other non-current assets	110	67	–	115	7	299
Total	$ 4,398	$ 11,109	$ 88	$ 3,875(i)	$ 130	$ 19,600

(i) The carrying value of loans and receivables approximates their fair value.

	Fair Value through Net Earnings		Available-for-Sale	Loans and Receivables	Derivatives Used for Hedging	Total
	Recognized	Designated				
January 1, 2017						
Assets as per balance sheet						
Cash and cash equivalents	$ –	$ 2,371	$ –	$ –	$ –	$ 2,371
Short-term investments	147	–	7	–	–	154
Accounts receivable	–	–	–	3,873	–	3,873
Other current assets	9	314	–	514	13	850
Long-term investments	1,979	6,221	71	–	83	8,354
Other non-current assets	94	197	–	94	9	394
Total	$ 2,229	$ 9,103	$ 78	$ 4,481(i)	$ 105	$ 15,996

(i) The carrying value of loans and receivables approximates their fair value.

Financial liabilities held by the Company, presented by financial statement line item, were as follows:

	Fair Value through Net Earnings		Financial Liabilities at Amortized Cost	Total
	Recognized	Designated		
June 30, 2018				
Liabilities as per balance sheet				
Accounts payable and accrued liabilities	**$ –**	**$ –**	**$ 4,440**	**$ 4,440**
Other current liabilities	**32**	**–**	**195**	**227**
Long-term debt[i]	**–**	**8,055**	**15,437**	**23,492**
Obligations under finance leases	**–**	**–**	**371**	**371**
Other non-current liabilities	**343**	**23**	**142**	**508**
Limited Partners' Interests	**–**	**7,971**	**–**	**7,971**
Total	**$ 375**	**$ 16,049**	**$ 20,585**	**$ 37,009**

(i) Long-term debt is presented gross of financing charges.

	Fair Value through Net Earnings		Financial Liabilities at Amortized Cost	Derivatives Used for Hedging	Total
	Recognized	Designated			
December 31, 2017					
Liabilities as per balance sheet					
Accounts payable and accrued liabilities	$ –	$ –	$ 4,331	$ –	$ 4,331
Other current liabilities	11	19	184	10	224
Long-term debt[i]	–	7,575	14,782	–	22,357
Obligations under finance leases	–	–	392	–	392
Other non-current liabilities	386	11	135	14	546
Limited Partners' Interests	–	8,024	–	–	8,024
Total	$ 397	$ 15,629	$ 19,824	$ 24	$ 35,874

(i) Long-term debt is presented gross of financing charges.

	Fair Value through Net Earnings		Financial Liabilities at Amortized Cost	Derivatives Used for Hedging	Total
	Recognized	Designated			
January 1, 2017					
Liabilities as per balance sheet					
Accounts payable and accrued liabilities	$ –	$ –	$ 4,059	$ –	$ 4,059
Other current liabilities	43	21	300	59	423
Long-term debt[i]	–	5,855	17,394	–	23,249
Obligations under finance leases	–	–	77	–	77
Other non-current liabilities	550	30	113	17	710
Limited Partners' Interests	–	8,474	–	–	8,474
Total	$ 593	$ 14,380	$ 21,943	$ 76	$ 36,992

(i) Long-term debt is presented gross of financing charges.

14. FAIR VALUE MEASUREMENTS

Fair values of financial instruments

The estimated fair values of financial instruments as at June 30, 2018 and December 31, 2017 are based on relevant market prices and information available at those dates. The carrying values of accounts receivable, accounts payable and accrued liabilities approximate the fair values of these financial instruments due to the short maturity of these instruments. The fair value of consolidated long-term debt at June 30, 2018 was $23,338 (December 31, 2017 – $22,258) compared to a carrying value of $23,200 (December 31, 2017 – $22,049). The fair value of consolidated long-term debt that is measured at amortized cost is substantially a Level 2 measurement in the fair value hierarchy and is calculated by discounting the expected future cash flows using an observable discount rate for instruments of similar maturity and credit risk. For certain operating companies, an adjustment is made by management for that operating company's own credit risk, resulting in a Level 3 measurement in the fair value hierarchy. The long-term debt issued by the CLOs is recognized at fair value using third-party pricing models without adjustment by the Company and is a Level 3 measurement in the fair value hierarchy. The valuation methodology is based on a projection of the future cash flows expected to be realized from the underlying collateral of the CLOs.

Financial instruments measured at fair value are allocated within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. Transfers between the three levels of the fair value hierarchy are recognized on the date of the event or change in circumstances that caused the transfer. There were no significant transfers between the three levels of the fair value hierarchy during the second quarter of 2018. The three levels of the fair value hierarchy are as follows:

- Quoted prices in active markets for identical assets ("Level 1");
- Significant other observable inputs ("Level 2"); and
- Significant other unobservable inputs ("Level 3").

The allocation of financial assets in the fair value hierarchy, excluding cash and cash equivalents, at June 30, 2018 was as follows:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through net earnings				
Investments in debt	$ –	$ 10,394	$ 25	$ 10,419
Investments in equities	24	61	178	263
Investments in joint ventures and associates	–	1,000	652	1,652
Restricted cash and other	201	275	15	491
Financial assets at fair value through other comprehensive income				
Investments in debt	7	52	–	59
Investments in equities	27	–	–	27
Other	–	9	–	9
Total financial assets at fair value	$ 259	$ 11,791	$ 870	$ 12,920

The allocation of financial assets in the fair value hierarchy, excluding cash and cash equivalents, at December 31, 2017 was as follows:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through net earnings				
Investments in debt	$ –	$ 9,446	$ 16	$ 9,462
Investments in equities	28	55	4	87
Investments in joint ventures and associates	–	1,230	1,022	2,252
Restricted cash and other	216	92	22	330
Available-for-sale financial assets				
Investments in debt	3	57	–	60
Investments in equities	27	–	–	27
Other	–	1	–	1
Total financial assets at fair value	$ 274	$ 10,881	$ 1,064	$ 12,219

The allocation of financial liabilities in the fair value hierarchy at June 30, 2018 was as follows:

	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through net earnings				
Limited Partners' Interests for Onex Partners and ONCAP Funds	$ –	$ –	$ 7,492	$ 7,492
Limited Partners' Interests for credit strategies	–	–	479	479
Unrealized carried interest due to Onex and ONCAP management	–	–	300	300
Long-term debt of credit strategies	–	–	8,055	8,055
Other	9	48	41	98
Total financial liabilities at fair value	$ 9	$ 48	$ 16,367	$ 16,424

The allocation of financial liabilities in the fair value hierarchy at December 31, 2017 was as follows:

	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through net earnings				
Limited Partners' Interests for Onex Partners and ONCAP Funds	$ –	$ –	$ 7,563	$ 7,563
Limited Partners' Interests for credit strategies	–	–	461	461
Unrealized carried interest due to Onex and ONCAP management	–	–	327	327
Long-term debt of credit strategies	–	–	7,575	7,575
Other	23	48	29	100
Total financial liabilities at fair value	$ 23	$ 48	$ 15,955	$ 16,026

Details of financial assets and liabilities measured at fair value with significant unobservable inputs (Level 3), excluding investments in joint ventures and associates recorded at fair value through earnings (note 5) and Limited Partners' Interests designated at fair value (note 7), are as follows:

	Financial Assets at Fair Value through Net Earnings	Long-Term Debt of Credit Strategies at Fair Value through Net Earnings	Other Financial Liabilities at Fair Value through Net Earnings
Balance – January 1, 2017	$ 1	$ 5,855	$ 488
Change in fair value recognized in net earnings	12	97	156
Transfer to (from) Level 3	4	–	(86)
Additions	76	6,357	4
Acquisition of subsidiaries	–	–	5
Settlements	(63)	(4,785)	(200)
Foreign exchange	–	51	1
Other	12	–	(12)
Balance – December 31, 2017	42	7,575	356
Change in fair value recognized in net earnings	(13)	(33)	23
Transfer to Level 3	4	–	1
Additions	185	1,178	–
Acquisition of subsidiaries	–	–	4
Settlements	–	(640)	(51)
Disposition of subsidiaries	–	–	(17)
Foreign exchange	–	(25)	–
Other	–	–	25
Balance – June 30, 2018	$ 218	$ 8,055	$ 341
Unrealized change in fair value of assets and liabilities held at the end of the reporting period	$ (13)	$ (48)	$ 23

Financial assets and liabilities measured at fair value with significant unobservable inputs (Level 3) are recognized in the unaudited interim consolidated statements of earnings in the following line items: (i) interest expense of operating companies and credit strategies; (ii) increase (decrease) in value of investments in joint ventures and associates at fair value, net; (iii) other income (expense); and (iv) Limited Partners' Interests recovery (charge).

The valuation of investments in debt securities measured at fair value with significant other observable inputs (Level 2) is generally determined by obtaining quoted market prices or dealer quotes for identical or similar instruments in inactive markets, or other inputs that are observable or can be corroborated by observable market data.

The valuation of financial assets and liabilities measured at fair value with significant unobservable inputs (Level 3) is determined quarterly utilizing company-specific considerations and available market data of comparable public companies. The valuation of investments in the Onex Partners and ONCAP Funds is reviewed and approved by the General Partner of the respective Fund each quarter. The General Partners of the Onex Partners and ONCAP Funds are indirectly controlled by Onex Corporation.

The fair value measurement of the Limited Partners' Interests for the credit strategies is primarily driven by the underlying fair value of the investments in the credit strategies. The investment strategies of the credit strategies are focused on a variety of event-driven, long/short, long-only, par, stressed and distressed opportunities.

The fair value measurements for investments in joint ventures and associates, Limited Partners' Interests for the Onex Partners and ONCAP Funds and unrealized carried interest are primarily driven by the underlying fair value of the investments in the Onex Partners and ONCAP Funds. A change to reasonably possible alternative estimates and assumptions used in the valuation of non-public investments in the Onex Partners and ONCAP Funds may have a significant impact on the fair values calculated for these financial assets and liabilities. A change in the valuation of the underlying investments may have multiple impacts on Onex' consolidated financial statements and those impacts are dependent on the method of accounting used for that investment, the fund(s) within which that investment is held and the progress of that investment in meeting the MIP exercise hurdles. For example, an increase in the fair value of an investment in an associate would have the following impacts on Onex' consolidated financial statements:

i) an increase in the unrealized value of investments in joint ventures and associates at fair value in the consolidated statements of earnings, with a corresponding increase in long-term investments in the consolidated balance sheets;
ii) a charge would be recorded for the limited partners' share of the fair value increase of the investment in associate on the Limited Partners' Interests line in the consolidated statements of earnings, with a corresponding increase to the Limited Partners' Interests in the consolidated balance sheets;
iii) a change in the calculation of unrealized carried interest in the respective Fund that holds the investment in associate may result in a recovery being recorded in the Limited Partners' Interests line in the consolidated statements of earnings, with a corresponding decrease to the Limited Partners' Interests in the consolidated balance sheets;
iv) a charge may be recorded for the change in unrealized carried interest due to Onex and ONCAP management on the other income (expense) line in the consolidated statements of earnings, with a corresponding increase to other current or non-current liabilities in the consolidated balance sheets; and
v) a change in the fair value of the vested investment rights held under the MIP may result in a charge being recorded on the stock-based compensation line in the consolidated statements of earnings, with a corresponding increase to other current or non-current liabilities in the consolidated balance sheets.

Valuation methodologies may include observations of the trading multiples of public companies considered comparable to the private companies being valued and discounted cash flows. The following table presents the significant unobservable inputs used to value the Company's private securities that impact the valuation of (i) investments in joint ventures and associates; (ii) unrealized carried interest liability due to Onex and ONCAP management; (iii) stock-based compensation liability for the MIP; and (iv) Limited Partners' Interests.

Valuation Technique	Significant Unobservable Inputs	Inputs at June 30, 2018	Inputs at December 31, 2017
Market comparable companies	Adjusted EBITDA multiple	7.7x – 11.8x	7.5x – 11.3x
Discounted cash flow	Weighted average cost of capital	12.1% – 15.5%	10.6% – 15.2%
	Exit multiple	5.3x – 10.5x	6.5x – 12.5x

In addition, at June 30, 2018 and December 31, 2017, the Company has an investment that was valued using market comparable transactions.

Generally, adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization as well as other adjustments. Other adjustments can include non-cash costs of stock-based compensation and retention plans, transition and restructuring expenses including severance payments, the impact of derivative instruments that no longer qualify for hedge accounting, the impacts of purchase accounting and other similar amounts. Adjusted EBITDA is a financial measurement that is not defined under IFRS.

The long-term debt issued by the CLOs is recognized at fair value using third-party pricing models without adjustments by the Company. The valuation methodology is based on a projection of the future cash flows expected to be realized from the underlying collateral of the CLOs.

15. COMMITMENTS AND RELATED PARTY TRANSACTIONS

a) Private share repurchase

In May 2018, Onex repurchased in a private transaction 500,000 of its SVS that were held indirectly by Mr. Gerald W. Schwartz, who is Onex' controlling shareholder. The private transaction was approved by the disinterested directors of the Board of Directors of the Company. The shares were repurchased at a cash cost of $72.23 (C$93.00) per share or a total cost of $36 (C$47), which represents a slight discount to the trading price of Onex shares at that date.

b) PowerSchool

Commitments at June 30, 2018 included the investment in PowerSchool, completed in August 2018, as described in note 2(h).

16. SUBSEQUENT EVENTS

a) Pending acquisition of KidsFoundation

In July 2018, the Onex Partners platform entered into an agreement to acquire KidsFoundation, as described in note 2(g).

b) Investment in PowerSchool

In August 2018, the Onex Partners IV Group acquired an interest in PowerSchool, as described in note 2(h).

c) Acquisition of Precision

In August 2018, the ONCAP IV Group acquired Precision, as described in note 2(i).

17. INFORMATION BY INDUSTRY SEGMENT

In January 2018, the Onex Partners IV Group completed the acquisition of SMG, as described in note 2(a). The results of SMG have been presented in the business and information services industry segment.

2018 Industry Segments

(Unaudited) *(in millions of U.S. dollars)* Three months ended June 30, 2018	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other[a]	Consolidated Total
Revenues	$ 1,696	$ 415	$ 449	$ 197	$ 676	$ 403	$ 1,122	$ 1	$ 1,489	$ 6,448
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(1,571)	(242)	(336)	–	(441)	(197)	(949)	–	(1,023)	(4,759)
Operating expenses	(56)	(106)	(81)	(177)	(82)	(105)	(150)	(12)	(311)	(1,080)
Interest income	1	1	–	–	2	–	–	120	7	131
Amortization of property, plant and equipment	(18)	(16)	(7)	(2)	(57)	(4)	(22)	–	(42)	(168)
Amortization of intangible assets and deferred charges	(4)	(7)	(4)	(11)	(41)	(80)	(5)	(2)	(37)	(191)
Interest expense of operating companies and credit strategies	(5)	(24)	(7)	(18)	(59)	(51)	(21)	(78)	(77)	(340)
Decrease in value of investments in joint ventures and associates at fair value, net	–	–	–	–	–	–	–	–	(70)	(70)
Stock-based compensation expense	(8)	(1)	(1)	(1)	–	(5)	(2)	–	(38)	(56)
Other income (expense)	(14)	8	(1)	1	(13)	(32)	–	(23)	(24)	(98)
Limited Partners' Interests charge	–	–	–	–	–	–	–	(8)	(49)	(57)
Earnings (loss) before income taxes	21	28	12	(11)	(15)	(71)	(27)	(2)	(175)	(240)
Recovery of (provision for) income taxes	(5)	(3)	(2)	(2)	(8)	(3)	10	–	(9)	(22)
Net earnings (loss)	$ 16	$ 25	$ 10	$ (13)	$ (23)	$ (74)	$ (17)	$ (2)	$ (184)	$ (262)
Net earnings (loss) attributable to:										
Equity holders of Onex Corporation	$ 2	$ 23	$ 9	$ (11)	$ (23)	$ (55)	$ (18)	$ (2)	$ (178)	$ (253)
Non-controlling interests	14	2	1	(2)	–	(19)	1	–	(6)	(9)
Net earnings (loss)	$ 16	$ 25	$ 10	$ (13)	$ (23)	$ (74)	$ (17)	$ (2)	$ (184)	$ (262)

(a) Includes Flushing Town Center, Meridian Aviation, Parkdean Resorts, Survitec, Schumacher, WireCo, the operating companies of ONCAP II, III and IV (excluding IntraPac) and the parent company. Investments in joint ventures and associates recorded at fair value include AIT, BBAM, Incline Aviation Fund, JELD-WEN, Pinnacle Renewable Energy and Venanpri Group.

2017 Industry Segments

(Unaudited) *(in millions of U.S. dollars)* Three months ended June 30, 2017	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other[a]	Consolidated Total
Revenues	$ 1,557	$ 504	$ 446	$ 191	$ 571	$ 299	$ 1,196	$ 1	$ 1,434	$ 6,199
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(1,430)	(288)	(338)	–	(370)	(125)	(1,003)	–	(1,003)	(4,557)
Operating expenses	(54)	(131)	(79)	(167)	(74)	(96)	(139)	(16)	(297)	(1,053)
Interest income	1	–	–	–	2	–	–	83	3	89
Amortization of property, plant and equipment	(17)	(15)	(8)	(2)	(49)	(2)	(26)	–	(43)	(162)
Amortization of intangible assets and deferred charges	(3)	(11)	(3)	(11)	(37)	(64)	(5)	(2)	(31)	(167)
Interest expense of operating companies and credit strategies	(3)	(39)	(5)	(18)	(50)	(50)	(20)	(51)	(68)	(304)
Increase in value of investments in joint ventures and associates at fair value, net	–	–	–	–	–	–	–	–	95	95
Stock-based compensation expense	(6)	(2)	(1)	–	–	(7)	(1)	–	(99)	(116)
Other income (expense)	(7)	(8)	(1)	(2)	2	(45)	(17)	(36)	(35)	(149)
Limited Partners' Interests charge	–	–	–	–	–	–	–	(3)	(354)	(357)
Earnings (loss) before income taxes and discontinued operations	38	10	11	(9)	(5)	(90)	(15)	(24)	(398)	(482)
Recovery of (provision for) income taxes	(4)	(10)	(4)	3	(3)	–	7	–	(13)	(24)
Earnings (loss) from continuing operations	34	–	7	(6)	(8)	(90)	(8)	(24)	(411)	(506)
Earnings from discontinued operations[b]	–	–	–	–	–	–	–	–	3,174	3,174
Net earnings (loss)	$ 34	$ –	$ 7	$ (6)	$ (8)	$ (90)	$ (8)	$ (24)	$ 2,763	$ 2,668
Net earnings (loss) attributable to:										
Equity holders of Onex Corporation	$ 4	$ –	$ 7	$ (6)	$ (8)	$ (71)	$ (8)	$ (24)	$ 2,818	$ 2,712
Non-controlling interests	30	–	–	–	–	(19)	–	–	(55)	(44)
Net earnings (loss)	$ 34	$ –	$ 7	$ (6)	$ (8)	$ (90)	$ (8)	$ (24)	$ 2,763	$ 2,668

(a) Includes Flushing Town Center, Meridian Aviation, Parkdean Resorts, Survitec, Schumacher, WireCo, the operating companies of ONCAP II, III and IV and the parent company. Investments in joint ventures and associates recorded at fair value include AIT, BBAM, Incline Aviation Fund, JELD-WEN (since May 2017), Mavis Discount Tire and Venanpri Group.

(b) Represents the after-tax results of JELD-WEN and USI.

2018 Industry Segments

(Unaudited) *(in millions of U.S. dollars)* Six months ended June 30, 2018	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other[a]	Consolidated Total
Revenues	$ 3,195	$ 792	$ 880	$ 397	$ 1,283	$ 833	$ 2,261	$ 2	$ 2,827	$ 12,470
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(2,953)	(462)	(662)	–	(849)	(406)	(1,917)	–	(1,965)	(9,214)
Operating expenses	(108)	(217)	(156)	(353)	(166)	(210)	(306)	(25)	(610)	(2,151)
Interest income	1	2	–	–	2	–	–	226	15	246
Amortization of property, plant and equipment	(37)	(33)	(14)	(4)	(115)	(7)	(44)	–	(85)	(339)
Amortization of intangible assets and deferred charges	(6)	(18)	(8)	(23)	(82)	(157)	(9)	(3)	(75)	(381)
Interest expense of operating companies and credit strategies	(9)	(47)	(13)	(36)	(115)	(96)	(42)	(143)	(150)	(651)
Decrease in value of investments in joint ventures and associates at fair value, net	–	–	–	–	–	–	–	–	(155)	(155)
Stock-based compensation expense	(18)	(4)	(3)	(2)	(1)	(10)	(4)	–	(49)	(91)
Other gain	–	–	–	–	–	–	–	–	82	82
Other income (expense)	(25)	7	(1)	2	(26)	(64)	1	4	(35)	(137)
Limited Partners' Interests charge	–	–	–	–	–	–	–	(17)	(60)	(77)
Earnings (loss) before income taxes	40	20	23	(19)	(69)	(117)	(60)	44	(260)	(398)
Recovery of (provision for) income taxes	(10)	(8)	–	(4)	(6)	(15)	21	–	(6)	(28)
Net earnings (loss)	$ 30	$ 12	$ 23	$ (23)	$ (75)	$ (132)	$ (39)	$ 44	$ (266)	$ (426)
Net earnings (loss) attributable to:										
Equity holders of Onex Corporation	$ 4	$ 12	$ 22	$ (20)	$ (74)	$ (102)	$ (40)	$ 44	$ (257)	$ (411)
Non-controlling interests	26	–	1	(3)	(1)	(30)	1	–	(9)	(15)
Net earnings (loss)	$ 30	$ 12	$ 23	$ (23)	$ (75)	$ (132)	$ (39)	$ 44	$ (266)	$ (426)

(Unaudited) *(in millions of U.S. dollars)* As at June 30, 2018	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other[a]	Consolidated Total
Total assets	$ 3,212	$ 1,227	$ 1,010	$ 1,481	$ 6,589	$ 6,610	$ 2,048	$ 11,042	$ 12,102	$ 45,321
Long-term debt[b]	$ 345	$ 1,135	$ 383	$ 939	$ 3,802	$ 3,083	$ 917	$ 8,602	$ 3,994	$ 23,200

(a) Includes Flushing Town Center, Meridian Aviation, Parkdean Resorts, Survitec, Schumacher, WireCo, the operating companies of ONCAP II, III and IV (excluding IntraPac) and the parent company. Investments in joint ventures and associates recorded at fair value include AIT, BBAM, Incline Aviation Fund, JELD-WEN, Mavis Discount Tire (up to March 2018), Pinnacle Renewable Energy (since February 2018) and Venanpri Group.

(b) Long-term debt includes current portion, excludes finance leases and is net of financing charges.

2017 Industry Segments

(Unaudited) *(in millions of U.S. dollars)* Six months ended June 30, 2017	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other[a]	Consolidated Total
Revenues	$ 3,039	$ 925	$ 883	$ 379	$ 1,072	$ 644	$ 2,316	$ 2	$ 2,630	$ 11,890
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(2,788)	(540)	(669)	–	(699)	(263)	(1,942)	–	(1,872)	(8,773)
Operating expenses	(107)	(265)	(156)	(333)	(150)	(207)	(275)	(25)	(542)	(2,060)
Interest income	1	1	–	–	2	–	–	163	8	175
Amortization of property, plant and equipment	(33)	(31)	(15)	(4)	(97)	(5)	(50)	–	(78)	(313)
Amortization of intangible assets and deferred charges	(5)	(26)	(7)	(22)	(73)	(117)	(9)	(3)	(67)	(329)
Interest expense of operating companies and credit strategies	(6)	(76)	(10)	(36)	(101)	(92)	(38)	(99)	(123)	(581)
Increase in value of investments in joint ventures and associates at fair value, net	–	–	–	–	–	–	–	–	120	120
Stock-based compensation expense	(17)	(3)	–	(1)	(1)	(9)	(2)	–	(145)	(178)
Other income (expense)	(15)	(3)	(3)	(5)	26	(65)	(71)	(67)	(156)	(359)
Limited Partners' Interests charge	–	–	–	–	–	–	–	(13)	(863)	(876)
Earnings (loss) before income taxes and discontinued operations	69	(18)	23	(22)	(21)	(114)	(71)	(42)	(1,088)	(1,284)
Recovery of (provision for) income taxes	(12)	(13)	(8)	7	(1)	(17)	31	–	(13)	(26)
Earnings (loss) from continuing operations	57	(31)	15	(15)	(22)	(131)	(40)	(42)	(1,101)	(1,310)
Earnings from discontinued operations[b]	–	–	–	–	–	–	–	–	3,042	3,042
Net earnings (loss)	$ 57	$ (31)	$ 15	$ (15)	$ (22)	$ (131)	$ (40)	$ (42)	$ 1,941	$ 1,732
Net earnings (loss) attributable to:										
Equity holders of Onex Corporation	$ 7	$ (27)	$ 15	$ (14)	$ (22)	$ (93)	$ (40)	$ (42)	$ 2,017	$ 1,801
Non-controlling interests	50	(4)	–	(1)	–	(38)	–	–	(76)	(69)
Net earnings (loss)	$ 57	$ (31)	$ 15	$ (15)	$ (22)	$ (131)	$ (40)	$ (42)	$ 1,941	$ 1,732

(Unaudited) *(in millions of U.S. dollars)* As at December 31, 2017	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other[a]	Consolidated Total
Total assets	$ 2,964	$ 1,321	$ 971	$ 1,524	$ 6,808	$ 5,656	$ 2,094	$ 10,048	$ 13,310	$ 44,696
Long-term debt[c]	$ 187	$ 1,132	$ 379	$ 939	$ 3,770	$ 2,566	$ 943	$ 7,877	$ 4,256	$ 22,049

(a) Includes Flushing Town Center, Meridian Aviation, Parkdean Resorts (since March 2017), Survitec, Schumacher, WireCo, the operating companies of ONCAP II, III and IV and the parent company. Investments in joint ventures and associates recorded at fair value include AIT, BBAM, Incline Aviation Fund, JELD-WEN (since May 2017), Mavis Discount Tire and Venanpri Group.

(b) Represents the after-tax results of JELD-WEN and USI.

(c) Long-term debt includes current portion, excludes finance leases and is net of financing charges.