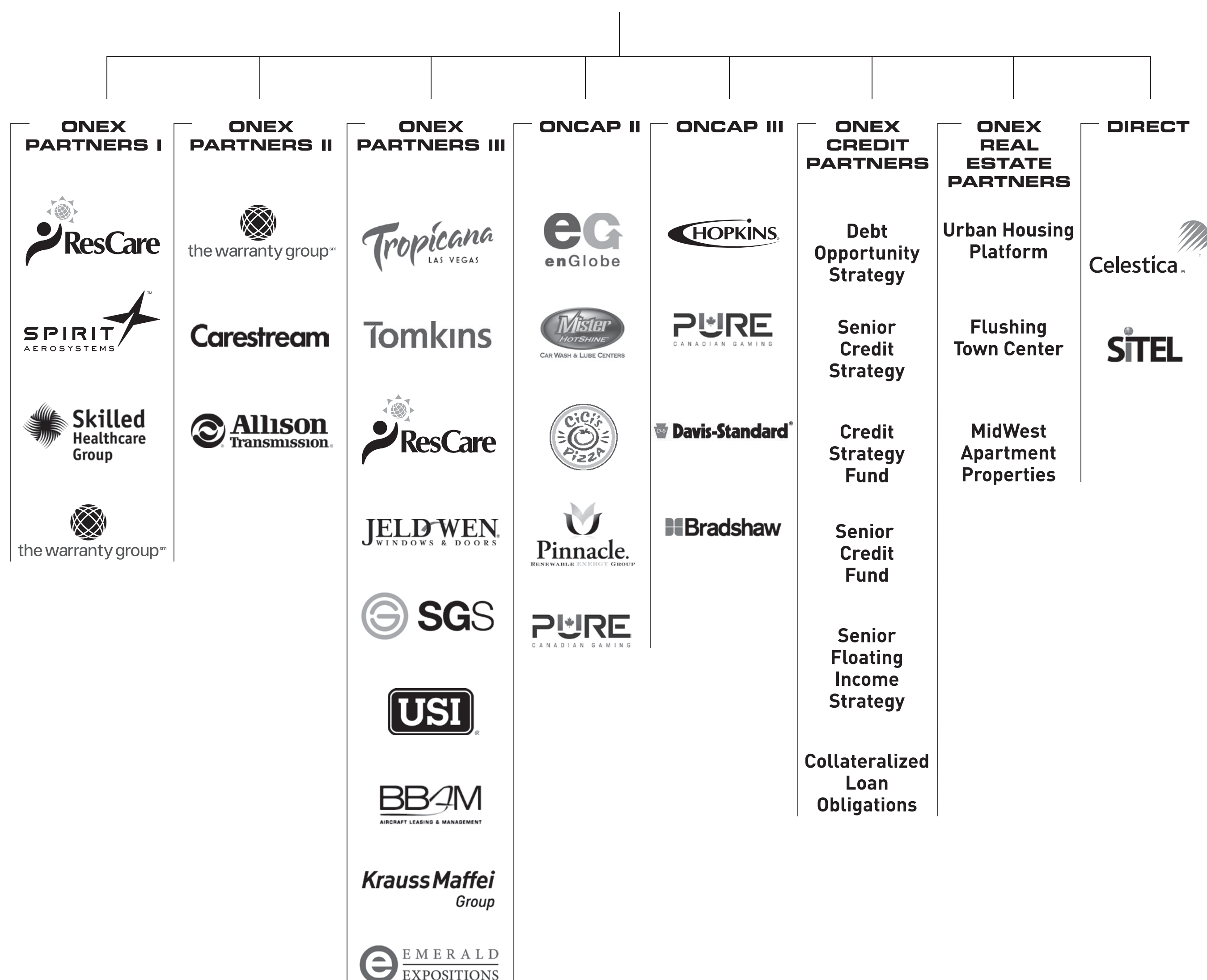
Management’s Discussion and Analysis and Financial Statements

December 31, 2013

ONEX AND ITS OPERATING BUSINESSES

Onex is a public company whose shares trade on the Toronto Stock Exchange under the symbol OCX. Onex' businesses have assets of $44 billion, generate annual revenues of $33 billion and employ approximately 232,000 people worldwide. Onex operates from offices located in Toronto, New York and London.



The investment in The Warranty Group is split almost equally between Onex Partners I and II.
The investment in ResCare is split almost equally between Onex Partners I and III.
The investment in PURE Canadian Gaming, previously named Casino ABS, is split approximately 80%/20% between ONCAP II and III, respectively.

Throughout this report, all amounts are in U.S. dollars unless otherwise indicated.

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CHAIRMAN'S LETTER

Dear Shareholders,

Onex will celebrate its 30th anniversary this year. When founded in 1984, we had a staff of three, $50 million from a small group of investors and a simple strategy to find fundamentally good businesses to own, improve and build. In those early days, Onex' success hinged on the performance of just a small handful of businesses. Today, we span the globe with sales of $33 billion and 232,000 employees. Through stock buy-backs and dividends we've returned far more than has been invested by both private and public investors, yet our capital base today is $5.8 billion. We also have the good fortune to be managing another $13.5 billion on behalf of limited partners from around the world through Onex Partners, ONCAP and Onex Credit Partners.

Since 1984 we've seen three wars, three major financial crises, an unimaginable downfall of the North American auto industry, the rise of China as an economic powerhouse – we could go on and on. We've survived it all and prospered by sticking to our original strategy and by working hard to maintain the entrepreneurial spirit that defines Onex. Being an entrepreneur means parting with something of known value in exchange for the risks and rewards of something of unknown value. At Onex, we don't just say it, we do it. Every time we invest capital on your behalf and on behalf of our Limited Partners, the investment professionals of Onex and executives of the businesses we own invest as well. This alignment is elemental to preserving capital, generating superior returns for everyone and building future generations of entrepreneurs for Onex.

We had a good year in 2013. With strong credit and equity markets, Onex and our Limited Partners received $2.9 billion from realizations and distributions. Our continuing challenge is finding more great businesses to own and to grow while maintaining discipline around the prices we pay. Here are some of the highlights from the year:

- Onex Partners invested $350 million to acquire Emerald Expositions, a leading operator of large business-to-business tradeshows in the United States;
- Total distributions relating to Onex Partners investments were $2.2 billion, included distributions received from Carestream Health as a result of its refinancing, Allison Transmission's secondary offerings, and the sales of RSI Home Products and TMS International;
- ONCAP sold BSN SPORTS and Caliber Collision Centers for total proceeds of $660 million, generating multiples of capital of approximately 4.3 times and 7.5 times, respectively;
- Including realizations and distributions, the value of Onex' interest in Onex Partners' and ONCAP private investments grew by 34 percent;
- Our businesses paid down approximately $1.1 billion of debt;
- Our businesses raised or refinanced approximately $8.9 billion of debt;
- Our businesses made capital expenditures and add-on acquisitions of approximately $1.1 billion;
- Onex Credit Partners continued to grow its collateralized loan obligation pools with two CLO offerings, totalling $1 billion and increasing its capital under management to $3.3 billion by year-end; and
- Onex launched the fundraising for Onex Partners IV, raising a total of $3.1 billion in aggregate commitments toward its $4.5 billion target.

Fortunately, the market recognized Onex value creation in 2013. For the year, our shares were up 37 percent relative to a 30 percent increase for the S&P 500. As we've said before, you should expect a private equity investor like Onex to continue to outperform public markets over the long term.

Looking ahead, we believe Onex is well positioned for continued growth. We have a stable, experienced team; our entrepreneurial culture is engrained throughout the organization; our investments are performing well overall; and we have the financial resources to grow. On behalf of the Onex team and our 232,000 employees worldwide, we thank you for your ongoing support.

[signed]

Gerald W. Schwartz
Chairman & CEO, Onex Corporation

ONEX CORPORATION

More Than 29 Years of Successful Investing

Founded in 1984, Onex is one of the oldest and most successful private equity firms with a long, established track record and a disciplined, active-ownership approach to investing. Onex focuses on creating long-term value by building industry-leading businesses in partnership with outstanding management teams. As an active owner, the Company has built more than 75 businesses, completing approximately 440 acquisitions with a total value of approximately $50 billion. Onex' long-term project returns have generated a gross multiple of capital invested of 3.0 times from its core private equity activities since inception, resulting in a 28 percent gross compound IRR on realized, substantially realized and publicly traded investments. The Company is guided by an ownership culture focused on achieving strong absolute growth, with an emphasis on capital preservation. With an experienced management team, significant financial resources and no debt at the parent company, Onex is well-positioned to continue to acquire and build businesses.

Onex manages its capital as well as capital entrusted to it by other investors from around the world, including public and private pension funds, sovereign wealth funds, banks, insurance companies and others.

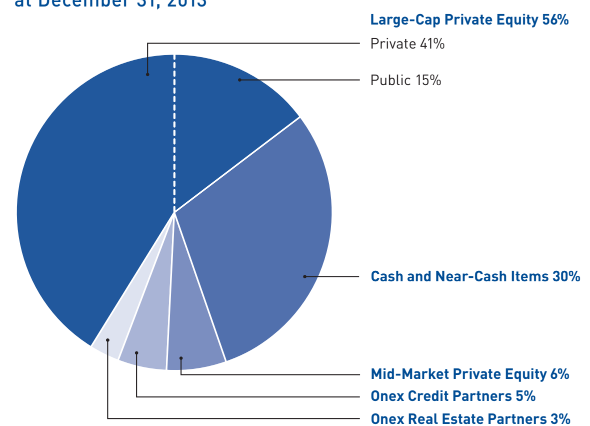
Onex' Capital

Onex manages its $5.8 billion of capital largely through its two private equity platforms: Onex Partners (for larger transactions) and ONCAP (for mid-market transactions). The Company also invests through Onex Credit Partners and Onex Real Estate Partners. Onex' long-term goal is to grow its capital per share by at least 15 percent per annum, and to have that growth reflected in its share price. Over the last 12 months, Onex' capital per share grew by 23 percent in U.S. dollars (31 percent in Canadian dollars) and our share price grew by 37 percent in Canadian dollars.

Other Investors Capital

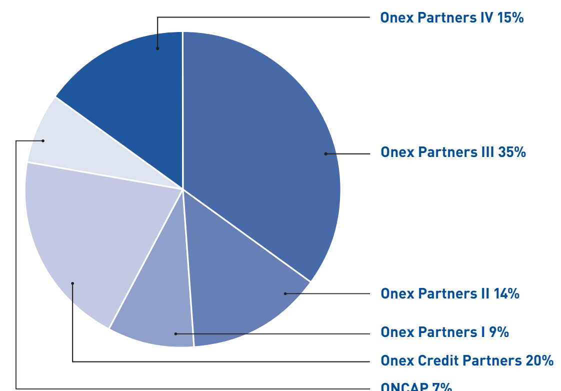
In addition to the management of Onex' capital, Onex is entrusted with capital from institutional investors around the world. The Company manages $13.5 billion of invested and committed capital on behalf of its investors, of which 80 percent relates to its private equity platforms and the balance to Onex Credit Partners. The management of capital from other investors provides two significant benefits to Onex. First, Onex receives a committed stream of annual management fees on $12.0 billion of other investors' assets under management. Second, Onex has the opportunity to share in the profits of its investors through the carried interest participation. Carried interest, if realized, can significantly enhance Onex' investment returns. In 2013, combined management fees and carried interest received offset ongoing operating expenses. Onex' management fees will be further enhanced once fees are called from Onex Partners IV.

How Onex' $5.8 billion of Capital is Deployed at December 31, 2013



The How We Are Invested schedule details Onex' $5.8 billion of capital.

The Components of Onex' $13.5 billion of Other Investors' Assets under Management at December 31, 2013



Assets under management include capital managed on behalf of co-investors and the management of Onex and ONCAP.

HOW WE ARE INVESTED

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

This How We Are Invested schedule details Onex' $5.8 billion of capital and provides private company performance and public company ownership information. This schedule includes values for Onex' investments in controlled companies based upon estimated fair values and as such are non-GAAP measures. This fair value summary is used by investors to compare to fair values they may prepare on Onex. While it provides a snapshot of Onex' assets, this schedule does not fully reflect the value of Onex' asset management business as it includes only an estimate of the unrealized carried interest due to Onex based upon the current values of the investments and allocates no value to the management company income. The presentation of Onex' capital in this manner does not have a standardized meaning prescribed under International Financial Reporting Standards ("IFRS") and is therefore unlikely to be comparable to similar measures presented by other companies. Onex' audited annual consolidated financial statements prepared in accordance with IFRS for the year ended December 31, 2013 are available on Onex' website, www.onex.com, and on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. Reconciliation to information contained in the audited annual consolidated financial statements has not been presented as it is impractical.

Onex Capital

As at December 31	2013	2012
Private Equity		
Onex Partners		
Private Companies[1]	$ 2,026	$ 1,862
Public Companies[2]	627	704
Unrealized Carried Interest on Onex Partners Investments[3]	202	140
ONCAP[4]	337	409
Direct Investments		
Private Companies[5]	153	148
Public Companies[2]	186	145
	3,531	3,408
Onex Real Estate Partners[6]	144	192
Onex Credit Partners[7]	260	171
	404	363
Other Investments	103	97
Cash and Near-Cash[8]	1,741	1,141
Onex Corporation Debt	–	–
	$ 5,779	$ 5,009
Onex Capital per Share (December 31, 2013 – C$54.16; December 31, 2012 – C$41.21)[9] [10]	$ 50.93	$ 41.42

(1) Based on the US$ fair value of the investments in Onex Partners' financial statements net of the estimated Management Investment Plan ("MIP") liability on these investments of $64 million (2012 – $39 million). RSI, which was sold in February 2013, was included in private companies of Onex Partners at December 31, 2012.

(2) Based on the closing market values and net of the estimated MIP liability on these investments. TMS International, which was sold in October 2013, was included in public companies of Onex Partners at December 31, 2012.

(3) Represents Onex' share of the unrealized carried interest on public and private companies in the Onex Partners Funds.

(4) Based on the C$ fair value of the investments in ONCAP's financial statements net of management incentive programs on these investments of $17 million (2012 – $25 million) and a US$/C$ exchange rate of 1.0636 (2012 – 0.9949). BSN SPORTS, which was sold in June 2013, and Caliber Collision, which was sold in November 2013, were included in ONCAP at December 31, 2012.

(5) Based on the fair value.

(6) Based on the fair value of Onex Real Estate Partners' investments.

(7) Based on the market values of investments in Onex Credit Partners' Funds and Onex Credit Partners Collateralized Loan Obligations, including the warehouse facility for OCP CLO-5. Excludes $343 million (2012 – $328 million) invested in a segregated Onex Credit Partners' unleveraged senior secured loan strategy fund, which is included with cash and near-cash items.

(8) Includes $343 million (2012 – $328 million) invested in a segregated Onex Credit Partners' unleveraged senior secured loan strategy fund.

(9) Calculated on a fully diluted basis. Fully diluted shares were approximately 115.9 million at December 31, 2013 (December 31, 2012 – 126.1 million). Fully diluted shares include (i) all outstanding Subordinate Voting Shares; and (ii) outstanding Stock Options that have met the minimum 25% price appreciation threshold.

(10) The change in Onex Capital per Share during the year is driven primarily by fair value changes of Onex' investments. Share repurchases and options exercised during the year will have an impact on the calculation of Onex Capital per Share. The impact on Onex Capital per Share will be to the extent that the price for share repurchases and option exercises is above or below the Onex Capital per Share.

Public and Private Company Information

Public Companies

As at December 31, 2013	Shares Subject to Carried Interest (millions)	Shares Held by Onex (millions)	Closing Price per Share[1]	Market Value of Onex' Investment
Onex Partners				
Skilled Healthcare Group[2]	10.7	3.5	$ 4.81	$ 17
Spirit AeroSystems[2]	11.9	6.5	$ 34.08	220
Allison Transmission[2]	22.1	15.5	$ 27.61	427
				664
Estimated Management Investment Plan Liability				(37)
				627
Direct Investments – Celestica	–	17.8[3]	$ 10.40	186
				$ 813

Significant Private Companies

As at December 31, 2013	Onex' and its Limited Partners' Ownership	LTM EBITDA[4]	Net Debt	Cumulative Distributions	Onex' Economic Ownership	Original Cost of Onex' Investment
Onex Partners						
The Warranty Group	91%	$ 114[5]	$ 246[5]	$ 403	29%	$ 154
Carestream Health	92%	436	2,150	1,311	33%[3]	186
Tropicana Las Vegas	82%	(4)	51	–	18%	70
Tomkins	56%	559[6]	1,428	1,180[7]	14%	315
ResCare	98%	141	350	–	20%	41
JELD-WEN	72%[8]	154[9]	654[9]	–	18%[8]	200[10]
SGS International	93%	111[11]	579	–	23%	66
USI	92%	267[11]	1,596	–	26%	170[12]
BBAM[13]	50%	86	(33)[14]	49[15]	13%	61
KraussMaffei	96%	€ 103	€ 226	–	24%	92[16]
Emerald Expositions	99%	93	605	–	24%	85
						1,440
Direct Investments – Sitel Worldwide	70%	$ 130	$ 743	$ –	70%	251
						$ 1,691

(1) Closing prices on December 31, 2013.

(2) Excludes Onex' potential participation in the carried interest and includes shares related to the MIP.

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

(4) EBITDA is a non-GAAP measure and is based on the local GAAP of the individual operating companies. These adjustments may 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.

(5) Amount presented for The Warranty Group is net earnings rather than EBITDA and total debt rather than net debt.

(6) LTM EBITDA excludes EBITDA from businesses divested as of December 31, 2013.

(7) Onex, Onex Partners III, Onex management, certain limited partners and others received distributions of $663 million from Tomkins.

(8) Onex' and its limited partners' investment is in convertible preferred shares. The ownership percentage is presented on an as-converted basis.

(9) LTM EBITDA and net debt are presented for JELD-WEN Holding, inc.

(10) Net of $27 million return of capital on the convertible promissory notes prior to the conversion into additional Series A Convertible Preferred Stock of JELD-WEN in April 2013.

(11) LTM EBITDA for SGS International and USI is presented on a pro-forma basis to reflect the impact of acquired businesses.

(12) Net of $84 million of the amount originally invested in USI sold by Onex to certain limited partners and others as a co-investment in March 2013.

(13) Ownership percentages, LTM EBITDA, net debt and cumulative distributions are presented for BBAM Limited Partnership and do not reflect information for Onex' investments in FLY Leasing Limited (NYSE: FLY) or Meridian Aviation Partners Limited that were made in conjunction with the investment in BBAM. The Original Cost of Onex' Investment includes $5 million invested in FLY Leasing Limited and $14 million invested in Meridian Aviation Partners Limited.

(14) Net debt for BBAM represents unrestricted cash, reduced for accrued compensation liabilities.

(15) Onex, Onex Partners III and Onex management received distributions of $24 million from BBAM.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The Management's Discussion and Analysis ("MD&A") provides a review of Onex Corporation's ("Onex") consolidated financial results for 2013 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the consolidated statements of earnings, consolidated statements of comprehensive earnings, consolidated balance sheets and consolidated statements of cash flows of Onex. As such, this MD&A should be read in conjunction with the audited annual consolidated financial statements and notes thereto included in this report. The MD&A and the audited annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") to provide information about Onex on a consolidated basis and should not be considered as providing sufficient information to make an investment or lending decision in regard to any particular Onex operating business. Onex' MD&A and the audited annual consolidated financial statements are prepared in accordance with IFRS, the results of which may differ from the accounting principles applied by the operating businesses in their statutory financial statements.

The following MD&A is the responsibility of management and is as of February 20, 2014. Preparation of the MD&A includes the review of the disclosures on each business by senior managers of that business and the review of the entire document by each officer of Onex and by the Onex Disclosure Committee. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit and Corporate Governance Committee, comprised exclusively of independent directors. The Audit and Corporate Governance Committee has reviewed and recommended approval of the MD&A by the Board of Directors. The Board of Directors has approved this disclosure.

The MD&A is presented in the following sections:

6 Our Business, Our Objective and Our Strategies
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Onex Corporation's financial filings, including the 2013 MD&A and Financial Statements and interim quarterly reports, Annual Information Form and Management Information Circular, are available on Onex' website, www.onex.com, and on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

References

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

Forward-Looking/Safe Harbour Statements

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

OUR BUSINESS, OUR OBJECTIVE AND OUR STRATEGIES

OUR BUSINESS: Over its 29-year history, Onex has employed an active approach to building industry-leading businesses. Onex manages its own capital and that of investors from around the world, including public and private pension funds, sovereign wealth funds, banks, insurance companies and others. The Company has generated a gross multiple of capital invested of 3.0 times on realized, substantially realized and publicly traded investments.

Active ownership approach

Throughout our history, we have developed a successful approach to private equity investing. We pursue businesses with world-class core capabilities and strong free cash flow characteristics where we have identified an opportunity, in partnership with company management, to effect change and build market leaders. As an active owner, we are focused on execution theses rather than macro-economic or industry trends with the goal of creating long-term value for Onex and our investors. Specifically, we focus on (i) carve-outs of subsidiaries and mission-critical supply divisions from multinational corporations; (ii) cost reductions and operational restructurings; and (iii) platforms for add-on acquisitions.

We have historically been conservative with the use of financial leverage, which has served Onex and its businesses well through many cycles.

We typically acquire a control position in our businesses, which allows us to drive important strategic decisions to accelerate growth and effect change in our operating businesses. Onex does not get involved in the daily operating decisions of the businesses.

Experienced team with significant depth

Onex' team of investment professionals is led by 12 Managing Directors who collectively have more than 205 years of private equity experience and have worked at Onex for an average of 14 years. Onex' stability results from its ownership culture, rigorous recruiting standards and highly collegial environment. The investment team is supported by more than 40 professionals who are dedicated to the taxation, financial control, audit, legal and reporting matters of Onex, its Funds and their operating businesses.

Substantial financial resources available for future growth

Onex is in excellent financial condition with no debt and approximately $1.7 billion of cash and near-cash items at December 31, 2013.

At December 31, 2013, we had $479 million of uncalled committed limited partners' capital for future acquisitions by Onex Partners III and C$387 million for future acquisitions by ONCAP III. To date, Onex has raised approximately $2.5 billion of capital commitments from limited partners for Onex Partners IV. Onex is targeting $3.3 billion in limited partners' capital commitments toward a $4.5 billion fund size, including Onex' $1.2 billion commitment.

Strong alignment of interests

We believe that an important part of our success in building industry-leading businesses and our investment track record are direct results of the strong alignment of interests between Onex' shareholders, our limited partners and the Onex management team. In addition to Onex being the largest limited partner in each Fund, the Company's distinctive ownership culture requires each member of the Onex management team to have a significant ownership in Onex shares and to invest meaningfully in each operating business acquired. Onex' management team:

- is the largest shareholder in Onex, with a combined holding of approximately 23 million shares or 21 percent;
- has a total cash investment in Onex' current operating businesses of approximately $270 million; and
- is required to reinvest 25 percent of all gross carried interest and Management Investment Plan ("MIP") distributions in Onex shares until they individually own at least one million shares and hold these shares until retirement.

OUR OBJECTIVE FOR SHAREHOLDERS: Onex' business objective is to create long-term value for shareholders and to have that value reflected in our share price. Our strategies to deliver this value to shareholders are concentrated on (i) acquiring and building industry-leading businesses; and (ii) managing and growing other investors' capital. We believe that Onex has the investment philosophy, human resources, financial resources, track record and structure to continue to deliver on its objective. The discussion that follows outlines Onex' strategies to achieve its objective and analyzes how we performed against those strategies during 2013.

OUR STRATEGIES:
Acquire and Build High-Quality Businesses

2013 performance

1) Acquiring great businesses

During 2013, Onex further developed its aircraft leasing and management platform. In February 2013, the Onex Partners III Group established Meridian Aviation Partners Limited ("Meridian Aviation"), an aircraft investment company based in Ireland. Aircraft purchased by Meridian Aviation will be leased to commercial airlines and managed by BBAM Limited Partnership ("BBAM"), one of the world's largest managers of commercial jet aircraft and an Onex Partners III Group investment. The Onex Partners III Group initially invested $32 million in Meridian Aviation, of which Onex' share was $8 million. In July 2013, the Onex Partners III Group invested an additional $25 million in Meridian Aviation, of which Onex' share was $6 million. These investments are primarily for deposits, fees and other expenses associated with the purchase of commercial passenger aircraft.

In June 2013, Onex completed the acquisition of Nielsen Expositions from its parent, an affiliate of Nielsen Holdings N.V., for cash consideration of $950 million. The business, now operating as Emerald Expositions, LLC ("Emerald Expositions"), is a leading operator of large business-to-business tradeshows in the United States across nine end markets. The Onex Partners III Group initially invested $350 million, of which Onex' share was $85 million. In January 2014, Emerald Expositions completed the acquisition of George Little Management, LLC ("GLM"), an operator of business-to-business tradeshows in the United States. In conjunction with this acquisition, the Onex Partners III Group invested a further $140 million in Emerald Expositions, of which Onex' share was $34 million.

2) Building our businesses

The strong cash flow characteristics of many of our operating businesses enabled a number of them to complete follow-on acquisitions in 2013 for total consideration of $231 million. ResCare, SGS International, The Warranty Group, USI and a number of ONCAP's companies each completed add-on acquisitions.

Onex conservatively capitalizes its businesses to allow them to grow both organically and through acquisition. By applying prudent leverage, often accepting less debt than is available, Onex believes its operating companies are better equipped to withstand cyclical downturns or unforeseen events. During 2013, a number of our operating businesses took advantage of strong credit markets, collectively raising or refinancing a total of $8.9 billion of debt. During the second quarter of 2013, Carestream Health, Inc. ("Carestream Health") raised approximately $2.4 billion of funded debt, primarily to refinance existing debt and to fund a distribution of $750 million to its shareholders. In addition, our operating businesses collectively paid down debt totalling approximately $1.1 billion during 2013.

In October 2013, the Onex Partners II Group completed the sale of its remaining 23.4 million shares of TMS International Corp. ("TMS International") for $17.50 in cash per share. The Onex Partners II Group received net proceeds of $410 million, of which Onex' share was $172 million, including carried interest of $10 million.

We also had realizations and received distributions from certain operating businesses, including the proceeds from (i) the Onex Partners II Group's sale in February 2013 of its 50 percent interest in RSI Home Products, Inc. ("RSI"); (ii) the ONCAP II Group's June 2013 sale of its investment in BSN SPORTS, Inc. ("BSN SPORTS"); (iii) the Onex Partners II Group's sales of a portion of its shares of Allison Transmission Holdings, Inc. ("Allison Transmission") in the company's 2013 share repurchase and secondary offerings; and (iv) the ONCAP II Group's November 2013 sale of its investment in Caliber Collision Centers ("Caliber Collision"). The table below includes total proceeds received from realizations and cash distributions made by the operating businesses in total to their shareholders and Onex' share thereof:

Company	Fund	Transaction	Total Amount *($ millions)*	Onex' Share[1] *($ millions)*
Allison Transmission	Onex Partners II	Share repurchase, secondary offerings and dividends	$ 613[2]	$ 203
BBAM	Onex Partners III	Distributions	$ 24[3]	$ 6
BSN SPORTS	ONCAP II	Sale of business	$ 227[4]	$ 98
Caliber Collision	ONCAP II	Sale of business	$ 433[4]	$ 173
Carestream Health	Onex Partners II	Dividend/Return of capital	$ 750	$ 303
PURE Canadian Gaming	ONCAP II & III	Debt repayment	$ 14	$ 6
RSI	Onex Partners II	Sale of business	$ 323[2]	$ 130
The Warranty Group	Onex Partners I & II	Dividend/Return of capital	$ 65	$ 20
TMS International	Onex Partners II	Sale of business and dividends	$ 415[2]	$ 174
Total			$ 2,864	$ 1,113

(1) Onex' share includes carried interest received by Onex and is reduced for amounts paid under the MIP and Onex' net payment of carried interest in ONCAP II.

(2) Represents the Onex Partners II Group only.

(3) Represents the Onex Partners III Group only.

(4) Represents the ONCAP II Group only.

Including realizations, distributions and the value growth on the remaining ownership, Onex Partners' and ONCAP's private companies generated returns for Onex of 34 percent during 2013. Including the public companies, the value of all of our operating businesses in the Onex Partners and ONCAP Funds, including realizations, distributions and the value growth on the remaining ownership, increased by 35 percent in 2013.

3) Maintaining substantial financial strength

Onex' financial strength comes from both its own capital, as well as the capital commitments from its limited partners in the Onex Partners and ONCAP Funds. Onex has substantial financial resources available to support its investing strategy. At December 31, 2013, Onex had:

i. Approximately $1.7 billion of cash and near-cash items and no debt.

ii. $479 million of limited partners' uncalled capital available for future Onex Partners III investments and C$387 million available for future ONCAP III investments.

iii. Approximately $1.9 billion of limited partners' committed capital raised for Onex Partners IV, Onex' most recent large-cap private equity Fund. In February 2014, Onex raised approximately $600 million of additional limited partners' committed capital for Onex Partners IV. Onex is targeting to raise $3.3 billion in limited partners' capital commitments, with a target total fund size of $4.5 billion including Onex' $1.2 billion commitment.

Asset Management: Manage and Grow Other Investors' Capital

Onex' management of other investors' capital has grown significantly since Onex first began acquiring businesses in 1984. In its early years, Onex would primarily use its own capital to complete acquisitions and would include other investors in the acquired businesses to diversify risk, cultivate strategic relationships and facilitate larger acquisitions. The 1996 purchase of Celestica was the first acquisition structured with other investors providing a carried interest on their investment to Onex. Onex thus began to share in the profits of its other investors.

Onex formalized its asset management business in 1999 when it raised its first fund, ONCAP I, for mid-market transactions. In 2003, the first Onex Partners Fund was raised for larger transactions. While Onex expects to be the largest investor in each acquisition in order to invest its own capital, the establishment of Onex Partners and ONCAP enabled Onex to efficiently pursue a larger acquisition program. As of December 31, 2013, Onex had raised $9.9 billion of limited partners' capital through the Onex Partners and ONCAP Funds. In addition, Onex Credit Partners manages $2.7 billion of other investors' capital dedicated to debt investment strategies.

At December 31, 2013, Onex managed $13.5 billion of other investors' capital, in addition to $5.8 billion of Onex' capital. Included in the other investors' capital managed by Onex was $1.9 billion of committed capital for Onex Partners IV. In February 2014, Onex raised approximately $600 million of additional limited partners' committed capital for Onex Partners IV. The management of other investors' capital provides two significant benefits to Onex: (i) the Company earns management fees on $12.0 billion of other investors' assets under management; and (ii) Onex has the opportunity to share in the profits of its other investors through the carried interest participation. This enables Onex to enhance the return on its investment. In 2013, combined management fees and carried interest received offset ongoing operating expenses. Onex' management fees will be further enhanced once fees are called from Onex Partners IV.

Other Investors' Capital Under Management[a]							
($ millions)	Total		Change in Total	Fee Generating		Uncalled Commitments	
	2013[b]	2012[b]		2013	2012	2013[b]	2012[b]
Funds							
Onex Partners[c]	$ 9,801	$ 7,135	37 %	$ 8,464	$ 6,087	$ 2,720	$ 1,193
ONCAP	C$ 970	C$ 1,015	(4)%	C$ 837	C$ 872	C$ 389	C$ 405
Onex Credit Partners[d]	$ 2,744	$ 1,826	50 %	$ 2,744	$ 1,826	n/a	n/a

(a) All data is presented at fair value.

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

(c) Includes $1.9 billion of committed capital from closings of Onex Partners IV during the fourth quarter of 2013. In February 2014, Onex raised approximately $600 million of additional limited partners' committed capital for Onex Partners IV.

(d) Onex Credit Partners is jointly controlled by Onex. Capital under management of Onex Credit Partners represents 100 percent of the other investors' capital managed by Onex Credit Partners.

2013 performance

1) Growth in other investors' capital under management

The amount of other investors' capital under management will fluctuate as new Funds are raised and as existing investments are realized. The amount of other investors' capital under management increased by approximately $3.5 billion during 2013 due primarily to:

- The increase in value of certain of the public and private investments held by the Funds. Partially offsetting the increase were realizations and distributions during the year, as previously indicated;
- $1.9 billion of limited partners' committed capital raised for Onex Partners IV during the fourth quarter of 2013 toward a target of $3.3 billion of limited partners' committed capital; and
- An increase of $918 million from Onex Credit Partners' other investors' capital under management during 2013 due primarily to the creation of its third and fourth Collateralized Loan Obligations ("CLO"). Onex invested $24 million in Onex Credit Partners' third CLO ("OCP CLO-3") and $40 million in Onex Credit Partners' fourth CLO ("OCP CLO-4").

In November 2013, Onex Credit Partners established a warehouse facility in connection with its fifth CLO ("OCP CLO-5"). Onex purchased $10 million of subordinated notes to support the warehouse facility during 2013. In February 2014, Onex purchased an additional $30 million of subordinated notes to increase the warehouse facility for OCP CLO-5.

In February 2014, Onex raised approximately $600 million of additional limited partners' committed capital for Onex Partners IV.

2) Predictable and meaningful management fees; substantial carried interest earned

The management of other investors' capital provides Onex with a predictable stream of annual management fees that substantially offsets ongoing operating expenses. In addition, the General Partner's carried interest in the Funds provides Onex with 8 percent of the profits on a substantial portion of the other investors' capital. At December 31, 2013, there was $6.2 billion of invested capital and a further $3.0 billion of uncalled committed capital that if invested would be subject to a carried interest in the Onex Partners and ONCAP Funds. In addition, Onex Credit Partners is entitled to incentive fees on $2.4 billion of the other investors' capital it manages.

- Onex Partners, ONCAP and Onex Credit Partners earned a total of $112 million in management and transaction fees in 2013 (2012 – $108 million). We expect to start drawing management fees for Onex Partners IV sometime in 2014.
- Onex received $75 million of carried interest in 2013 (2012 – $3 million) as a result of (i) the realizations of RSI and TMS International; (ii) the distributions received from Carestream Health; and (iii) the sales of a portion of the shares of Allison Transmission.
- At December 31, 2013, there was approximately $135 million of unrealized carried interest on Onex Partners' public companies, of which Onex' share was $54 million. There was a further $410 million of unrealized carried interest on Onex Partners' and ONCAP's private operating businesses based on the December 31, 2013 fair values, of which Onex' share was $148 million. The actual amount of carried interest realized by Onex will depend on the ultimate performance of each Fund. Including the impact of realized carried interest, Onex generated $137 million of carried interest during 2013.

2013 performance

Private Equity Fund Performance

The table below summarizes the performance of the Onex Partners and ONCAP Funds from inception through December 31, 2013. The gross internal rate of return ("Gross IRR") shows the project returns achieved on the investments in the Funds. The net internal rate of return ("Net IRR") shows the returns earned by limited partners in the Funds after the deduction for carried interest, management fees and expenses. The gross multiple of capital ("Gross MOC") shows the Funds' total value as a multiple of cost basis. Net multiple of capital ("Net MOC") shows the multiple of capital invested for limited partners after the deduction for carried interest, management fees and expenses.

	Performance Returns[1]					
	Gross IRR (excluding unrealized)[2]	Gross IRR (including unrealized)[3]	Net IRR[4]	Gross MOC (excluding unrealized)[2]	Gross MOC (including unrealized)[3]	Net MOC[4]
Funds						
Onex Partners LP	70%	56%	39%	4.0x	3.8x	3.0x
Onex Partners II LP	14%	18%	14%	1.9x	2.3x	1.9x
Onex Partners III LP	–[5]	18%	9%	–[5]	1.4x	1.2x
ONCAP L.P.[6][7]	43%	43%	33%	4.1x	4.1x	3.1x
ONCAP II L.P.[6]	53%	30%	21%	5.6x	3.1x	2.2x
ONCAP III LP[6]	–[5]	24%	11%	–[5]	1.5x	1.2x

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

(2) Gross IRR (excluding unrealized) and Gross MOC (excluding unrealized) include the returns on realized, substantially realized and publicly traded investments.

(3) Gross IRR (including unrealized) and Gross MOC (including unrealized) include the returns on unrealized, realized, substantially realized and publicly traded investments.

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

(5) Onex Partners III LP and ONCAP III LP do not have realized, substantially realized or publicly traded investments.

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

(7) ONCAP L.P. dissolved effective October 31, 2012 as all investments have been realized.

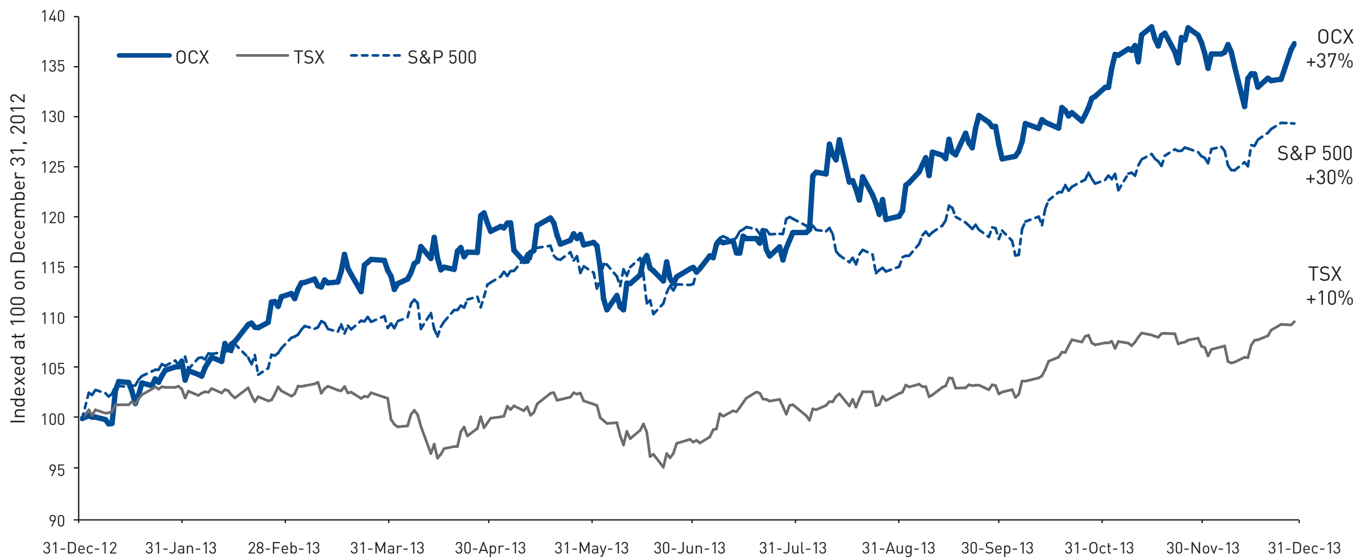
Have Value Creation Reflected in Onex' Share Price

We seek to have the value of our investing and asset management activities reflected in our share price. These efforts are supported by a long-standing quarterly dividend and an active stock buyback program. During 2013, $15 million was returned to shareholders through dividends and Onex repurchased 3,060,400 Subordinate Voting Shares at a total cost of $153 million, or an average purchase price of C$51.81 per share. In May 2013, Onex increased its quarterly dividend by 36 percent to C$0.0375 per Subordinate Voting Share beginning in July 2013. The increase in the dividend reflects Onex' success and ongoing commitment to its shareholders.

At December 31, 2013, Onex' Subordinate Voting Shares closed at C$57.35, a 37 percent increase from December 31, 2012. This compares to a 30 percent increase in the Standard & Poor's 500 Index ("S&P 500") and a 10 percent increase in the S&P/TSX Composite Index ("TSX").

The chart below shows the performance of Onex' Subordinate Voting Shares during 2013 relative to the S&P 500 and TSX.

Twelve Months' Onex Relative Performance (December 31, 2012 to December 31, 2013)



INDUSTRY SEGMENTS

At December 31, 2013, Onex had seven reportable industry segments. A description of our operating businesses by industry segment, and the economic and voting ownerships of Onex, the parent company, and its limited partners in those businesses, is presented below. We manage our businesses and measure performance based on each operating company's individual results.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Electronics Manufacturing Services	**Celestica Inc.** (TSX/NYSE: CLS), a global provider of electronics manufacturing services (website: www.celestica.com). **Onex shares held: 17.8 million[a]**	**10%[a]**	**10%[a]/75%**
Aerostructures	**Spirit AeroSystems, Inc.** (NYSE: SPR), the world's largest independent designer and manufacturer of aerostructures (website: www.spiritaero.com). **Onex shares held: 6.0 million[a]** **Onex Partners I shares subject to a carried interest: 11.9 million**	**16%**	**4%[a]/63%**
Healthcare	**Skilled Healthcare Group, Inc.** (NYSE: SKH), an organization of skilled nursing and assisted living facilities operators in the United States (website: www.skilledhealthcaregroup.com). **Onex shares held: 3.5 million** **Onex Partners I shares subject to a carried interest: 10.7 million**	**39%**	**9%/86%**
	Carestream Health, Inc., a global provider of medical and dental imaging and healthcare information technology solutions (website: www.carestream.com). **Total Onex, Onex Partners II and Onex management investment at original cost: $471 million** **Onex portion at cost: $186 million** **Onex Partners II portion subject to a carried interest: $266 million**	**92%**	**33%[a]/100%**
	Res-Care, Inc., a leading U.S. provider of residential, training, educational and support services for people with disabilities and special needs (website: www.rescare.com). **Total Onex, Onex Partners I, Onex Partners III and Onex management investment at original cost: $204 million** **Onex portion: $41 million** **Onex Partners I portion subject to a carried interest: $61 million** **Onex Partners III portion subject to a carried interest: $94 million**	**98%**	**20%/100%**
Insurance Provider	**The Warranty Group, Inc.,** one of the world's largest providers of extended warranty contracts (website: www.thewarrantygroup.com). **Total Onex, Onex Partners I, Onex Partners II and Onex management investment at original cost: $488 million** **Onex portion: $154 million** **Onex Partners I portion subject to a carried interest: $178 million** **Onex Partners II portion subject to a carried interest: $137 million**	**91%**	**29%/100%**
Customer Care Services	**SITEL Worldwide Corporation,** a global provider of outsourced customer care services (website: www.sitel.com). **Onex investment at original cost: $251 million**	**70%**	**70%/89%**

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

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Building Products	**JELD-WEN Holding, inc.,** one of the world's largest manufacturers of interior and exterior doors, windows and related products for use primarily in the residential and light commercial new construction and remodelling markets (website: www.jeld-wen.com). **Total Onex, Onex Partners III, certain limited partners, Onex management and others investment at original cost: $921 million** **Onex portion at cost: $227 million** **Onex Partners III portion subject to a carried interest: $569 million** The Onex Partners III Group's investment at original cost includes $750 million of convertible preferred stock and $171 million of convertible promissory notes. JELD-WEN made cumulative principal repayments of $110 million on the convertible promissory notes. In April 2013, the remaining principal of the convertible promissory notes in the amount of $61 million was converted into convertible preferred stock of JELD-WEN.	72%[a]	18%[a]/72%[a]
Other Businesses			
• *Commercial Vehicles*	**Allison Transmission Holdings, Inc.**[b] (NYSE: ALSN), the world leader in the design and manufacture of fully-automatic transmissions for on-highway trucks and buses, off-highway equipment and defence vehicles (website: www.allisontransmission.com). **Onex shares held: 15.5 million** **Onex Partners II shares subject to a carried interest: 22.1 million**	27%	8%/–[b]
• *Aircraft Leasing & Management*	**Aircraft Leasing & Management,** a global platform dedicated to leasing and managing commercial jet aircraft. The platform is comprised of:		
	BBAM Limited Partnership[b]**,** one of the world's leading managers of commercial jet aircraft (website: www.bbam.com). **Total Onex, Onex Partners III and Onex management investment at original cost: $185 million** **Onex portion: $47 million** **Onex Partners III portion subject to a carried interest: $130 million** In conjunction with the investment in BBAM, the Onex Partners III Group invested $20 million in the shares of FLY Leasing Limited (NYSE: FLY), of which Onex' share was $5 million.	50%	13%/50%[b]
	Meridian Aviation Partners Limited, an aircraft investment company established by the Onex Partners III Group. **Total Onex, Onex Partners III and Onex management investment at original cost: $57 million** **Onex portion: $14 million** **Onex Partners III portion subject to a carried interest: $40 million**	100%	25%/100%

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

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

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Other Businesses (cont'd)			
• *Business Services/ Tradeshows*	**Emerald Expositions, LLC,** a leading operator of business-to-business tradeshows in the United States (website: www.emeraldexpositions.com). **Total Onex, Onex Partners III and Onex management investment at original cost: $350 million** **Onex portion: $85 million** **Onex Partners III portion subject to a carried interest: $247 million** In January 2014, the Onex Partners III Group invested an additional $140 million in the equity of Emerald Expositions to fund its acquisition of GLM, of which Onex' share was $34 million.	99%	24%/99%
• *Plastics Processing Equipment*	**KraussMaffei Group GmbH,** a leading manufacturer of plastic and rubber processing equipment (website: www.kraussmaffeigroup.com). **Total Onex, Onex Partners III and Onex management investment at original cost: $366 million[a]** **Onex portion: $92 million[a]** **Onex Partners III portion subject to a carried interest: $257 million[a]** The Onex Partners III Group's investment at original cost includes $8 million of accounts receivable that were converted into additional equity of the company in July 2013. Onex' share of the accounts receivable was $2 million.	96%	24%/100%
• *Business Services/ Packaging*	**SGS International, Inc.,** a global leader in design-to-print graphic services to the consumer products packaging industry (website: www.sgsintl.com). **Total Onex, Onex Partners III and Onex management investment at original cost: $260 million** **Onex portion: $66 million** **Onex Partners III portion subject to a carried interest: $183 million**	93%	23%/93%
• *Industrial Products*	**Tomkins Limited[b],** a global manufacturer of belts and hoses for the industrial and automotive markets (website: www.tomkins.co.uk). **Total Onex, Onex Partners III, certain limited partners, Onex management and others investment at original cost: $1,219 million** **Onex portion at cost: $315 million** **Onex Partners III and others portion subject to a carried interest: $688 million**	56%	14%/50%[b]
• *Gaming*	**Tropicana Las Vegas, Inc.,** a casino resort with 1,467 rooms, situated on 35 acres and located directly on the Las Vegas strip (website: www.troplv.com). **Total Onex, Onex Partners III and Onex management investment at original cost: $319 million** **Onex portion: $70 million** **Onex Partners III portion subject to a carried interest: $225 million**	82%	18%/82%

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

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

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
• *Insurance Brokerage*	**USI Insurance Services,** a leading U.S. provider of insurance brokerage services (website: www.usi.biz). **Total Onex, Onex Partners III, certain limited partners, Onex management and others investment at original cost: $610 million** **Onex portion at cost: $170 million** **Onex Partners III portion subject to a carried interest: $358 million**	**92%**	**26%/100%**
• *Mid-Market Opportunities*	**ONCAP,** private equity funds focused on acquiring and building the value of mid-market companies based in North America (website: www.oncap.com).		
	ONCAP II ONCAP II actively manages investments in EnGlobe, Mister Car Wash, CiCi's Pizza, Pinnacle Renewable Energy Group and PURE Canadian Gaming. **Total ONCAP II, Onex, Onex management and ONCAP management unrealized investments at original cost: $315 million (C$332 million)** **Onex portion: $145 million (C$152 million)** **ONCAP II portion: $143 million (C$151 million)**	**100%**	**46%[a]/100%**
	ONCAP III ONCAP III actively manages investments in Hopkins, PURE Canadian Gaming, Davis-Standard and Bradshaw. **Total ONCAP III, Onex, Onex management and ONCAP management unrealized investments at original cost: $253 million (C$253 million)** **Onex portion: $74 million (C$74 million)** **ONCAP III portion: $154 million (C$155 million)**	**100%**	**29%/100%**
• *Real Estate*	**Onex Real Estate Partners,** a platform dedicated to acquiring and improving real estate assets in North America. **Onex' remaining investment in Onex Real Estate Partners transactions at cost: $301 million**	**88%**	**88%/100%**
• *Credit Strategies*	**Onex Credit Partners** specializes in managing credit-related investments, including event-driven, long/short and market dislocation strategies. **Onex investment in Onex Credit Partners at market: $603 million, of which $343 million is invested in a segregated Onex Credit Partners unleveraged senior secured loan portfolio that purchases assets with greater liquidity, $126 million is invested in other Onex Credit Partners Funds and $134 million is invested in collateralized loan obligations, including the warehouse facility for OCP CLO-5.**	**70%[b]**	**70%[b]/50%[b]**

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

(b) This represents Onex' share of the Onex Credit Partners asset management platform.

FINANCIAL REVIEW

This section discusses the significant changes in Onex' consolidated statements of earnings, consolidated balance sheets and consolidated statements of cash flows for the fiscal year ended December 31, 2013 compared to those for the year ended December 31, 2012 and, in selected areas, to those for the year ended December 31, 2011.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with Onex' audited annual consolidated statements of earnings and corresponding notes thereto.

Changes in accounting policies

Effective January 1, 2013, Onex has adopted the following new and revised accounting standards, along with any consequential amendments. These changes were made in accordance with the applicable transitional provisions.

Consolidated Financial Statements

IFRS 10, *Consolidated Financial Statements*, replaces the guidance on control and consolidation in IAS 27, *Consolidated and Separate Financial Statements*, and SIC-12, *Consolidation – Special Purpose Entities*. IFRS 10 introduces a single consolidation model for all entities based on control, irrespective of the nature of the entities, and provides detailed guidance on applying the definition of control. The accounting requirements for consolidation have remained largely consistent with IAS 27. Onex determined that the adoption of IFRS 10 on January 1, 2013 did not result in changes to the consolidation status of any of its subsidiaries and investees.

Joint Arrangements, and Investments in Associates and Joint Ventures

IFRS 11, *Joint Arrangements*, supersedes IAS 31, *Interests in Joint Ventures*, and requires joint arrangements to be classified either as joint operations or joint ventures, depending on the contractual rights and obligations of each investor that jointly controls the arrangement. An investment in a joint venture is accounted for using the equity method as set out in IAS 28, *Investments in Associates and Joint Ventures* (amended in 2011). The other amendments to IAS 28 did not have an impact on Onex. Onex has classified its joint arrangements and concluded that the adoption of IFRS 11 did not result in any changes to the accounting for its joint arrangements.

Disclosure of Interests in Other Entities

IFRS 12, *Disclosure of Interests in Other Entities*, requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interest in other entities and the effects of those interests on its financial position, financial performance and cash flows. Onex adopted IFRS 12 on January 1, 2013 in accordance with the IFRS 12 transition provisions. The adoption of IFRS 12 resulted in additional disclosures in the audited annual consolidated financial statements.

Fair Value Measurement

IFRS 13, *Fair Value Measurement*, provides a single framework for measuring fair value and requires enhanced disclosures when fair value is used for measurement. IFRS 13 was adopted by Onex on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by Onex to measure fair value and did not result in any measurement adjustments as at January 1, 2013. Enhanced disclosures are included in the audited annual consolidated financial statements.

Presentation of Financial Statements

The amendments to IAS 1, *Presentation of Financial Statements*, require other comprehensive income to be grouped by those items that will be reclassified subsequently to earnings or loss and those that will not be reclassified. Onex adopted the amendments on January 1, 2013 and has reclassified comprehensive income items of the comparative period. These changes did not result in any adjustments to other comprehensive income or total comprehensive income.

Employee Future Benefits

IAS 19, *Employee Future Benefits* (amended in 2011), requires the net defined benefit liability (assets) to be recognized on the balance sheet without any deferral of actuarial gains and losses and past service costs as previously allowed. Past service costs are recognized in net earnings when incurred. Expected returns on plan assets are no longer included in post-employment benefits expense. Instead, post-employment benefits expense includes the net interest on the net defined benefit liability (assets), calculated using a discount rate based on market yields on high quality bonds. Remeasurements consisting of actuarial gains and losses, the actual return on plan assets (excluding the net interest component) and any change in the asset ceiling are recognized in other comprehensive income. Onex continues to immediately recognize in retained earnings all pension adjustments recognized in other comprehensive income. Onex also continues to recognize interest expense (income) on net post-employment benefits liabilities (assets) in the audited annual consolidated statements of earnings.

Onex adopted these amendments retrospectively and adjusted its opening equity as at January 1, 2012 to recognize previously unrecognized past service costs and adjustments to the asset ceiling for post-employment plans.

The effects on the audited annual consolidated financial statements of adopting the amendments to IAS 19 were not significant. Onex, the parent company, does not provide pension, other retirement or post-retirement benefits to its employees or to employees of any of the operating companies. In addition, Onex, the parent company, does not have any obligations and has not made any guarantees with respect to the plans of the operating companies.

Impairment of Assets

Onex has early adopted the amendments to IAS 36, *Impairment of Assets*, effective January 1, 2013. These amendments clarify and introduce additional disclosures about fair value measurements when there has been an impairment or impairment reversal. The disclosures required by IAS 36 after adoption of the amendments are included in the audited annual consolidated financial statements.

Critical accounting policies and estimates

Significant accounting estimates

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

Judgements, assumptions and estimates are used in the determination of fair value for business combinations, Limited Partners' Interests, carried interest and investments in joint ventures and associates. The assessment of goodwill, intangible assets and long-lived assets for impairment, the determination of contract accounting, income taxes, legal contingencies and actuarial valuations of pension and other post-retirement benefits also require the use of judgements, assumptions and estimates. Due to the material nature of these factors, they are discussed here in greater detail.

Business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. Land, buildings and equipment are usually independently appraised while short-term investments are valued at market prices. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value. These evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. Note 1 to the audited annual consolidated financial statements provides additional disclosure on business combinations.

Limited Partners' Interests, carried interest and investments in joint ventures and associates

The measurement of the Limited Partners' Interests, carried interest and investments in joint ventures and associates is significantly impacted by the fair values of the investments held by the Onex Partners and ONCAP Funds. Joint ventures and associates are defined under IFRS as those investments in operating businesses over which Onex has joint control or significant influence, but not control. In accordance with IFRS, certain of these investments are designated, upon initial recognition, at fair value in the audited annual consolidated balance sheets. The fair value of investments in joint ventures and associates is assessed at each reporting date with changes in fair value recognized in the audited annual consolidated statements of earnings. Similarly, the Limited Partners' Interests, representing the interests of limited partner investors in the Onex Partners and ONCAP Funds, and carried interest, representing the General Partner's share of the net gains of the Onex Partners and ONCAP Funds, are recorded at fair value. The fair value is significantly affected by the change in the fair value of the underlying investments in the Onex Partners and ONCAP Funds.

The valuation of non-public investments requires significant judgement by Onex due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of such investments. Valuation methodologies include discounted cash flows and observations of the trading multiples of public companies considered comparable to the private companies being valued. The valuations take into consideration company-specific items, the lack of liquidity inherent in a non-public investment and the fact that comparable public companies are not identical to the companies being valued. Such considerations are necessary because, in the absence of a committed buyer and completion of due diligence procedures, there may be company-specific items that are not fully known that may affect value. A variety of additional factors are reviewed by management, including, but not limited to, financing and sales transactions with third parties, current operating performance and future expectations of the particular investment, changes in market outlook and the third-party financing environment. In determining changes to the fair value of investments, emphasis is placed on current company performance and market conditions.

For publicly traded investments, the valuation is based on closing market prices less adjustments, if any, for regulatory and/or contractual sale restrictions.

The changes to fair value of the investments in joint ventures and associates are reviewed on page 37 of this MD&A.

Included in the measurement of the Limited Partners' Interests is an adjustment for the change in carried interest as well as any contributions by and distributions to limited partners in the Onex Partners and ONCAP Funds. The changes to the fair value of the Limited Partners' Interests are reviewed on page 42 of this MD&A.

Impairment testing of goodwill, intangible assets and long-lived assets

Goodwill in an accounting context represents the excess of the aggregate consideration paid and the amount of any non-controlling interests in the acquired company compared to the fair value of the identifiable net assets acquired. Essentially all of the goodwill amount that appears in Onex' audited annual consolidated balance sheets was recorded by the operating companies. Goodwill is not amortized, but is assessed for impairment at the cash generating unit ("CGU") level (or group of CGUs) annually, or sooner if events or changes in circumstances or market conditions indicate that the carrying amount could exceed fair value. The test for goodwill impairment used by our operating companies is to assess whether the fair value of each CGU within an operating company is less than its carrying value and determine if the goodwill associated with that CGU is impaired. This assessment takes into consideration several factors, including, but not limited to, future

cash flows and market conditions. If the fair value is determined to be lower than the carrying value at an individual CGU, then goodwill is considered to be impaired and an impairment charge must be recognized. Each operating company has developed its own internal valuation model to determine fair value. These models are subjective and require management of the particular operating company to exercise judgement in making assumptions about future results, including revenues, operating expenses, capital expenditures and discount rates. The impairment test for intangible assets and long-lived assets with limited lives is similar to that for goodwill. Under IFRS, impairment charges for intangible assets and long-lived assets may subsequently be reversed if fair value is determined to be higher than carrying value. The reversal is limited, however, to restoring the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized in prior periods. Impairment losses for goodwill are not reversed in future periods.

Impairment charges recorded by the operating businesses under IFRS may not impact the fair values of the operating businesses used in determining the increase or decrease in investments in joint ventures and associates, the change in carried interest and for calculating the Limited Partners' Interests liability. Fair values of the operating businesses are assessed at the enterprise level, while impairment charges are assessed at the asset or CGU level (or group of CGUs).

During 2013, certain of the operating companies recorded charges for impairments of goodwill, intangible assets and long-lived assets. These charges are reviewed on page 42 of this MD&A and in note 25 to the audited annual consolidated financial statements.

Construction contract accounting (Aerostructures segment)

The aerostructures segment recognizes revenue using the contract method of accounting since a significant portion of Spirit AeroSystems, Inc.'s ("Spirit AeroSystems") revenues is under long-term volume-based contracts requiring delivery of products over several years. Revenues from each contract are recognized in accordance with the percentage-of-completion method of accounting, using the units-of-delivery method. Contract accounting uses various estimating techniques to project costs to completion and estimates of recoveries asserted against customers for changes in specifications. Due to the significant length of time over which these estimates will be developed, the impact to recognized revenue and costs may be significant if the estimates change. These estimates involve various assumptions and projections relative to the outcome of future events, including the quantity and timing of deliveries, labour performance rates, projections relative to material and overhead costs, as well as expected "learning curve" cost reductions over the term of the contracts. Contract estimates are re-evaluated periodically and changes in estimates are reflected in the current period.

Spirit AeroSystems also expects to derive future revenues from new programs for which the company may be contracted to provide design and engineering services, recurring production or both. There are several risks inherent to such new programs. In the design and engineering phase, the company may incur costs in excess of forecasts due to several factors, including cost overruns, customer-directed change orders and delays in the overall program. The company may also incur higher than expected recurring production costs, which may be caused by a variety of factors, including the future impact of engineering changes (or other change orders) or an inability to secure contracts with suppliers at projected cost levels. The ability to recover these excess costs from the customers will depend on several factors, including the company's rights under its contracts for the new programs. The recognition of earnings and loss under these new contracts requires the company to make significant assumptions regarding its future costs, ability to achieve cost reduction opportunities, the estimated number of units to be manufactured under the contracts and other variables.

Revenue recognition (Healthcare segment)

Revenues in the healthcare segment for Skilled Healthcare Group, Inc. ("Skilled Healthcare Group") and Res-Care, Inc. ("ResCare") are substantially derived from U.S. federal, state and local government agency programs, including Medicare and Medicaid. Laws and regulations under these programs are complex and compliance with such laws and regulations is subject to ongoing and future government review and interpretation. Management may be required to exercise judgement for the recognition of revenue under these programs. Management of those businesses believes that they are in compliance with applicable laws and regulations. Revenues generated through contracts with government agencies require the use of estimates as contracts may be terminated or adversely modified if budgetary

appropriation to the particular government agency is decreased. Contract estimates are re-evaluated periodically and changes in estimates are reflected in the current period.

Income taxes

Onex, including its operating companies, is subject to changing tax laws in multiple jurisdictions. Significant judgements are necessary in determining worldwide income tax liabilities. Although management of Onex and the operating companies believe that they have made reasonable estimates about the final outcome of tax uncertainties, no assurance can be given that the outcome of these tax matters will be consistent with what is reflected in the historical income tax provisions. Such differences could have an effect on the income tax liabilities and deferred tax liabilities in the period in which such determinations are made. At each balance sheet date, management of Onex and the operating companies assess whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the exercise of judgement on the part of management with respect to, among other things, benefits that could be realized from available tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income and benefits from available tax strategies are lowered, or if changes in current tax regulations are enacted that impose restrictions on the timing or extent of Onex' or its operating companies' ability to utilize future tax benefits.

Legal contingencies

Onex, including its operating companies, becomes involved in various legal proceedings in the normal course of operations. While we cannot predict the final outcome of such legal proceedings, the outcome of these matters may have a significant effect on Onex' consolidated financial position, results of operations or cash flows. The filing or disclosure of a suit or formal assertion of a claim does not automatically indicate that a provision may be appropriate. Management, with the assistance of internal and external lawyers, regularly analyzes current information about these matters and provides provisions for probable contingent losses, including the estimate of legal expenses to resolve these matters.

Employee benefits

Onex, the parent company, does not have a pension plan; however, certain of its operating companies do. Management of the operating companies use actuarial valuations to account for their pension and other post-retirement benefits. These valuations rely on statistical and other factors in order to anticipate future events. These factors include key actuarial assumptions such as the discount rate, expected salary increases and mortality rates. These actuarial assumptions may differ significantly from actual developments due to changing market and economic conditions, and therefore may result in a significant change in post-retirement employee benefit obligations and the related future expense in the audited annual consolidated financial statements. Note 32 to the audited annual consolidated financial statements provides details on the estimates used in accounting for pensions and post-retirement benefits.

Recent Accounting Pronouncements

Investment Entity Amendments

In October 2012, the International Accounting Standards Board ("IASB") issued amendments to IFRS 10, *Consolidated Financial Statements*; IFRS 12, *Disclosure of Interests in Other Entities*; and IAS 27, *Separate Financial Statements*, to include an exception to the consolidation requirements for investment entities as defined in the amendments issued by the IASB. The amendments are effective for annual periods beginning on or after January 1, 2014. The impact of adopting these amendments is not expected to have a significant effect on Onex' consolidated financial statements.

Financial Instruments

In November 2009, the IASB issued IFRS 9, *Financial Instruments*, the first phase of a replacement for existing standard IAS 39, *Financial Instruments: Recognition and Measurement*. This standard introduces new requirements for the classification and measurement of financial assets and removes the need to separately account for certain embedded derivatives. In December 2013, the IASB issued updates to IFRS 9 to incorporate new hedge accounting requirements that increase the scope of items that can qualify as a hedged item and change the requirements of hedge effectiveness testing that must be met to use hedge accounting.

The effective date for IFRS 9 has been deferred by the IASB. Onex is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Levies

In May 2013, the IASB issued Interpretation 21, *Levies* ("IFRIC 21"), which provides guidance on accounting for levies in accordance with IAS 37, *Provisions*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. IFRIC 21 clarifies that a levy is recognized as a liability when the obligating event that triggers payment, as specified in the legislation, has occurred. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. Onex is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Variability of results

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

Significant transactions

The presentation of the transactions in this section is in chronological order by investment.

Sale of RSI

In February 2013, the Onex Partners II Group completed the sale of its 50 percent interest in RSI. The Onex Partners II Group received proceeds of $323 million on the sale, of which Onex' share was $130 million, including carried interest of $3 million. The Company's investment in RSI was recorded at fair value in the audited annual consolidated balance sheets, with changes in fair value recognized in the audited annual consolidated statements of earnings. The realized pre-tax gain on the sale of RSI, including prior distributions, was $153 million, of which Onex' share was $60 million. Onex recorded a non-cash tax provision of $5 million on the sale, which was included in the provision for income taxes in the audited annual consolidated statements of earnings. Onex recognized a recovery of this tax provision during 2013 as part of an evaluation of recent changes in tax law as described on page 43 of this MD&A. Management of Onex received carried interest of $5 million in connection with the sale. No amounts were paid on account of the MIP as the required investment return hurdle for Onex was not met.

Including prior distributions, the Onex Partners II Group realized total proceeds of $471 million over the life of this investment compared to its initial investment of $318 million.

Meridian Aviation

In February 2013, the Onex Partners III Group established Meridian Aviation, an aircraft investment company based in Ireland. Aircraft purchased by Meridian Aviation will be leased to commercial airlines and managed by BBAM, one of the world's largest managers of commercial jet aircraft and an Onex Partners III Group investment. Meridian Aviation executed a purchase agreement in February 2013 for six commercial passenger aircraft for delivery between April 2013 and May 2015, with a list price value of more than $1.4 billion. Meridian Aviation executed leases in February 2013 with a major international commercial airline in respect of these six aircraft. The Onex Partners III Group has guaranteed certain payment obligations arising on each aircraft delivery date.

In February 2013, the Onex Partners III Group invested $32 million in Meridian Aviation, of which Onex' share was $8 million. In July 2013, the Onex Partners III Group invested an additional $25 million in Meridian Aviation, of which Onex' share was $6 million. These investments are primarily for deposits, fees and other expenses associated with the purchase of the six commercial passenger aircraft. Meridian Aviation delivered the first commercial passenger aircraft to the lessee in April 2013.

During the fourth quarter of 2013, Meridian Aviation executed sale agreements for three of the six commercial passenger aircraft under its existing purchase agreement, including the novation of the associated leases to the purchaser. The sale agreements are for two aircraft delivered in 2013 and one aircraft scheduled for delivery in 2014. Meridian Aviation recorded a net gain of $32 million comprised of the sale of the two aircraft delivered in 2013 and a fair value adjustment covering the remaining four aircraft scheduled for delivery to the company between 2014 and 2015. The debt financing undertaken by Meridian Aviation with the delivery of the first commercial aircraft was repaid in full upon the sale.

USI

In March 2013, as contemplated at the time of the acquisition of USI Insurance Services ("USI") in late December 2012, $84 million of the amount originally invested by Onex as a co-investment in USI was sold, at Onex' original cost, to certain limited partners and others as a co-investment. After giving effect to the co-investment sale, Onex' investment in USI is $170 million, of which $128 million was funded through Onex Partners III and $42 million represents the portion of the co-investment retained by Onex.

JELD-WEN note conversion

During the four months ended April 2013, JELD-WEN Holding, inc. ("JELD-WEN") repaid $52 million of its convertible promissory notes and $8 million of accrued interest, all of which was held by the Onex Partners III Group, primarily from the proceeds received on the sale of certain non-core assets. Onex' share of the repayments was $15 million.

In April 2013, the remaining convertible promissory notes and accrued interest totalling $72 million, all of which was held by the Onex Partners III Group, were converted into Series A Convertible Preferred Stock of JELD-WEN in accordance with the terms of the purchase agreement. Onex' share of the remaining convertible promissory notes and accrued interest was $18 million. After giving effect to the conversion, the Onex Partners III Group's as-converted economic ownership increased to 71 percent, up from 65 percent prior to the conversion. Onex' economic ownership increased to 17 percent at the time of the conversion, up from 16 percent prior to the conversion. In August 2013, in connection with the conversion, Onex appointed two additional members to the board of directors of JELD-WEN.

Acquisition of Emerald Expositions

In June 2013, Onex completed the $950 million acquisition of Nielsen Expositions from its parent, an affiliate of Nielsen Holdings N.V. Following the purchase, the business continued under the new name of Emerald Expositions. Emerald Expositions is a leading operator of large business-to-business tradeshows in the United States across nine end markets. The Onex Partners III Group invested $350 million in the equity of Emerald Expositions for an initial 100 percent ownership interest. Onex' share of the total equity was $85 million, for an initial 24 percent ownership interest. This company is consolidated and reported from the time of its acquisition in the other segment of Onex' audited annual consolidated financial statements.

In January 2014, Emerald Expositions completed the acquisition of George Little Management, LLC ("GLM"), an operator of business-to-business tradeshows in the United States, for $335 million. In conjunction with this transaction, the Onex Partners III Group invested an additional $140 million in the equity of Emerald Expositions, of which Onex' share was $34 million. The balance of the purchase price and transaction costs was funded by Emerald Expositions through an amendment to its credit facility, as discussed on page 56 of this MD&A.

Carestream Health distribution

In June 2013, Carestream Health entered into a new credit facility. This new facility consists of a $1.85 billion first-lien term loan that matures in June 2019, a $500 million second-lien term loan that matures in December 2019 and a $150 million revolving facility that matures in June 2018. The proceeds from the new facility, along with cash on hand, were used to repay existing debt facilities, fund distributions to shareholders totalling $750 million and pay fees and expenses associated with the transaction. The Onex Partners II Group's share of Carestream Health's distributions to shareholders was $695 million. Onex'

share of these distributions was $303 million, including carried interest of $50 million and after the reduction for the amounts on account of the MIP. Under the terms of the MIP, management of Onex participates in Onex' realized gains from operating business investments once certain investment return hurdles have been met. Management of Onex earned $21 million on account of this transaction related to the MIP. In addition, management of Onex received $71 million in carried interest.

Sale of BSN SPORTS

In June 2013, the ONCAP II Group completed the sale of its interests in BSN SPORTS. The ONCAP II Group received net proceeds of $236 million on the sale. Onex' share of the net proceeds was $114 million. Included in the net proceeds received on the sale, there were approximately $16 million of additional amounts held in escrow and other items that are expected to be received by June 2015, of which Onex' share was $8 million. During the fourth quarter of 2013, $1 million of the additional amounts held in escrow was received, of which Onex' share was less than $1 million. The realized pre-tax gain on the sale of BSN SPORTS was $170 million, of which Onex' share was $82 million. Onex recorded a non-cash tax provision of $7 million on the sale, which was included in the provision for income taxes in the audited annual consolidated statements of earnings. Onex recognized a recovery of this tax provision during 2013 as part of an evaluation of recent changes in tax law as described on page 43 of this MD&A. The gain on the sale is entirely attributable to the equity holders of Onex. This gain includes the portion attributable to Onex' investment, as well as that of the limited partners of ONCAP II. The effect of this is to recover the charges to earnings on BSN SPORTS allocated to the limited partners over the life of the investment, which totalled $88 million. The balance of $75 million reflects the after-tax gain on Onex' investment in BSN SPORTS. Management of ONCAP received $18 million in carried interest on the sale of BSN SPORTS. The impact to Onex and management of Onex was a net payment of $7 million in carried interest. Under the terms of the MIP, management of Onex participates in Onex' realized gains from operating business investments once certain conditions, including the required investment return hurdle, have been met. Management of Onex received $6 million on account of this transaction related to the MIP. BSN SPORTS did not represent a separate major line of business, and as a result has not been presented as a discontinued operation. At December 31, 2013, $15 million remained receivable for escrow amounts and other items, of which Onex' share was $7 million.

During the fourth quarter of 2013, $6 million of additional proceeds were received by ONCAP II, of which Onex' share was $3 million. These additional proceeds were recognized as a gain during the fourth quarter of 2013, net of a $1 million reduction in the escrow receivable.

Sales of shares of Allison Transmission

In August 2013, Allison Transmission completed a secondary offering of 19.1 million shares of common stock and repurchased 4.7 million shares of common stock, for a total sale of 23.8 million shares of common stock. The secondary offering includes the full exercise of the over-allotment option. As part of the offering and share repurchase, the Onex Partners II Group sold 11.9 million shares of common stock. The Onex Partners II Group received net proceeds of $252 million for its 11.9 million shares of common stock. Onex' portion of the net proceeds was $84 million, including its portion of the carried interest.

In November and December 2013, Allison Transmission completed secondary offerings of 27.5 million shares of common stock. The Onex Partners II Group sold 13.75 million shares of common stock for net proceeds of $333 million, of which Onex' portion was $111 million, including its portion of the carried interest.

The realized gain on the 2013 transactions totalled $369 million. The limited partners' share of the realized gain was $255 million and Onex's share was $114 million.

Amounts received related to the carried interest on the 2013 transactions totalled $31 million, of which Onex' portion was $12 million and management's portion was $19 million. No amounts were paid on account of these transactions related to the MIP as the required performance targets for Onex had not been met at those times.

After completion of the secondary offerings and share repurchase during 2013, the Onex Partners II Group continues to own 49.7 million shares of common stock, or approximately 27 percent in the aggregate, of Allison Transmission's outstanding common stock. As a result, the Onex Partners II Group will continue to record its investment at fair value through earnings.

Sale of TMS International

In October 2013, the Onex Partners II Group completed the sale of its remaining 23.4 million shares of TMS International. The sale was part of an offer made for all outstanding shares of TMS International and was completed at a price of $17.50 in cash per share. The cash cost of the shares was $7.84. Proceeds to the Onex Partners II Group were $410 million, of which Onex' share was $172 million, including its portion of the carried interest. Amounts received related to the carried interest totalled $25 million, of which Onex' portion was $10 million and management's portion was $15 million. No amounts were paid on account of the MIP as the required investment return hurdle for Onex was not met.

Onex' fourth quarter consolidated results include an after-tax gain of $242 million related to the sale, which is entirely attributable to the equity holders of Onex. This gain includes the portion attributable to Onex' investment, as well as that of the limited partners of Onex Partners II. The effect of this is to recover the charges to earnings on TMS International allocated to the limited partners over the life of the remaining investment, which totalled $150 million. The balance of $92 million reflects the after-tax gain on Onex' remaining investment in TMS International. The operations of TMS International have been presented as discontinued in the audited annual consolidated statements of earnings and cash flows and the prior period has been restated to report the results of TMS International as discontinued on a comparative basis.

Including proceeds from TMS International's earlier initial public offering and prior distribution, the Onex Partners II Group received proceeds totalling $504 million on its investment of $249 million.

Sale of Caliber Collision

In November 2013, the ONCAP II Group completed the sale of Caliber Collision. The ONCAP II Group received net proceeds of $437 million on the sale. Onex' share of the net proceeds was $193 million. Included in the net proceeds received on the sale, there are approximately $4 million of additional amounts held in escrow and for working capital adjustments that are expected to be settled during 2014, of which Onex' share is $2 million. The realized gain on the sale of Caliber Collision was $386 million, of which Onex' share was $171 million. The gain on the sale is entirely attributable to the equity holders of Onex. This gain includes the portion attributable to Onex' investment, as well as that of the limited partners of ONCAP II. The effect of this is to recover the charges to earnings on Caliber Collision allocated to the limited partners over the life of the investment, which totalled $215 million. The balance of $171 million reflects the after-tax gain on Onex' investment in Caliber Collision. Management of ONCAP received $42 million in carried interest on the sale of Caliber Collision. The impact to Onex and management of Onex was a net payment of $8 million in carried interest. Under the terms of the MIP, management of Onex participates in Onex' realized gains from operating business investments once certain conditions, including the required investment return hurdle, have been met. Management of Onex received $12 million on account of this transaction related to the MIP. Caliber Collision did not represent a separate major line of business, and as a result has not been presented as a discontinued operation.

REVIEW OF DECEMBER 31, 2013 CONSOLIDATED FINANCIAL STATEMENTS

The discussions that follow identify those material factors that affected Onex' operating segments and Onex' consolidated results for 2013. We will review the major line items to the audited annual consolidated financial statements by segment. The audited annual consolidated statements of earnings and cash flows have been restated to report the results of TMS International as discontinued on a comparative basis.

Consolidated revenues and cost of sales

Consolidated revenues were $27.8 billion in 2013, up 12 percent from $24.9 billion in 2012 and up 27 percent from $22.0 billion in 2011. Consolidated cost of sales was $21.8 billion in 2013, an increase of 10 percent from $19.9 billion in 2012 and up 27 percent from $17.3 billion in 2011.

TOTAL REVENUES AND COST OF SALES
($ millions)

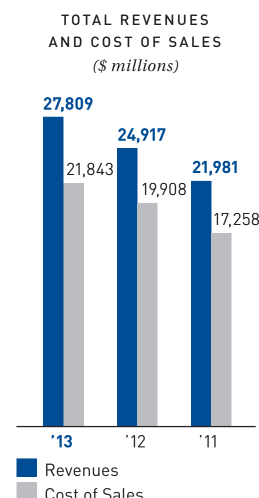


Table 1 below reports revenues and cost of sales by industry segment for the years ended December 31, 2013, 2012 and 2011. The percentage change in revenues and cost of sales for those periods is also shown.

Revenues and Cost of Sales by Industry Segment for the Years Ended December 31, 2013 and 2012

TABLE 1 *($ millions)*	Revenues			Cost of Sales		
Year ended December 31	**2013**	2012[a]	**Change**	**2013**	2012[a]	**Change**
Electronics Manufacturing Services	**$ 5,796**	$ 6,507	**(11)%**	**$ 5,337**	$ 5,988	**(11)%**
Aerostructures	**5,961**	5,404	**10 %**	**5,848**	5,038	**16 %**
Healthcare[b]	**4,902**	4,947	**(1)%**	**3,406**	3,402	**–**
Insurance Provider	**1,168**	1,205	**(3)%**	**600**	621	**(3)%**
Customer Care Services	**1,438**	1,429	**1 %**	**936**	920	**2 %**
Building Products	**3,457**	3,168	**9 %**	**2,855**	2,561	**11 %**
Other[c]	**5,087**	2,257	**125 %**	**2,861**	1,378	**108 %**
Total	**$ 27,809**	$ 24,917	**12 %**	**$ 21,843**	$ 19,908	**10 %**

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

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

(b) 2012 includes reported results of CDI, which was sold in July 2012. CDI did not represent a separate major line of business and as a result has not been presented as a discontinued operation.

(c) 2013 other includes Flushing Town Center, Tropicana Las Vegas, SGS International, USI, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II (BSN SPORTS up to June 2013 and Caliber Collision up to November 2013) and ONCAP III and the parent company. 2012 other includes Flushing Town Center, Tropicana Las Vegas, SGS International (since October 2012), USI (since late December 2012), the operating companies of ONCAP II and ONCAP III and the parent company.

Revenues and Cost of Sales by Industry Segment for the Years Ended December 31, 2012 and 2011

($ millions)	Revenues			Cost of Sales		
Year ended December 31	2012[a]	2011[a]	Change	2012[a]	2011[a]	Change
Electronics Manufacturing Services	$ 6,507	$ 7,213	(10)%	$ 5,988	$ 6,645	(10)%
Aerostructures	5,404	4,864	11 %	5,038	4,124	22 %
Healthcare[b]	4,947	5,030	(2)%	3,402	3,446	(1)%
Insurance Provider	1,205	1,184	2 %	621	579	7 %
Customer Care Services	1,429	1,416	1 %	920	921	–
Building Products[c]	3,168	774	309 %	2,561	660	288 %
Other[d]	2,257	1,500	50 %	1,378	883	56 %
Total	$ 24,917	$ 21,981	13 %	$ 19,908	$ 17,258	15 %

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

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements. 2011 results have not been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

(b) Includes reported results of CDI, which was sold in July 2012. CDI did not represent a separate major line of business and as a result has not been presented as a discontinued operation.

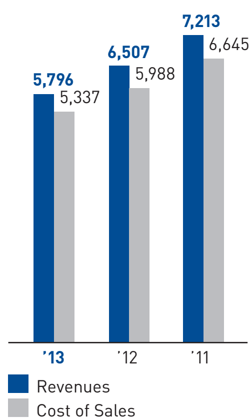
(c) Represents results of JELD-WEN from the date of acquisition in early October 2011.

(d) 2012 other includes Flushing Town Center, Tropicana Las Vegas, SGS International (since October 2012), USI (since late December 2012), the operating companies of ONCAP II and ONCAP III and the parent company. 2011 other includes Flushing Town Center, Tropicana Las Vegas, the operating companies of ONCAP II and ONCAP III and the parent company.

Electronics Manufacturing Services

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

During 2013, Celestica reported an 11 percent, or $711 million, decrease in revenues to $5.8 billion. The decrease in revenues was due primarily to the disengagement from a significant customer in Celestica's consumer end market in the second half of 2012. Excluding revenues from the significant customer, revenues for 2013 increased 1 percent compared to 2012. Revenues in Celestica's diversified end market increased 11 percent compared to 2012, driven primarily by new program wins and an acquisition, which contributed approximately one-third of the revenue increase in this end market. Revenues in Celestica's communications end market increased 8 percent compared to 2012, driven primarily by new program wins and, to a lesser extent, stronger customer demand. Celestica's storage end market increased 1 percent due primarily to new program wins offset by weaker demand from one customer. The increases were partially offset by a decrease in revenues in Celestica's server end market due to the insourcing of a server program by one customer and overall weaker demand.



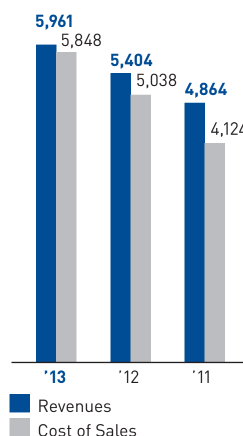
Cost of sales had a similar decrease of 11 percent, or $651 million, for 2013. Gross profit for 2013 decreased 12 percent, or $60 million, from 2012, in line with the revenue decrease in 2013.

During 2012, Celestica reported a 10 percent, or $706 million, decrease in revenues to $6.5 billion from $7.2 billion in 2011. Approximately 90 percent of this revenue decrease during 2012 was due to the disengagement from a significant customer in Celestica's consumer end market in the second half of 2012, as previously indicated. Excluding the revenues with this significant customer in both 2012 and 2011, Celestica's revenues for 2012 would have decreased by 1 percent compared to 2011. Celestica's revenue from its communications and servers end market also declined during the year, reflecting overall demand weakness. Partially offsetting those revenue decreases was an increase in revenues in Celestica's diversified end market driven primarily by new program wins and acquisitions.

Cost of sales had a similar decrease of 10 percent, or $657 million, to $6.0 billion for 2012 (2011 – $6.6 billion). Gross profit for 2012 decreased 9 percent, or $49 million, from 2011 due primarily to the decrease in revenues.

Aerostructures

Spirit AeroSystems, Inc. ("Spirit AeroSystems") is an aircraft parts designer and manufacturer of commercial aerostructures. Aerostructures are structural components, such as fuselages, propulsion systems and wing systems, for commercial, military and business jet aircraft. The company's revenues are substantially derived from long-term volume-based pricing contracts, primarily with The Boeing Company ("Boeing") and Airbus Group ("Airbus").



Spirit AeroSystems reported revenues of $6.0 billion for 2013, up 10 percent, or $557 million, compared to 2012. The increase in revenues was due primarily to higher production volume and ship set deliveries to Boeing, Airbus and business jet programs. The increase in revenues was partially offset by a decrease in non-recurring revenues compared to 2012. Approximately 94 percent of 2013 revenues were from Boeing and Airbus.

Cost of sales increased 16 percent, or $810 million, to $5.8 billion for 2013 compared to 2012. The increase in cost of sales for 2013 was due primarily to the recognition of pre-tax forward-loss charges of $1.1 billion on certain maturing programs during 2013 compared to forward-loss charges of $644 million recorded on several of Spirit AeroSystems' programs during 2012. The effect of these forward-loss charges on consolidated net earnings was an after-tax charge of $712 million (2012 – $412 million). The charges recognized during 2013 and 2012 were the result of a combination of events on maturing programs that resulted in changes in estimates. Spirit AeroSystems' long-term contract estimates are based on estimated revenues and related costs over the term of the contract. Contract costs are estimated based on actual costs incurred to date and an estimate of remaining costs over the life of the contract, which can extend for multiple years. During the early phases of development contracts, future cost estimates are subject to significant variability, and are based on numerous assumptions and judgements and require management to use its historical experience on similar programs until low-rate production is achieved, production processes mature, supply chain partners are contracted and unit costs stabilize, which typically results in assumptions that costs will improve over the life of the contract. The level of change that was initially anticipated has been exceeded as the company's delivery schedules have been delayed, engineering changes have continued and estimates of achievable cost improvements have been revised. The recognition of additional forward-loss charges in future periods will depend upon several factors including Spirit AeroSystems' market forecast, its ability to successfully perform under revised design and manufacturing plans, achievement of forecasted cost reductions as the company enters into production, and its ability to successfully resolve claims and assertions with its customers and supply chain partners. Excluding the impact of forward-loss charges, cost of sales increased compared to last year due primarily to the increases in production volume.

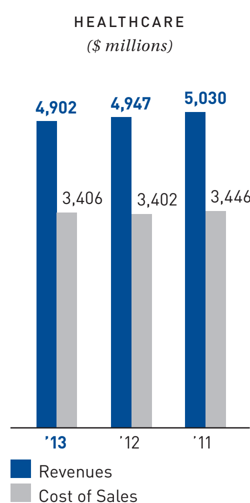
During 2012, Spirit AeroSystems' revenues were up 11 percent, or $540 million, from 2011. The increase in revenues during 2012 included $480 million related to higher production volume on several Boeing and business jet programs to meet customer delivery schedules. In addition, higher aftermarket volume and non-recurring revenue contributed $38 million and $21 million, respectively, to the increase in revenues compared to 2011. Approximately 93 percent of 2012 revenues were from Boeing and Airbus.

Cost of sales increased 22 percent, or $914 million, to $5.0 billion for 2012 compared to 2011. The increase in cost of sales during the year was due to the recognition of pre-tax forward-loss charges of $644 million (2011 – $129 million) on several of Spirit AeroSystems' programs. Excluding the impact of forward-loss charges, cost of sales increased during 2012 compared to 2011 due primarily to the increases in production volume.

Cost of sales as a percentage of revenues was 93 percent during 2012 compared to 85 percent during 2011. The increase in cost of sales as a percentage of revenues is due primarily to the increase in forward-loss charges recorded in 2012 compared to 2011.

Healthcare

The healthcare segment revenues and cost of sales consist of the operations of Skilled Healthcare Group, Carestream Health, ResCare and Center for Diagnostic Imaging, Inc. ("CDI") (up to July 2012).



During 2013, the healthcare segment reported a 1 percent, or $45 million, decrease in consolidated revenues compared to last year. Cost of sales at $3.4 billion was largely unchanged compared to 2012.

The healthcare segment reported a 2 percent, or $83 million, decrease in consolidated revenues in 2012 compared to 2011. Cost of sales decreased 1 percent, or $44 million, in 2012 from 2011. In July 2012, the Onex Partners I Group's investment in CDI was sold. The exclusion of the results of CDI from the date of sale is the primary reason for the decline in revenues and cost of sales for the years ended December 31, 2013 and 2012. The sale of CDI has not been presented as a discontinued operation since it did not represent a separate major line of business.

Table 2 provides revenues and cost of sales by operating company in the healthcare segment for the years ended December 31, 2013, 2012 and 2011. The percentage change in revenues and cost of sales for those periods is also shown.

Healthcare Revenues and Cost of Sales for the Years Ended December 31, 2013 and 2012

TABLE 2 *($ millions)*	Revenues			Cost of Sales		
Year ended December 31	**2013**	2012[a]	**Change**	**2013**	2012[a]	**Change**
Skilled Healthcare Group	**$ 856**	$ 867	**(1)%**	**$ 765**	$ 748	**2%**
Carestream Health	**2,429**	2,406	**1 %**	**1,444**	1,449	**–**
ResCare	**1,617**	1,599	**1 %**	**1,197**	1,182	**1%**
Center for Diagnostic Imaging[b]	**–**	75	**n/a**	**–**	23	**n/a**
Total	**$ 4,902**	$ 4,947	**(1)%**	**$ 3,406**	$ 3,402	**–**

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

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

(b) CDI was sold in July 2012. CDI did not represent a separate major line of business and as a result has not been presented as a discontinued operation.

Healthcare Revenues and Cost of Sales for the Years Ended December 31, 2012 and 2011

($ millions)	Revenues			Cost of Sales		
Year ended December 31	2012[a]	2011[a]	Change	2012[a]	2011[a]	Change
Skilled Healthcare Group	$ 867	$ 870	–	$ 748	$ 716	4 %
Carestream Health	2,406	2,427	(1)%	1,449	1,496	(3)%
ResCare	1,599	1,584	1 %	1,182	1,189	(1)%
Center for Diagnostic Imaging[b]	75	149	(50)%	23	45	(49)%
Total	$ 4,947	$ 5,030	(2)%	$ 3,402	$ 3,446	(1)%

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

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements. 2011 results have not been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

(b) CDI was sold in July 2012. CDI did not represent a separate major line of business and as a result has not been presented as a discontinued operation.

Skilled Healthcare Group

Skilled Healthcare Group has three reportable revenue segments: long-term care services, therapy services and hospice and home health services. Long-term care services include the operation of skilled nursing and assisted living facilities. Therapy services include the company's rehabilitation services.

Revenues reported by Skilled Healthcare Group for 2013 decreased 1 percent, or $11 million, to $856 million compared to 2012. The decrease in revenues during the year was due primarily to a decline in average daily census and patient mix in the long-term care services segment.

Skilled Healthcare Group's 2013 cost of sales at $765 million increased 2 percent, or $17 million, compared to 2012. The increase in cost of sales was driven primarily by an increase in general and professional liability insurance, as well as an increase in bad debt expense.

For the year ended December 31, 2012, revenues of $867 million were down slightly from 2011. The decrease in revenues was due primarily to a reduction in Medicare reimbursement rates in the long-term care services segment, which was partially offset by the net addition of new third-party contracts in the therapy services segment and the impact of an acquisition and higher average daily census in the hospice and home health services segment.

Cost of sales reported by Skilled Healthcare Group during 2012 increased 4 percent, or $32 million, compared to $748 million in 2011. The increase in cost of sales related primarily to the impact of higher labour costs across all segments, in addition to the impact of an acquisition in the hospice and home health services segment.

Carestream Health

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

Carestream Health reported revenues of $2.4 billion during 2013, up 1 percent, or $23 million, from 2012. Excluding the impact of $21 million of unfavourable foreign exchange translation on Carestream Health's non-U.S. revenues, Carestream Health reported an increase in revenues of $44 million. The increase in revenues was due primarily to higher volume in the contract manufacturing and x-ray systems businesses and higher prices in the traditional film businesses. Partially offsetting the increase was lower volume in the traditional film businesses due to the continuing transition from film to digital processes in medical imaging and a shift to lower-priced solutions in the digital equipment segments.

Cost of sales at $1.4 billion decreased $5 million during 2013 compared to last year. Cost of sales decreased due primarily to lower costs for silver, which is a major component in the production of film. Gross profit for 2013 increased to $985 million from $957 million in 2012 due primarily to higher volume of digital products sold, higher prices for film and lower commodity costs in 2013 compared to 2012.

Carestream Health reported revenues of $2.4 billion during 2012, down 1 percent, or $21 million, from 2011. Included in the revenue decrease was $51 million of unfavourable foreign exchange translation on Carestream Health's non-U.S. revenues compared to 2011. Excluding the impact of foreign exchange, Carestream Health reported an increase in revenues of $33 million due primarily to higher volume in the digital equipment segments and higher prices in the traditional film businesses, partially offset by lower volume in the traditional film businesses due to the continuing transition from film to digital processes in medical imaging and a shift to lower-priced solutions in digital equipment segments.

During 2012, cost of sales at $1.4 billion decreased 3 percent, or $47 million, compared to 2011. Cost of sales decreased due primarily to lower costs for polyester and silver, which are major components in the production of film. Gross profit for 2012 increased to $957 million from $931 million in 2011 due primarily to higher volume of digital products sold, lower commodity costs and higher prices for film in 2012 compared to 2011. Film price increases in 2011 only partially offset the increase in the cost of raw materials during that period.

ResCare

ResCare has five reportable segments: Residential Services, ResCare HomeCare, Education and Training Services, Workforce Services and Pharmacy Services. Residential Services includes the provision of services to individuals with developmental or other disabilities in community home settings. ResCare HomeCare provides periodic in-home care services to the elderly, as well as persons with disabilities. Education and Training Services consists primarily of Job Corps centres, alternative education and charter schools. Workforce Services is comprised of domestic job training and placement programs that assist welfare recipients and disadvantaged job seekers in finding employment and improving their career prospects. Pharmacy Services is a limited, closed-door pharmacy focused on serving individuals with cognitive, intellectual and developmental disabilities. ResCare provides services to some 61,000 persons daily.

During 2013, ResCare reported revenues of $1.6 billion, an increase of $18 million, or 1 percent, compared to 2012. The increase in revenues was due primarily to acquisitions and organic growth in the Residential Services, ResCare HomeCare and Pharmacy Services segments. Partially offsetting the revenue increase were decreases in the Education and Training Services and Workforce Services segments due to fewer referrals.

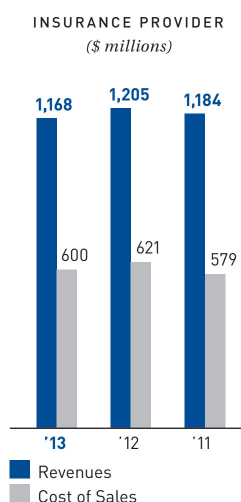
Cost of sales had a similar increase of 1 percent, or $15 million, to $1.2 billion due primarily to the increase in revenues during 2013.

During the year ended December 31, 2012, revenues increased 1 percent, or $15 million, to $1.6 billion while cost of sales decreased slightly by 1 percent, or $7 million, from 2011. Revenues increased in the residential services and ResCare HomeCare segments due primarily to acquisition growth, which was partially offset by a decline in revenues in the Workforce Services segment resulting from the loss of international contracts, lower referrals in certain contracts and funding cuts.

Insurance Provider

The Warranty Group, Inc. ("The Warranty Group") revenues consist of warranty revenues, insurance premiums and administrative and marketing fees, and investment income earned on warranties and service contracts for manufacturers, retailers and distributors of consumer electronics, appliances, homes and autos, as well as credit card enhancements and other specialty insurance programs through a global organization. The Warranty Group's cost of sales consists primarily of the change in reserves for future warranty and insurance claims, current claims payments and underwriting profit-sharing payments.

The Warranty Group reported revenues of $1.2 billion for 2013, a decrease of 3 percent, or $37 million, compared to 2012. The decrease in revenues was due primarily to lower earned revenues on the consumer products business in North America, lower earned revenues on the creditor and consumer products business in Europe as well as lower overall investment income. The decrease in revenues was partially offset by higher U.S. and Europe auto earned revenues and an increase in earned revenues on the consumer products business in the International segment.



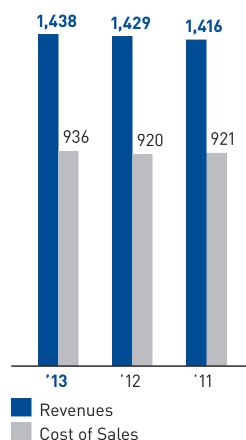
Cost of sales was $600 million during 2013, a decrease of $21 million, or 3 percent, compared to 2012. The decrease was driven primarily by favourable claims development on certain programs in North America and International, partially offset by increased claims severity on a large client in North America.

The Warranty Group reported revenues for the year ended December 31, 2012 of $1.2 billion, increasing 2 percent, or $21 million, compared to 2011. The increase in revenues was due primarily to an increase in the consumer products business in Asia and Latin America, which was partially offset by lower earned premiums on the creditor business in Europe as well as lower overall investment income.

Cost of sales was $621 million during 2012, an increase of $42 million, or 7 percent. Cost of sales increased as a percentage of earned revenue as a result of unfavourable claims experience in certain international markets and a change in product mix primarily related to the lower creditor business in Europe. This change in product mix resulted in higher cost of sales due to lower commission products.

Customer Care Services

SITEL Worldwide Corporation ("Sitel Worldwide") is a diversified provider of customer care outsourcing services. The company offers its clients a wide array of services, including customer service, technical support, back office support, and customer acquisition, retention and revenue generation services. The majority of Sitel Worldwide's customer care services are inbound telephonic services; however, the company provides services through other communication channels including social media, online chat, email and interactive voice response. Sitel Worldwide serves a broad range of industry end markets, including technology, financial services, wireless, retail and consumer products, telecommunications, media and entertainment, energy and utilities, internet service providers, travel and transportation, insurance, healthcare and government. Sitel Worldwide's operating results are affected by the demand for the products of its customers.

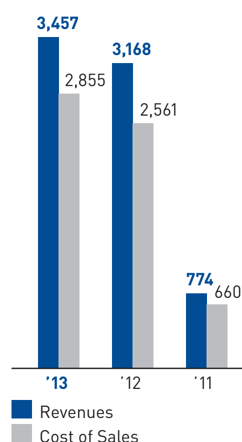


Sitel Worldwide reported revenues of $1.4 billion during 2013, an increase of $9 million, or 1 percent, compared to 2012. The increase in revenues was due primarily to net growth with new and existing customers. Cost of sales at $936 million increased $16 million, or 2 percent, in 2013 compared to 2012 due to higher revenues, but at slightly lower margins due to a shift in customer mix.

Sitel Worldwide reported revenues of $1.4 billion and cost of sales of $920 million for 2012. Revenues were up 1 percent while cost of sales was largely unchanged. Included in revenues was $51 million of unfavourable foreign exchange translation on Sitel Worldwide's non-U.S. revenues compared to 2011. Excluding the impact of foreign exchange, Sitel Worldwide reported an increase in revenues of 5 percent, or $64 million. Revenue from new customers and net growth with existing customers contributed $105 million to the revenue increase. Partially offsetting the revenue growth was a decrease of $41 million related to attrition of existing programs. Excluding the impact of foreign exchange, Sitel Worldwide reported an increase in cost of sales of 3 percent, or $29 million, due primarily to the increase in revenues.

Building Products

JELD-WEN is a manufacturer of interior and exterior doors, windows and related products for use primarily in the residential and light commercial new construction and remodelling markets. The company's revenues follow seasonal new construction and repair and remodelling industry patterns. JELD-WEN manages its business through three geographic segments: North America, Europe, and Australia and Asia. JELD-WEN was acquired by Onex in early October 2011.



For 2013, JELD-WEN reported revenues of $3.5 billion, an increase of $289 million, or 9 percent, compared to 2012. The increase in revenues was primarily attributable to the North American segment, where revenues increased by $312 million, as well as an increase in the European segment. The increase in revenues in the North American segment was due primarily to the increased demand from new customers and growth in the market in addition to the acquisition of CraftMaster Manufacturing, Inc. ("CMI"), which was acquired by JELD-WEN in October 2012 and contributed $142 million of revenue in 2013. Partially offsetting the increase in revenues in the North American and European segments was a decline in revenues in Australia.

Cost of sales was $2.9 billion for 2013, an increase of $294 million, or 11 percent, compared to 2012. The increase in cost of sales during 2013 was driven by the increase in revenues, as well as additional costs resulting from the start-up of new operations and the ramping up of production to meet growing demand. Gross profit for 2013 decreased slightly to $602 million compared to $607 million for 2012.

The building products segment was a new reportable segment in 2011 following Onex' acquisition of JELD-WEN in early October 2011. The 2012 results represent a full year of operations compared to three months of revenues and cost of sales reported for 2011.

For the year ended December 31, 2012, JELD-WEN reported revenues of $3.2 billion compared to revenues of $774 million reported in the three-month period of Onex' ownership in 2011. The North American segment contributed 53 percent to total 2012 revenues, Europe contributed 34 percent and Australasia contributed 13 percent.

Cost of sales for JELD-WEN were $2.6 billion in 2012 compared to $660 million for the three-month period in 2011. Included in JELD-WEN's 2011 cost of sales was a one-time charge of $32 million originating from the acquisition accounting step-up in value of inventory in the company's balance sheet at the date of acquisition.

Other Businesses

The other businesses segment primarily consists of the revenues and cost of sales of the ONCAP companies – EnGlobe Corp. ("EnGlobe"), Mister Car Wash, CiCi's Pizza, Pinnacle Pellet, Inc. ("Pinnacle Renewable Energy Group"), PURE Canadian Gaming Corp. ("PURE Canadian Gaming"), previously named Casino ABS, Hopkins Manufacturing Corporation ("Hopkins"), Davis-Standard Holdings, Inc. ("Davis-Standard"), Bradshaw International, Inc. ("Bradshaw"), Caliber Collision (up to November 2013) and BSN SPORTS (up to June 2013) – Emerald Expositions (since June 2013), KraussMaffei Group GmbH ("KraussMaffei"), SGS International, Inc. ("SGS International"), Tropicana Las Vegas, Inc. ("Tropicana Las Vegas"), USI, Flushing Town Center, Meridian Aviation and the parent company.

BSN Sports was sold in June 2013 and Caliber Collision was sold in November 2013. These businesses did not represent separate major lines of business and, as a result, have not been presented as discontinued operations.

Table 3 provides revenues and cost of sales by operating company in the other businesses segment for the years ended December 31, 2013, 2012 and 2011. The percentage change in revenues and cost of sales in those periods is also shown.

Other Businesses Revenues and Cost of Sales for the Years Ended December 31, 2013 and 2012

TABLE 3 *($ millions)*	Revenues			Cost of Sales		
Year ended December 31	**2013**	2012[a]	**Change**	**2013**	2012[a]	**Change**
ONCAP companies[b]	**$ 2,082**	$ 1,944	**7%**	**$ 1,319**	$ 1,246	**6%**
Emerald Expositions[c]	**77**	–	**n/a**	**21**	–	**n/a**
KraussMaffei[c]	**1,405**	–	**n/a**	**1,097**	–	**n/a**
SGS International[c]	**465**	93	**n/a**	**295**	57	**n/a**
Tropicana Las Vegas	**97**	91	**7%**	**7**	7	**–**
USI[c]	**769**	15	**n/a**	**–**	–	**n/a**
Other[d]	**192**	114	**68%**	**122**	68	**79%**
Total	**$ 5,087**	$ 2,257	**125%**	**$ 2,861**	$ 1,378	**108%**

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

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

(b) 2013 ONCAP companies include EnGlobe, Mister Car Wash, CiCi's Pizza, Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard, Bradshaw, Caliber Collision (up to November 2013) and BSN SPORTS (up to June 2013). 2012 ONCAP companies include EnGlobe, Mister Car Wash, CiCi's Pizza, Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard, Caliber Collision and BSN SPORTS. The revenues and cost of sales of Bradshaw for the few days since its late December 2012 acquisition date to December 31, 2012 were not significant to Onex and therefore not included in the 2012 results.

(c) There are no comparative results for Emerald Expositions and KraussMaffei for 2012. Emerald Expositions began to be consolidated in June 2013, when the business was acquired by the Onex Partners III Group. The revenues and cost of sales of KraussMaffei for the few days since its late December 2012 acquisition date to December 31, 2012 were not significant to Onex and therefore not included in the 2012 results. SGS International began to be consolidated in October 2012 and USI began to be consolidated in late December 2012, when the businesses were acquired by the Onex Partners III Group.

(d) 2013 other includes Flushing Town Center, Meridian Aviation and the parent company. 2012 other includes Flushing Town Center and the parent company.

Other Businesses Revenues and Cost of Sales for the Years Ended December 31, 2012 and 2011

($ millions)	Revenues			Cost of Sales		
Year ended December 31	2012[a]	2011[a]	Change	2012[a]	2011[a]	Change
ONCAP companies[b]	$ 1,944	$ 1,344	45%	$ 1,246	$ 835	49 %
SGS International[c]	93	–	n/a	57	–	n/a
Tropicana Las Vegas	91	85	7%	7	8	(13)%
USI[c]	15	–	n/a	–	–	n/a
Other[d]	114	71	61%	68	40	70 %
Total	$ 2,257	$ 1,500	50%	$ 1,378	$ 883	56 %

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

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements. 2011 results have not been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

(b) 2012 ONCAP companies include EnGlobe, Mister Car Wash, CiCi's Pizza, Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard, Caliber Collision and BSN SPORTS. The revenues and cost of sales of Bradshaw for the few days since its late December 2012 acquisition date to December 31, 2012 were not significant to Onex and therefore not included in the 2012 results. 2011 ONCAP companies include EnGlobe, Mister Car Wash, CiCi's Pizza, Pinnacle Renewable Energy Group (from its acquisition date in May 2011), PURE Canadian Gaming (from its acquisition date in May 2011), Hopkins (from its acquisition date in June 2011), Caliber Collision and BSN SPORTS.

(c) There are no reported results for SGS International and USI for the year ended December 31, 2011. SGS International began to be consolidated in October 2012 and USI began to be consolidated in late December 2012, when the businesses were acquired by the Onex Partners III Group.

(d) 2012 and 2011 other includes Flushing Town Center and the parent company.

ONCAP companies

The ONCAP companies reported a 7 percent, or $138 million, increase in revenues for the year ended December 31, 2013 compared to 2012. Cost of sales contributed by the ONCAP companies was up 6 percent, or $73 million, for 2013. The growth in revenues and cost of sales was due primarily to the inclusion of the results of Bradshaw, acquired in December 2012, partially offset by a decrease in revenues and cost of sales due to the sale of BSN SPORTS in June 2013.

The ONCAP companies reported a 45 percent, or $600 million, increase in revenues for 2012 compared to 2011. Cost of sales contributed by the ONCAP companies was up 49 percent, or $411 million, for 2012 compared to 2011. The 2012 results include a full year of operations for Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins and Davis-Standard, which were acquired by ONCAP during 2011.

Emerald Expositions

Emerald Expositions was acquired in June 2013 and is a leading operator of large business-to-business tradeshows in the United States across nine end markets. Emerald Expositions has two principal sources of revenue: tradeshow revenue and revenue from print and digital publications and select conferences. Tradeshow revenue is generated from selling exhibit space and sponsorship slots to exhibitors on a per-square-footage basis.

Emerald Expositions reported revenues and cost of sales of $77 million and $21 million, respectively, for essentially six months of ownership to December 31, 2013. As Emerald Expositions was acquired by the Onex Partners III Group in June 2013, there are no comparative results for 2012 or 2011.

KraussMaffei

KraussMaffei, acquired in December 2012, provides highly engineered solutions and machines for the production of plastic and rubber products. The company provides products and solutions in the injection molding, extrusion technology and reaction process machinery segments and serves customers in a wide range of industries. KraussMaffei's revenues are derived from the sale of machines and aftermarket services.

During the year ended December 31, 2013, KraussMaffei contributed $1.4 billion in revenues and $1.1 billion in cost of sales. There are no comparative results for 2012 or 2011 since the revenues and cost of sales of KraussMaffei began to be consolidated in January 2013.

SGS International

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

SGS International reported revenues and cost of sales of $465 million and $295 million, respectively, during 2013. Reported 2012 revenues of $93 million and cost of sales of $57 million represent the three months of operations from the October 2012 acquisition of SGS International. As SGS International was acquired in October 2012, there are no comparative results for the year ended December 31, 2011.

Tropicana Las Vegas

Tropicana Las Vegas is a casino resort with 1,467 rooms, situated on 35 acres and located directly on the Las Vegas Strip. Tropicana Las Vegas' revenues increased 7 percent, or $6 million, to $97 million in 2013, while cost of sales was unchanged during the year at $7 million. Tropicana Las Vegas records most of its costs in operating expenses. The increase in revenues during 2013 was due primarily to an increase in average daily room rates.

Tropicana Las Vegas reported an increase in revenues of $6 million, or 7 percent, to $91 million in 2012 compared to 2011, while cost of sales decreased slightly during the year to $7 million. The increase in revenues during 2012 was due primarily to an increase in room and table game revenues, slightly offset by a decrease in food and beverage revenue.

USI

USI is a leading provider of insurance brokerage services. USI's revenues consist of commissions paid by insurance companies and fees paid directly by the company's clients on the placement of property and casualty and individual and group health, life and disability insurance on behalf of its clients, fees paid directly by the carrier, and in certain cases by the client, for employee benefit-related services, and contingent and supplemental commissions paid based on the overall profit and/or volume of business placed with an insurer. USI has two reportable segments: Retail Insurance Brokerage and Specialty.

During the year ended December 31, 2013, USI reported revenues of $769 million. Reported 2012 revenues of $15 million represent results for the period from the late December 2012 acquisition of USI to December 31, 2012. USI records its costs in operating expenses. As USI was acquired in late December 2012, there are no comparative results for the year ended December 31, 2011.

Interest expense of operating companies

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

Consolidated interest expense was up $299 million, or 58 percent, to $813 million during the year ended 2013 compared to $514 million in 2012. The increase was due primarily to:

- The inclusion of a full year of interest expense for SGS International, USI, KraussMaffei and Bradshaw, each acquired during the fourth quarter of 2012, and six months of interest expense for Emerald Expositions, acquired in June 2013. These acquisitions collectively increased interest expense by $234 million in 2013.
- A $49 million increase in interest expense recorded by Carestream Health due to a higher outstanding debt balance related to its June 2013 debt refinancing, which includes a $16 million debt prepayment charge associated with the refinancing.

The increase in interest expense during 2013 was partially offset by a combined decrease of $25 million in interest expense at ResCare and Spirit AeroSystems due primarily to refinancings completed during 2012.

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

Investments in joint ventures and associates are defined under IFRS as those investments in operating businesses over which Onex has joint control or significant influence, but not control. Certain of these investments are designated, upon initial recognition, at fair value in the audited annual consolidated balance sheets. Both realized and unrealized gains and losses are recognized in the audited annual consolidated statements of earnings as a result of increases or decreases in the fair value of investments in joint ventures and associates. The investments that Onex determined to be investments in joint ventures or associates and thus recorded at fair value are Allison Transmission, BBAM, RSI (sold in February 2013), Tomkins Limited ("Tomkins") and certain Onex Real Estate investments.

Hawker Beechcraft Corporation ("Hawker Beechcraft"), previously a joint venture investment, filed for bankruptcy protection in the United States during the second quarter of 2012. The company emerged from bankruptcy protection in February 2013 and, under the terms of the restructuring, the Onex Partners II Group holds a nominal equity interest in the company. As a result, during the first quarter of 2013, the unrealized losses previously recognized in investments in joint ventures and associates at fair value for the decline in value of Hawker Beechcraft were realized.

During 2013, Onex recorded an increase in fair value of investments in joint ventures and associates of $1.1 billion (2012 – $863 million). The increase was due primarily to (i) an increase in the public share value of Allison Transmission, including the 2013 share repurchase and secondary offering values being above the value of the investment at December 2012; (ii) proceeds received on the February 2013 sale of RSI being above the value of the investment at December 31, 2012; (iii) strong operating performance at certain of the investments; and (iv) debt repayment by some of the investments.

Of the total fair value increase recorded during the year ended December 31, 2013, $786 million (2012 – $614 million) is attributable to the limited partners in the Onex Partners Funds, which contributes to the Limited

Partners' Interests charge discussed on page 42 of this MD&A. Onex' share of the total fair value increase was $312 million (2012 – $249 million).

Stock-based compensation expense

Onex recorded a consolidated stock-based compensation expense of $349 million during 2013 compared to an expense of $239 million in 2012. Onex, the parent company, represented $215 million (2012 – $139 million) of the 2013 expense primarily related to its stock options and MIP equity interests. In accordance with IFRS, the expense recorded on these plans is determined based on the fair value of the liability at the end of each reporting period. The fair value of the Onex stock options and MIP equity interests is determined using an option valuation model, with the stock options primarily impacted by the change in the market value of Onex' shares and the MIP equity interests affected primarily by the change in the fair value of Onex' investments. The expense recorded by Onex, the parent company, on its stock options during 2013 was due primarily to the 37 percent increase in the market value of Onex' shares to C$57.35 at December 31, 2013 from C$41.87 at December 31, 2012.

Table 4 details the change in stock-based compensation by Onex operating companies and Onex, the parent company, for the years ended December 31, 2013 and 2012.

Stock-Based Compensation Expense

TABLE 4 *($ millions)*	**2013**	2012	**Change**
Onex, the parent company, stock options	**$ 134**	$ 115	**$ 19**
Onex, the parent company, MIP equity interests	**81**	24	**57**
Onex operating companies	**134**	100	**34**
Total	**$ 349**	$ 239	**$ 110**

Other gains

For the year ended December 31, 2013, Onex recorded other gains of $561 million on the June 2013 sale of BSN SPORTS and the November 2013 sale Caliber Collision by the ONCAP II Group. During the year ended December 31, 2012, Onex recorded other gains of $59 million on the July 2012 sale of CDI by the Onex Partners I Group.

BSN SPORTS

In June 2013, the ONCAP II Group completed the sale of BSN SPORTS, receiving net proceeds of $236 million, of which Onex' share was $114 million. Included in the net proceeds received on the sale, there were approximately $16 million of additional amounts held in escrow and other items which are expected to be received by June 2015. Onex' share of the amounts held in escrow and other items was $8 million. During the fourth quarter of 2013, $1 million of the additional amounts held in escrow was received, of which Onex' share was less than $1 million. The realized pre-tax gain on the sale of BSN SPORTS was $170 million, of which Onex' share was $82 million. Onex recorded a non-cash tax provision of $7 million on the sale, which was included in the provision for income taxes in the audited annual consolidated statements of earnings. Onex recognized a recovery of this tax provision during 2013 as part of an evaluation of recent changes in tax law as described on page 43 of this MD&A. The gain on the sale is entirely attributable to the equity holders of Onex. This gain includes the portion attributable to Onex' investment, as well as that of the limited partners of ONCAP II. The effect of this is to recover the charges to earnings on BSN SPORTS allocated to the limited partners over the life of the investment, which totalled $88 million. The balance of $75 million reflects the after-tax gain on Onex' investment in BSN SPORTS. Management of ONCAP received $18 million in carried interest on the sale of BSN SPORTS. The impact to Onex and management of Onex was a net payment of $7 million in carried interest. Under the terms of the MIP, management of Onex participates in Onex' realized gains from operating business investments once certain conditions, including the required investment return hurdle, have been met. Management of Onex received $6 million on account of this transaction related to the MIP. BSN SPORTS did not represent a separate major line of business, and as a result has not been presented as a discontinued operation. At December 31, 2013, $15 million remained receivable for escrow amounts and other items, of which Onex' share was $7 million.

During the fourth quarter of 2013, $6 million of additional proceeds were received by ONCAP II, of which Onex' share was $3 million. These additional proceeds were recognized as a gain during the fourth quarter of 2013, net of a $1 million reduction in the escrow receivable.

Caliber Collision

In November 2013, the ONCAP II Group completed the sale of Caliber Collision. The ONCAP II Group received net proceeds of $437 million on the sale. Onex' share of the net proceeds was $193 million. Included in the net proceeds received on the sale, there are approximately $4 million of additional amounts held in escrow and for working capital adjustments that are expected to be settled during 2014, of which Onex' share is $2 million. The realized gain on the sale of Caliber Collision was $386 million, of which Onex' share was $171 million. The gain on the sale is entirely attributable to the equity holders of Onex. This gain includes the portion attributable to Onex' investment, as well as that of the limited partners of ONCAP II. The effect of this is to recover the charges to earnings on Caliber Collision allocated to the limited partners over the life of the investment, which totalled $215 million. The balance of $171 million reflects the gain on Onex' investment in Caliber Collision. Management of ONCAP received $42 million in carried interest on the sale of Caliber Collision. The impact to Onex and management of Onex was a net payment of $8 million in carried interest to ONCAP management. Under the terms of the MIP, management of Onex participates in Onex' realized gains from operating business investments once certain conditions, including the required investment return hurdle, have been met. Management of Onex received $12 million on account of this transaction related to the MIP. Caliber Collision did not represent a separate major line of business, and as a result has not been presented as a discontinued operation.

CDI

In July 2012, the Onex Partners I Group completed the sale of CDI. Net proceeds to the Onex Partners I Group were $91 million, of which Onex' share was $24 million, including carried interest of $3 million. Included in the net proceeds amount was $9 million held in escrow and for working capital adjustments, which is expected to be settled in 2014. Onex' share of the amounts held in escrow and for working capital adjustments was $2 million, excluding carried interest. During the fourth quarter of 2012, less than $1 million of the amount held for working capital adjustments was settled. No amounts were paid on account of the MIP as the required investment return hurdle for Onex was not met. Onex' 2012 audited annual consolidated financial statements include a gain of $59 million, which was entirely attributable to the equity holders of Onex.

Other items

Onex recorded a charge for other items in 2013 of $449 million (2012 – $46 million). Table 5 provides a breakdown of and the change in other items for the years ended December 31, 2013 and 2012.

Other Items Expense (Income)

TABLE 5 *($ millions)*	**2013**	2012	**Change**
Restructuring	**$ 93**	$ 103	**$ (10)**
Transition, integration and other	**73**	27	**46**
Transaction costs	**23**	46	**(23)**
Carried interest due to Onex and ONCAP management	**262**	91	**171**
Change in fair value of contingent consideration	**104**	(2)	**106**
Spirit AeroSystems severe weather event	**30**	(146)	**176**
Meridian Aviation	**(32)**	–	**(32)**
Foreign exchange loss (gain)	**18**	(7)	**25**
Other	**(122)**	(66)	**(56)**
Total	**$ 449**	$ 46	**$ 403**

Restructuring

Restructuring expenses are considered to be costs incurred by the operating companies to realign organizational structures or restructure manufacturing capacity to obtain operating synergies critical to building the long-term value of those businesses. Table 6 provides a breakdown of and the change in restructuring expenses by operating company for the years ended December 31, 2013 and 2012.

Restructuring Expenses

TABLE 6 *($ millions)*	**2013**	2012	**Change**
JELD-WEN	**$ 31**	$ 35	**$ (4)**
Celestica	**28**	44	**(16)**
Sitel Worldwide	**14**	15	**(1)**
Carestream Health	**10**	6	**4**
Other	**10**	3	**7**
Total	**$ 93**	$ 103	**$ (10)**

JELD-WEN

JELD-WEN reported a decrease of $4 million in restructuring expense in 2013. Restructuring charges of $31 million in 2013 relate primarily to costs associated with the closure of facilities. The charges recorded by JELD-WEN during 2012 primarily relate to the realignment of administrative and sales departments to reduce general and administrative costs and the termination of certain contracts.

Celestica

In June 2012, Celestica announced that it would wind down its manufacturing services for a significant consumer customer by the end of 2012. In connection with the wind-down and in order to reduce its overall cost structure and improve its margin performance, Celestica announced restructuring actions throughout its global network. At December 31, 2013, Celestica had completed its planned restructuring actions. Celestica recorded $28 million of restructuring charges during 2013 in connection with these planned actions. During 2012, Celestica recorded $44 million of restructuring charges, which includes $16 million in non-cash charges against property, plant and equipment recorded in connection with the wind-down.

Sitel Worldwide

During the year ended December 31, 2013, Sitel Worldwide reported restructuring expenses of $14 million (2012 – $15 million). The charges incurred in 2013 and 2012 primarily relate to expenses incurred to rationalize facility and labour costs, realign operations and resources to support growth plans, and shift the geographic mix of certain operations.

Carestream Health

Carestream Health reported restructuring expenses of $10 million during 2013 compared to $6 million in 2012. Carestream Health's costs related primarily to the reorganization of European sales and service functions and the relocation and closure of a film finishing plant. The 2012 charges related primarily to the sale of a portion of Carestream Health's Molecular Imaging business, which resulted in the shutdown of certain operations.

Transition, integration and other

Transition, integration and other expenses are typically to provide for the costs of transitioning the activities of an operating company from a prior parent company upon acquisition and to integrate new acquisitions at the operating companies.

Transaction costs

Transaction costs are incurred by Onex and its operating companies to complete business acquisitions, and typically include advisory, legal and other professional and consulting costs. Transaction costs for 2013 were primarily due to the acquisition of Emerald Expositions, as discussed on page 24 of this MD&A, and acquisitions completed by the operating companies.

Carried interest due to Onex and ONCAP management

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

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

and IV and ONCAP II and III, independently. During 2013, a charge of $262 million (2012 – $91 million) was recorded in the audited annual consolidated statements of earnings for an increase in management's share of the carried interest due primarily to an increase in the fair value of certain of the private and publicly traded investments in the Onex Partners and ONCAP Funds.

Change in fair value of contingent consideration

During 2013, Onex recorded net charges of $104 million (2012 – net recovery of $2 million) in relation to the estimated change in fair value of contingent consideration related to acquisitions completed by Onex and its operating companies. The fair value of contingent consideration liabilities is typically based on the estimated future financial performance of the acquired businesses. Financial targets used in the estimation process include certain defined financial targets and realized internal rates of return. The total estimated fair value of contingent consideration liabilities at December 31, 2013 was $200 million (December 31, 2012 – $83 million).

Spirit AeroSystems severe weather event

During 2013, Spirit AeroSystems incurred $30 million of additional costs related to the April 2012 tornado that hit its Wichita, Kansas facility. In October 2012, Spirit AeroSystems agreed to a settlement with its insurers for all claims related to the tornado for property damage, cleanup, recovery costs and business interruption expenses, net of any deductibles, recording a net gain of $146 million during 2012. The settlement resolved all contingencies surrounding the storm damage. Spirit AeroSystems will recognize future costs as they are incurred.

Meridian Aviation

During the fourth quarter of 2013, Meridian Aviation executed sale agreements for three of the six commercial passenger aircraft under its existing purchase agreement, including the novation of the associated leases to the purchaser. The sale agreements are for two aircraft delivered in 2013 and one aircraft scheduled for delivery in 2014. Meridian Aviation recorded a net gain of $32 million comprised of the sale of the two aircraft delivered in 2013 and a fair value adjustment covering the remaining four aircraft scheduled for delivery to the company between 2014 and 2015.

Other

For the year ended December 31, 2013, Onex reported consolidated other income of $122 million (2012 – $66 million). During 2013, in connection with the settlement of class action lawsuits, Celestica recorded other income of $24 million for the receipt of recoveries of damages related to certain purchases made by the company in prior periods. In addition, other income recorded during 2013 includes (i) $24 million of realized and unrealized gains on investments in securities held by the operating companies; (ii) $15 million of gains from JELD-WEN's sale of non-core assets; (iii) $14 million of other income from equity accounted investments; and (iv) $9 million of gains on the sale of tax losses, as discussed below.

In February and November 2013, Onex sold entities, the sole assets of which were certain tax losses, to companies controlled by Mr. Gerald W. Schwartz, who is Onex' controlling shareholder. Onex received $9 million (2012 – $16 million) in cash for tax losses of $89 million (2012 – $166 million). The cash received of $9 million was recorded as a gain in other items during 2013. Onex has significant non-capital and capital losses available; however, Onex does not expect to generate sufficient taxable income to fully utilize these losses in the foreseeable future. As such, no benefit was previously recognized in the unaudited interim or audited annual consolidated financial statements for the tax losses. In connection with these transactions, Deloitte & Touche LLP, an independent accounting firm retained by Onex' Audit and Corporate Governance Committee, provided an opinion that the value received by Onex for the tax losses was fair. The transactions were unanimously approved by Onex' Audit and Corporate Governance Committee, all the members of which are independent directors.

Other income for 2012 includes realized and unrealized gains of $25 million on investments in securities held by operating companies, a gain of $15 million recorded by Sitel Worldwide on a repurchase of preferred shares and $16 million of gains on the sale of tax losses.

Impairment of goodwill, intangible assets and long-lived assets, net

Net impairment of goodwill, intangible assets and long-lived assets for 2013 totalled $319 million (2012 – $65 million). Table 7 provides a breakdown of the net impairment of goodwill, intangible assets and long-lived assets by operating company for the years ended December 31, 2013 and 2012.

Impairment of Goodwill, Intangible Assets and Long-Lived Assets, Net

TABLE 7 ($ millions)	2013	2012
Skilled Healthcare Group	**$ 95**	$ 12
Tropicana Las Vegas	**91**	–
CiCi's Pizza	**57**	16
Flushing Town Center	**43**	–
Celestica	**–**	18
Other[a]	**33**	19
Total	**$ 319**	$ 65

(a) 2013 other includes impairments of $33 million related to EnGlobe, JELD-WEN, Sitel Worldwide, The Warranty Group and USI. 2012 other includes impairments of $19 million related to Carestream Health, JELD-WEN, Spirit AeroSystems, The Warranty Group and BSN SPORTS (sold in June 2013).

Skilled Healthcare Group

Skilled Healthcare Group completed an impairment analysis during the third quarter of 2013 as a result of the ongoing shift of seniors from Medicare to Medicare Advantage, which pays a lower per diem rate than Medicare, and its effect on expected future revenue growth rates in the long-term care facilities, as well as future decreases in home health care reimbursement rates. As a result, the company revised its estimates with respect to net revenues and gross margins, which negatively impacted its cash flows forecasted for the long-term care services segment and home health reporting unit. Accordingly, Skilled Healthcare Group recorded non-cash goodwill impairments of $93 million and a non-cash intangible asset impairment of $2 million during 2013.

Tropicana Las Vegas

Due to a decline in the recoverable amount of Tropicana Las Vegas, measured in accordance with IAS 36, *Impairment of Assets*, Tropicana Las Vegas recorded non-cash long-lived asset impairments of $91 million in the second quarter of 2013.

CiCi's Pizza

ONCAP II's operating company, CiCi's Pizza, recorded non-cash goodwill and intangible impairment charges of $33 million (2012 – $16 million) and $24 million (2012 – nil), respectively, during the fourth quarter of 2013 due primarily to a decrease in projected future earnings and a reduction in the exit multiple due to market risks.

Flushing Town Center

During 2013, Flushing Town Center recorded non-cash impairments of $43 million associated with its retail and parking structures.

Celestica

Celestica did not record any impairment charges during 2013 compared to charges of $18 million in 2012. The charges recorded during 2012 primarily relate to goodwill associated with the healthcare business acquired by Celestica in 2010.

Limited Partners' Interests charge

The Limited Partners' Interests charge in Onex' audited annual consolidated statements of earnings primarily represents the change in the fair value of the underlying investments in the Onex Partners and ONCAP Funds that is allocated to the limited partners and recorded as Limited Partners' Interests liability in Onex' audited annual consolidated balance sheets. The value of the limited partners' capital in the Funds is affected primarily by the change in the fair value of the underlying investments. The Limited Partners' Interests charge includes the fair value changes of both consolidated operating companies and investments in joint ventures and associates that are held in the Onex Partners and ONCAP Funds.

During 2013, Onex recorded a $1.9 billion charge for Limited Partners' Interests compared to a charge of $929 million in 2012. The increase in the fair value of certain of the private and publicly traded investments held in the Onex Partners and ONCAP Funds contributed significantly to the Limited Partners' Interests charge recorded in 2013.

The Limited Partners' Interests charge is net of a $395 million increase (2012 – $132 million) in carried interest for the year ended December 31, 2013. Onex' share of the carried interest increase for 2013 was $137 million (2012 – $47 million). The amount of carried interest that has been netted against the Limited Partners' Interests increased

in 2013 due to the increase in the fair value of certain of the private and publicly traded investments in the Onex Partners and ONCAP Funds. The ultimate amount of carried interest realized will be dependent upon the actual realizations for each Fund in accordance with the limited partnership agreements.

Income taxes

Onex recorded a consolidated income tax recovery of $333 million in 2013 compared to a tax provision of $76 million in 2012. During the third quarter of 2013, as a result of evaluating recent changes in tax law for the treatment of surplus and upstream loans, Onex, the parent company, determined that its previously recognized deferred tax provisions on gains realized from the disposition of foreign operating companies are temporary differences which are probable to not reverse in the foreseeable future, consistent with the principles outlined in IAS 12, *Income Taxes*. As a result, Onex, the parent company, recorded a $526 million non-cash recovery of deferred income taxes, of which $480 million was included in Onex', the parent company's, deferred income tax liability at December 31, 2012 and $46 million represents the provisions established and reversed during 2013. The recovery of income taxes recorded during 2013, as discussed above, was partially offset by non-cash tax provisions recorded by Onex, the parent company, on (i) the June and July 2013 distributions received from Carestream Health; (ii) the sale of BSN SPORTS in June 2013; and (iii) the sale of RSI in February 2013, in addition to a deferred tax provision recorded by Spirit AeroSystems.

During the fourth quarter of 2013, Spirit AeroSystems reversed the recognition of nearly all of its net U.S. deferred tax assets as at December 31, 2013. Spirit AeroSystems determined that, as a result of cumulative losses, it is no longer probable that the company will earn sufficient future taxable profits to utilize nearly all of the previously recognized tax assets. As a result, included in Spirit AeroSystems' tax provision is $296 million related to the reversal of its consolidated net U.S. deferred tax assets and $15 million related to the reversal of deferred tax assets on its state income tax credits and other items. In addition, Spirit AeroSystems recognized a provision of $32 million through other comprehensive earnings related to the reversal of nearly all of its consolidated net U.S. deferred tax assets. Spirit AeroSystems will continue to monitor its deferred tax position and may recognize a portion of its U.S. deferred tax assets in future periods as available evidence changes.

Loss from continuing operations

Onex reported a consolidated loss from continuing operations of $1.1 billion in 2013 compared to consolidated losses of $10 million in 2012 and $112 million in 2011. Table 8 shows the earnings (loss) from continuing operations by industry segment for the years ended December 31, 2013, 2012 and 2011.

Earnings (Loss) from Continuing Operations by Industry Segment

TABLE 8 ($ millions)	2013	2012[a]	2011 [a]
Earnings (loss) from continuing operations:			
Electronics Manufacturing Services	**$ 118**	$ 118	$ 195
Aerostructures	**(540)**	45	224
Healthcare	**(117)**	70[b]	(112)[b]
Insurance Provider	**112**	109	60
Customer Care Services	**(21)**	(20)	(58)
Building Products	**(85)**	(67)	(89)
Other[c]	**(541)**	(265)	(332)
Loss from Continuing Operations	**$ (1,074)**	$ (10)	$ (112)

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements. 2011 results have not been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

(b) Includes reported results of CDI, which was sold in July 2012. CDI did not represent a separate major line of business and as a result has not been presented as a discontinued operation.

(c) 2013 other includes the consolidated earnings of Tropicana Las Vegas, SGS International, USI, KraussMaffei, Meridian Aviation, Emerald Expositions (since June 2013), the operating companies of ONCAP II (BSN SPORTS up to June 2013 and Caliber Collision up to November 2013) and ONCAP III, Flushing Town Center, OCP CLO-1 through OCP CLO-4, the warehouse facility for OCP CLO-5 and the parent company. In addition, consolidated earnings include the changes in fair value of Allison Transmission, BBAM, RSI (up to February 2013), Tomkins and certain Onex Real Estate investments. 2012 other includes the consolidated earnings of Tropicana Las Vegas, SGS International (since October 2012), USI (since late December 2012), transaction costs of KraussMaffei, the operating companies of ONCAP II and ONCAP III, Flushing Town Center, OCP CLO-1, OCP CLO-2 and the parent company. In addition, other includes the changes in fair value of Allison Transmission, BBAM, Hawker Beechcraft, RSI, Tomkins and certain Onex Real Estate investments. 2011 other includes the consolidated earnings of Tropicana Las Vegas, the operating companies of ONCAP II and ONCAP III, Flushing Town Center and the parent company. In addition, other includes the changes in fair value of Allison Transmission, Hawker Beechcraft, RSI, Tomkins and certain Onex Real Estate Partners investments.

The loss from continuing operations in the other segment totalled $541 million in 2013 compared to a loss of $265 million in 2012 and a loss of $332 million in 2011. Table 9 shows the major components of the earnings (loss) from continuing operations recorded in the other segment for the years ended December 31, 2013, 2012 and 2011.

TABLE 9 *($ millions)*	2013	2012[a]	2011[a]
Loss (earnings) from continuing operations – other:			
Limited Partners' Interests charge	**$ 1,855**	$ 929	$ 627
Stock-based compensation expense	**293**	156	64
Unrealized carried interest due to Onex and ONCAP management	**262**	91	62
Interest expense of operating companies	**336**	67	44
Impairment of intangible assets and long-lived assets	**209**	–	–
Increase in value of investments in joint ventures and associates at fair value, net	**(1,098)**	(863)	(501)
Other gains	**(561)**	(59)	–
Non-cash recovery of deferred income taxes by Onex, the parent company	**(480)**	–	–
Other	**(275)**	(56)	36
Loss from Continuing Operations – Other	**$ 541**	$ 265	$ 332

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements. 2011 results have not been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

Table 10 presents the earnings (loss) from continuing operations attributable to equity holders of Onex Corporation and non-controlling interests for the years ended December 31, 2013, 2012 and 2011.

Earnings (Loss) from Continuing Operations

TABLE 10 *($ millions)*	2013	2012[a]	2011[a]
Earnings (loss) from continuing operations attributable to:			
Equity holders of Onex Corporation	**$ (605)**	$ (143)	$ (373)
Non-controlling interests	**(469)**	133	261
Loss from Continuing Operations	**$ (1,074)**	$ (10)	$ (112)

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements. 2011 results have not been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

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

Earnings from discontinued operations

Earnings from discontinued operations for the years ended December 31, 2013, 2012 and 2011 includes the operations of TMS International and the net gain recorded on disposition. In addition, earnings from discontinued operations for the year ended December 31, 2011 includes the operations of Emergency Medical Services Corporation ("EMSC") and Husky International Ltd. ("Husky International") and the net gains recorded on the disposition of these companies. Onex recorded after-tax earnings from discontinued operations of $261 million ($2.22 per share) in 2013 compared to after-tax earnings from discontinued operations of $26 million ($0.13 per share) in 2012 and $1.7 billion ($14.48 per share) in 2011.

Note 3 to the audited annual consolidated financial statements provides additional information on earnings from discontinued operations.

Table 11 presents the after-tax earnings, gain on sale, net of tax, and earnings from discontinued operations for the years ended December 31, 2013, 2012 and 2011.

Earnings from Discontinued Operations

TABLE 11 ($ millions)	After-Tax Earnings			Gain on Sale, Net of Tax			Earnings from Discontinued Operations		
	2013	2012	2011	**2013**	2012	2011	**2013**	2012	2011
Earnings from discontinued operations:									
TMS International	**$ 19**	$ 26	$ 24	**$ 242**	$ –	$ –	**$ 261**	$ 26	$ 24
EMSC	**–**	–	47	**–**	–	559	**–**	–	606
Husky International	**–**	–	22	**–**	–	1,087	**–**	–	1,109
Total	**$ 19**	$ 26	$ 93	**$ 242**	$ –	$ 1,646	**$ 261**	$ 26	$ 1,739

TMS International

In October 2013, the Onex Partners II Group sold its remaining interest in TMS International to a third party, as discussed on page 26 of this MD&A.

EMSC

In May 2011, the Onex Partners I Group sold its remaining 13.7 million shares of EMSC for net proceeds of $878 million, of which Onex' share was $342 million, including carried interest of $32 million and deducting distributions paid on account of the MIP. Onex, the parent company, recorded a deferred tax provision of $41 million on the gain.

Husky International

In June 2011, the Onex Partners I Group and Onex Partners II Group completed the sale of Husky International and received net proceeds of $1.7 billion, of which Onex' share was $583 million, including carried interest of $17 million and deducting distributions paid on account of the MIP. In addition to the cash proceeds received on the sale, there was approximately $60 million of additional amounts held in escrow and other items, of which Onex' share was $19 million, excluding carried interest. Onex, the parent company, recorded a non-cash tax provision of $49 million on the gain. During the third quarter of 2011, $38 million of the additional amounts held in escrow was received. Onex' share of the amounts received during the third quarter of 2011 was $18 million, including carried interest of $6 million and deducting distributions paid on account of the MIP. The escrow amount was also reduced during the third quarter of 2011 by $5 million for taxes owing in respect of taxable periods up to the closing date. In addition, Onex recorded a non-cash tax provision of $1 million during the third quarter of 2011. At December 31, 2013, $18 million remains receivable for escrow amounts and other items, of which Onex' share is $6 million, excluding carried interest. The escrow amounts and other items are expected to be received in 2015.

Consolidated net earnings (loss)

Onex recorded a consolidated net loss of $813 million in 2013 compared to consolidated net earnings of $16 million and $1.6 billion in 2012 and 2011, respectively. Table 12 shows the net earnings (loss) by industry segment for the years ended December 31, 2013, 2012 and 2011.

Consolidated Net Earnings (Loss) by Industry Segment

TABLE 12 *($ millions)*	2013	2012[a]	2011[a]
Net earnings (loss):			
Electronics Manufacturing Services	**$ 118**	$ 118	$ 195
Aerostructures	**(540)**	45	224
Healthcare	**(117)**	70[b]	(112)[b]
Insurance Provider	**112**	109	60
Customer Care Services	**(21)**	(20)	(58)
Building Products	**(85)**	(67)	(89)
Other[c]	**(541)**	(265)	(332)
Earnings from discontinued operations	**261**	26	1,739
Consolidated Net Earnings (Loss)	**$ (813)**	$ 16	$ 1,627

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements. 2011 results have not been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

(b) Includes reported results of CDI, which was sold in July 2012. CDI did not represent a separate major line of business and as a result has not been presented as a discontinued operation.

(c) 2013 other includes the consolidated earnings of Tropicana Las Vegas, SGS International, USI, KraussMaffei, Meridian Aviation, Emerald Expositions (since June 2013), the operating companies of ONCAP II (BSN SPORTS up to June 2013 and Caliber Collision up to November 2013) and ONCAP III, Flushing Town Center, OCP CLO-1 through OCP CLO-4, the warehouse facility for OCP CLO-5 and the parent company. In addition, other includes the changes in fair value of Allison Transmission, BBAM, RSI (sold in February 2013), Tomkins and certain Onex Real Estate investments. 2012 other includes the consolidated earnings of Tropicana Las Vegas, SGS International (since October 2012), USI (since late December 2012), transaction costs of KraussMaffei, the operating companies of ONCAP II and ONCAP III, Flushing Town Center, OCP CLO-1, OCP CLO-2 and the parent company. In addition, other includes the changes in fair value of Allison Transmission, BBAM, Hawker Beechcraft, RSI, Tomkins and certain Onex Real Estate investments. 2011 other includes the consolidated earnings of Tropicana Las Vegas, the operating companies of ONCAP II and ONCAP III, Flushing Town Center and the parent company. In addition, other includes the changes in fair value of Allison Transmission, Hawker Beechcraft, RSI, Tomkins and certain Onex Real Estate Partners investments.

Table 13 presents the net earnings (loss) attributable to equity holders of Onex Corporation and non-controlling interests for the years ended December 31, 2013, 2012 and 2011.

Net Earnings (Loss)

TABLE 13 *($ millions)*	2013	2012[a]	2011[a]
Net earnings (loss) attributable to:			
Equity holders of Onex Corporation	**$ (354)**	$ (128)	$ 1,326
Non-controlling interests	**(459)**	144	301
Net Earnings (Loss)	**$ (813)**	$ 16	$ 1,627

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements. 2011 results have not been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

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

Net Earnings (Loss) per Subordinate Voting Share

TABLE 14 *($ per share)*	2013	2012[a]	2011[a]
Basic and Diluted:			
Continuing operations	**$ (5.34)**	$ (1.25)	$ (3.18)
Discontinued operations	**2.22**	0.13	14.48
Net Earnings (Loss)	**$ (3.12)**	$ (1.12)	$ 11.30

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements. 2011 results have not been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

Other comprehensive earnings

Other comprehensive earnings (loss) represents the unrealized gains or losses, all net of income taxes, related to certain available-for-sale securities, cash flow hedges, remeasurements for post-employment benefit plans and foreign exchange gains or losses on foreign self-sustaining operations. During 2013, Onex reported other comprehensive earnings of $78 million (2012 – $4 million), after giving effect to the impact of the adoption of new accounting policies, as discussed on page 18 of this MD&A. The comprehensive earnings increase was due primarily to $174 million of favourable remeasurements for post-employment benefit plans (2012 – unfavourable of $69 million), partially offset by $48 million of unfavourable currency translation adjustments on foreign operations (2012 – $32 million favourable).

FOURTH QUARTER RESULTS

Table 15 presents the statements of loss for the fourth quarters ended December 31, 2013 and 2012.

Fourth Quarter Statements of Loss

TABLE 15 *($ millions)*	2013	2012[a]
Revenues	**$ 6,986**	$ 6,375
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	**(5,665)**	(4,876)
Operating expenses	**(1,092)**	(876)
Interest income	**32**	21
Amortization of property, plant and equipment	**(137)**	(137)
Amortization of intangible assets and deferred charges	**(138)**	(87)
Interest expense of operating companies	**(221)**	(134)
Increase in value of investments in joint ventures and associates at fair value, net	**534**	248
Stock-based compensation expense	**(91)**	(76)
Other gains	**391**	–
Other items	**(159)**	(108)
Impairment of goodwill, intangible assets and long-lived assets, net	**(91)**	(38)
Limited Partners' Interests charge	**(657)**	(364)
Loss before income taxes and discontinued operations	**(308)**	(52)
Provision for income taxes	**(152)**	(37)
Loss from continuing operations	**(460)**	(89)
Earnings from discontinued operations	**237**	6
Net Loss for the Period	**$ (223)**	$ (83)

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

Table 16 provides a breakdown of the 2013 and 2012 fourth quarter revenues and cost of sales by industry segment.

Revenues and Cost of Sales by Industry Segment for the Three Months Ended December 31

TABLE 16 *($ millions)*	Revenues			Cost of Sales		
Three months ended December 31	2013	2012[a]	Change	2013	2012[a]	Change
Electronics Manufacturing Services	**$ 1,437**	$ 1,496	**(4)%**	**$ 1,317**	$ 1,377	**(4)%**
Aerostructures	**1,494**	1,432	**4 %**	**1,688**	1,181	**43 %**
Healthcare	**1,312**	1,299	**1 %**	**885**	873	**1 %**
Insurance Provider	**285**	306	**(7)%**	**145**	160	**(9)%**
Customer Care Services	**371**	370	**–**	**241**	241	**–**
Building Products	**889**	817	**9 %**	**730**	656	**11 %**
Other[b]	**1,198**	655	**83 %**	**659**	388	**70 %**
Total	**$ 6,986**	$ 6,375	**10 %**	**$ 5,665**	$ 4,876	**16 %**

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

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

(b) 2013 other includes the consolidated earnings of Tropicana Las Vegas, SGS International, USI, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II (Caliber Collision up to November 2013) and ONCAP III, Flushing Town Center and the parent company. 2012 other includes the consolidated earnings of Tropicana Las Vegas, SGS International (since October 2012), USI (since late December 2012), the operating companies of ONCAP II and ONCAP III, Flushing Town Center and the parent company.

Fourth quarter consolidated revenues and cost of sales

Consolidated revenues were up 10 percent, or $611 million, to $7.0 billion in the fourth quarter of 2013 compared to the same quarter of 2012. Consolidated cost of sales increased by $789 million, or 16 percent, to $5.7 billion for the three months ended December 31, 2013 compared to the same period last year.

Revenues and cost of sales at Spirit AeroSystems, included in the Aerostructures segment, increased by $62 million and $507 million, respectively, during the fourth quarter of 2013. The increase in revenues was due primarily to production volume increases on Boeing and business jet programs to support customer delivery schedules. Cost of sales increased in line with revenues excluding the impact of additional forward losses of $546 million recorded during the fourth quarter of 2013, partially offset by a $51 million favourable cumulative catch-up adjustment.

JELD-WEN's revenues, included in the Building Products segment, increased by $72 million compared to the fourth quarter of 2012. The increase was primarily attributable to growth in the North American and European segments which includes the impact of an additional month's revenue from CMI in 2013. CMI was acquired in late October 2012. Partially offsetting the increase in revenues in the North American and European segments was a decline in revenues in Australia. Cost of sales reported by JELD-WEN for the fourth quarter of 2013 increased by $74 million compared to the same quarter of 2012. The increase in fourth quarter cost of sales was driven by a number of factors, including the increase in revenues.

Fourth quarter 2013 revenues and cost of sales in the other segment increased by $543 million and $271 million, respectively, compared to the same period last year. The increase was due primarily to the inclusion of the revenues and cost of sales of USI and KraussMaffei, acquired by the Onex Partners III Group in late December 2012, Bradshaw, acquired by the ONCAP III Group in late December 2012, and Emerald Expositions, acquired by the Onex Partners III Group in June 2013. The increase was partially offset by the decrease in revenues and cost of sales due to the ONCAP II Group's sales of BSN SPORTS in June 2013 and Caliber Collision in November 2013.

Partially offsetting the increases in revenues and cost of sales during the fourth quarter of 2013 were decreases at Celestica, included in the Electronics Manufacturing Services segment, and The Warranty Group, included in the Insurance Provider segment.

Celestica's revenues for the fourth quarter of 2013 decreased by $59 million, or 4 percent, compared to the same period last year. The decrease in revenues was driven primarily by a decrease in the server end market due to the insourcing of a program by a customer and overall demand weakness as well as a decrease in the consumer end market due to program transitions. These decreases were partially offset by increases in Celestica's communications, storage and diversified end markets due primarily to new program wins. Cost of sales for the fourth quarter of 2013 decreased by $60 million, or 4 percent, in line with the revenue decrease.

Revenues and cost of sales at The Warranty Group decreased by $21 million and $15 million, respectively, compared to the fourth quarter of 2012. The decrease in revenues was due to lower earned premiums and fees on the consumer products business in North America, Asia and Europe as well as lower earned premiums on the European creditor business. The decrease was partially offset by higher U.S. and Europe auto earned revenues and higher earned revenues on the consumer products business in Latin America. The decrease in cost of sales was driven primarily by lower earned revenues, favourable claims development on certain programs in North America and International, partially offset by increased claims severity on a large client in North America.

Fourth quarter interest expense

Fourth quarter 2013 interest expense totalled $221 million compared to $134 million during the fourth quarter of 2012. Fourth quarter interest expense increased by $87 million due primarily to the inclusion of interest expense of companies acquired in December 2012, including USI, KraussMaffei and Bradshaw, and the acquisition of Emerald Expositions in June 2013.

Fourth quarter increase in value of investments in joint ventures and associates at fair value, net

The 2013 fourth quarter increase in value of investments in joint ventures and associates at fair value was $534 million compared to an increase of $248 million during the same period of 2012. The increase in fair value of investments in associates is due primarily to (i) an increase in the public share value of Allison Transmission, including the November and December 2013 secondary offering values being above the value of the investment at September 30, 2013; and (ii) improved operating performance and debt repayment at certain of the investments.

Fourth quarter stock-based compensation expense

During the fourth quarter of 2013, Onex recorded a consolidated stock-based compensation expense of $91 million compared to $76 million for the same quarter of 2012. Onex, the parent company, recorded a stock-based compensation expense of approximately $40 million in the fourth quarter of 2013 related to its stock options and MIP equity interests. That expense was primarily due to the 6 percent increase in the market value of Onex' shares in the fourth quarter.

Fourth quarter other gains

Onex recorded other gains of $391 million during the fourth quarter of 2013 from the sale of Caliber Collision ($386 million) and additional proceeds received, net of a $1 million reduction of escrow receivable, on the sale of BSN SPORTS ($5 million), as discussed on page 38 of this MD&A. Onex did not record any other gains during the fourth quarter of 2012.

Fourth quarter other items expense

During the fourth quarter of 2013, Onex recorded a $159 million charge for other items compared to a charge of $108 million during the same quarter of 2012. The charge for the carried interest due to management of Onex and ONCAP contributed $145 million (2012 – $35 million) to the other items expense during the fourth quarter. The increase in the carried interest due to management of Onex and ONCAP, and the corresponding charge, was driven primarily by an increase in the fair value of certain of the private investments in the Onex Partners and ONCAP Funds during the fourth quarter of 2013. The charge for other items was partially offset by other income recorded during the fourth quarter of 2013, which includes $32 million of gains recorded by Meridian Aviation and $9 million of gains on the sale of tax losses, as discussed below.

During the fourth quarter of 2013, Meridian Aviation executed sale agreements for three of the six commercial passenger aircraft under its existing purchase agreement, including the novation of the associated leases to the purchaser. The sale agreements are for two aircraft delivered in 2013 and one aircraft scheduled for delivery in 2014. Meridian Aviation recorded a net gain of $32 million comprised of the sale of the two aircraft delivered in 2013 and a fair value adjustment covering the remaining four aircraft scheduled for delivery to the company between 2014 and 2015.

In November 2013, Onex sold entities, the sole assets of which were certain tax losses, to companies controlled by Mr. Gerald W. Schwartz, who is Onex' controlling shareholder. Onex received $9 million (2012 – $9 million) in cash for tax losses of $89 million (2012 – $93 million). The cash received of $9 million was recorded as a gain in other items during the fourth quarter. Onex has significant non-capital and capital losses available; however, Onex does not expect to generate sufficient taxable income to fully utilize these losses in the foreseeable future. As such, no benefit was previously recognized in the unaudited interim or audited annual consolidated financial statements for the tax losses. In connection with this transaction, Deloitte & Touche LLP, an independent accounting firm retained by Onex' Audit and Corporate Governance Committee, provided an opinion that the value received by Onex for the tax losses was fair. The transaction was unanimously approved by Onex' Audit and Corporate Governance Committee, all the members of which are independent directors.

Fourth quarter impairment of goodwill, intangible assets and long-lived assets, net

During the fourth quarter of 2013, there was $91 million of impairments of goodwill, intangible assets and long-lived assets recorded by Onex' operating companies compared to $38 million for the three months ended December 31, 2012. A discussion of these impairments by company is provided on page 42 of this MD&A.

Fourth quarter Limited Partners' Interests charge

During the fourth quarter of 2013, Onex recorded a $657 million charge for Limited Partners' Interests compared to a $364 million charge during the same period of 2012. The increase in the fair value of certain of the private and public investments in the Onex Partners and ONCAP Funds contributed significantly to the Limited Partners' Interests charge recorded during both quarters. The Limited Partners' Interests is net of a $218 million (2012 – $45 million) change in carried interest for the three months ended December 31, 2013.

Fourth quarter earnings from discontinued operations

During the fourth quarter of 2013, Onex recorded $237 million (2012 – $6 million) of earnings from discontinued operations related to the October 2013 sale of TMS International, as discussed on page 26 of this MD&A.

Fourth quarter cash flow

Table 17 presents the major components of cash flow for the fourth quarters of 2013 and 2012.

Major Cash Flow Components for the Three Months Ended December 31

TABLE 17 — ($ millions) Three months ended December 31	2013	2012
Cash from operating activities	$ 511	$ 784
Cash from (used in) financing activities	$ (935)	$ 727
Cash from (used) in investing activities	$ 828	$ (1,283)
Consolidated cash and cash equivalents held by continuing operations	$ 3,191	$ 2,629

Cash from operating activities totalled $511 million in the fourth quarter of 2013 compared to $784 million in 2012.

Cash used in financing activities was $935 million in the fourth quarter of 2013 compared to cash from financing activities of $727 million in 2012. Cash used in financing activities included (i) distributions of $498 million to the limited partners of the Onex Partners Funds, primarily from the sale of TMS International and amounts received from The Warranty Group and Allison Transmission, and $208 million to the limited partners of ONCAP II for their share of the proceeds on the sale of Caliber Collision; (ii) cash interest paid of $220 million; and (iii) share repurchases of $117 million by Onex, the parent company, and Onex' operating companies. Partially offsetting the cash used in financing activities was $103 million of net debt issuances by the operating companies and contributions of $9 million from the limited partners of (i) ONCAP II for their add-on investments in EnGlobe and Pinnacle Renewable Energy Group; and (ii) the Onex Partners Funds for management fees and partnership expenses.

Included in the $727 million of cash from financing activities in the fourth quarter of 2012 was $498 million of net debt issuances by the operating companies and contributions of $1.2 billion from the limited partners of (i) the Onex Partners III Group for their investments in SGS International, USI, BBAM and KraussMaffei, in addition to their add-on investments in JELD-WEN and Tropicana Las Vegas; (ii) the Onex Partners Funds for management fees and partnership expenses; and (iii) ONCAP III for their investment in Bradshaw. Partially offsetting the cash from financing activities were (i) distributions of $562 million primarily to the limited partners of the Onex Partners Funds of amounts received from Tomkins, The Warranty Group, Carestream Health, Allison Transmission and JELD-WEN; (ii) share repurchases of $195 million by Onex' operating companies, including Celestica's substantial issuer bid; and (iii) cash interest paid of $146 million.

Cash from investing activities in the fourth quarter of 2013 includes cash proceeds of (i) $836 million received on the sales of TMS International ($410 million) and Caliber Collision ($426 million); (ii) $333 million received on the sales of a portion of shares of Allison Transmission; and (iii) $222 million of proceeds from the sale of property, plant and equipment consisting primarily of proceeds on the sale of two aircraft by Meridian Aviation. This was partially offset by (i) net purchases of investments and securities of $198 million mainly by The Warranty Group and OCP CLO-4; (ii) $260 million in purchases of property, plant and equipment by Onex' operating companies; and (iii) $63 million of cash used for investing activities of discontinued operations, which represents cash used for investing activities of TMS International up to the date of its disposition.

Cash used in investing activities in the fourth quarter of 2012 includes (i) $1.3 billion used to fund the acquisitions of SGS International, USI, KraussMaffei, Bradshaw and the investment in BBAM; (ii) net purchases of investments and securities of $297 million mainly by The Warranty Group and OCP CLO-2; and (iii) $169 million in purchases of property, plant and equipment by Onex' operating companies. This was partially offset by distributions of $667 million received from Tomkins and Allison Transmission.

Consolidated cash at December 31, 2013 totalled $3.2 billion. Onex, the parent company, accounted for approximately $1.4 billion of the cash on hand. Table 18 provides a reconciliation of the change in cash at Onex, the parent company, from September 30, 2013 to December 31, 2013.

Change in Cash at Onex, the Parent Company

TABLE 18 *($ millions)*	
Cash on hand at September 30, 2013	**$ 1,046**
Sale of Caliber Collision	**173**
Sale of TMS International	**172**
Sale of shares of Allison Transmission and dividends	**113**
The Warranty Group distribution received	**20**
Net Onex Credit Partners activity, including warehouse facility associated with OCP CLO-5	**(6)**
Add-on investments in EnGlobe and Pinnacle Renewable Energy Group	**(6)**
Options exercised for cash	**(16)**
Onex share repurchases	**(89)**
Other, net, including dividends, management fees and operating costs	**(9)**
Cash on hand at December 31, 2013	**$ 1,398**

SUMMARY QUARTERLY INFORMATION

Table 19 summarizes Onex' key consolidated financial information for the last eight quarters.

TABLE 19 *($ millions except per share amounts)*	**2013**				2012[a]			
	Dec.	**Sept.**	**June**	**March**	Dec.	Sept.	June	March
Revenues	**$ 6,986**	**$ 7,133**	**$ 7,068**	**$ 6,622**	$ 6,375	$ 6,139	$ 6,333	$ 6,070
Earnings (loss) from continuing operations	**$ (460)**	**$ 391**	**$ (725)**	**$ (280)**	$ (89)	$ 88	$ (182)	$ 173
Net earnings (loss)	**$ (223)**	**$ 399**	**$ (718)**	**$ (271)**	$ (83)	$ 98	$ (172)	$ 173
Net earnings (loss) attributable to								
Equity holders of Onex Corporation	**$ 200**	**$ 366**	**$ (612)**	**$ (308)**	$ (158)	$ 173	$ (201)	$ 58
Non-controlling Interests	**(423)**	**33**	**(106)**	**37**	75	(75)	29	115
Net earnings (loss)	**$ (223)**	**$ 399**	**$ (718)**	**$ (271)**	$ (83)	$ 98	$ (172)	$ 173
Earnings (loss) per Subordinate Voting Share of Onex Corporation								
Earnings (loss) from continuing operations	**$ (0.32)**	**$ 3.18**	**$ (5.42)**	**$ (2.76)**	$ (1.41)	$ 1.45	$ (1.80)	$ 0.51
Earnings from discontinued operations	**2.09**	**0.04**	**0.04**	**0.05**	0.03	0.05	0.05	–
Net earnings (loss)	**$ 1.77**	**$ 3.22**	**$ (5.38)**	**$ (2.71)**	$ (1.38)	$ 1.50	$ (1.75)	$ 0.51

(a) 2012 results have been restated for the changes in accounting policies adopted on January 1, 2013, as described in note 1 to the audited annual consolidated financial statements.

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

CONSOLIDATED FINANCIAL POSITION

Consolidated assets

Consolidated assets totalled $36.9 billion at December 31, 2013 compared to $36.3 billion at December 31, 2012. Onex' consolidated assets at December 31, 2013 increased from December 31, 2012 due primarily to:

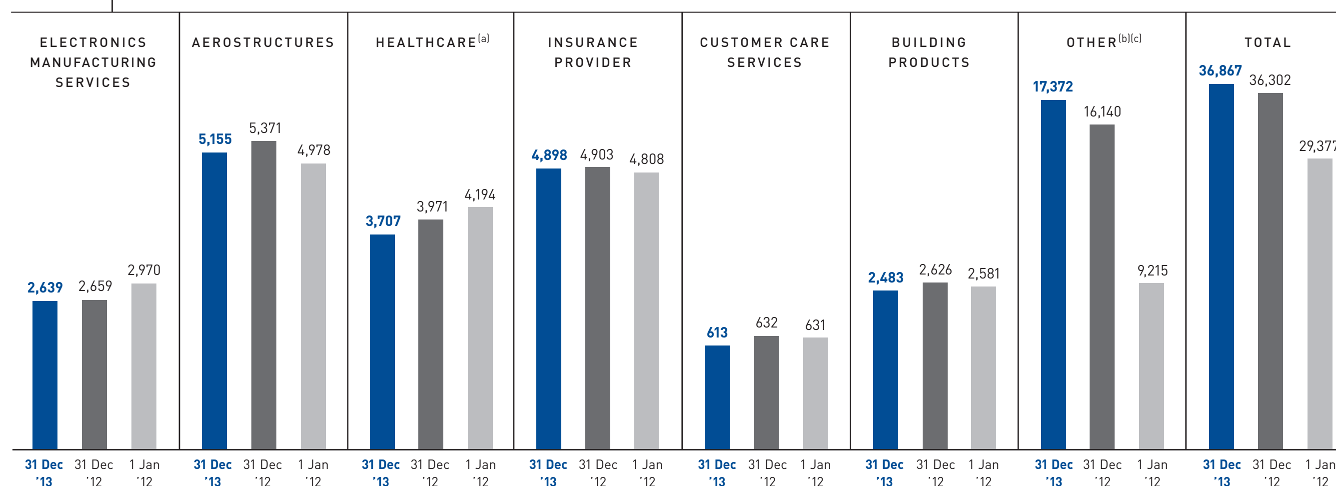
- the Onex Partners III Group's acquisition in mid-June 2013 of Emerald Expositions, which increased consolidated assets by approximately $1.1 billion, net of cash invested by Onex, the parent company; and
- the inclusion of the investments held in the asset portfolios of OCP CLO-3, which closed in March 2013, and OCP CLO-4, which closed in October 2013.

Partially offsetting these increases were:

- the October 2013 sale by the Onex Partners II Group of its remaining ownership in TMS International, which decreased consolidated assets by $817 million, which is net of the $172 million of cash received by Onex;
- the June 2013 sale of BSN SPORTS and the November 2013 sale of Caliber Collision by the ONCAP II Group, which reduced consolidated assets by approximately $220 million, which is net of the $290 million of cash and escrow received by Onex;
- the sale by the Onex Partners II Group of its 50 percent interest in RSI in February 2013, net of proceeds received by Onex, the parent company; and
- the sales of a portion of shares of Allison Transmission in that company's share repurchase and secondary offerings completed during the third and fourth quarters of 2013, net of proceeds received by Onex, the parent company.

Asset Diversification by Industry Segment

CHART 1 | *(Unaudited) ($ millions)*



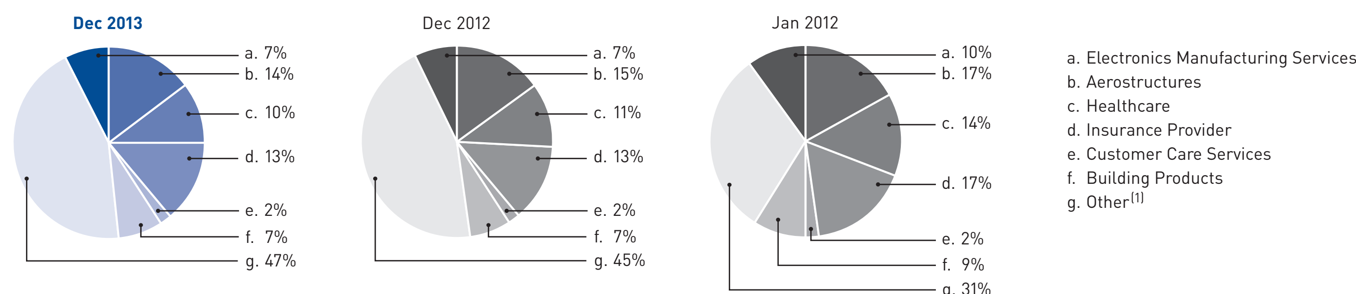
(a) January 1, 2012 includes the consolidated operations of CDI, which was sold in July 2012.

(b) The assets of TMS International are included in the other segment for January 1, 2012 and December 31, 2012 as TMS International has been presented as a discontinued operation.

(c) December 2013 other includes the consolidated operations of Tropicana Las Vegas, SGS International, USI, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II and ONCAP III, Flushing Town Center, OCP CLO-1 through OCP CLO-4, the warehouse facility for OCP CLO-5 and the parent company. In addition, other includes the investments in Allison Transmission, BBAM, Tomkins and certain Onex Real Estate Partners investments at fair value. December 2012 other includes the consolidated operations of Tropicana Las Vegas, SGS International, USI, KraussMaffei, the operating companies of ONCAP II and ONCAP III, Flushing Town Center, OCP CLO-1, OCP CLO-2 and the parent company. In addition, other includes the investments in Allison Transmission, BBAM, Hawker Beechcraft, RSI, Tomkins and certain Onex Real Estate investments at fair value. January 2012 other includes the consolidated operations of Tropicana Las Vegas, the operating companies of ONCAP II and ONCAP III, Flushing Town Center and the parent company. In addition, other includes the investments in Allison Transmission, Hawker Beechcraft, RSI, Tomkins and certain Onex Real Estate investments at fair value.

The pie charts below show the percentage breakdown of total consolidated assets by industry segment at December 31, 2013 and 2012 and January 1, 2012.

Segmented Total Consolidated Assets Breakdown



(1) December 2013 other includes the consolidated operations of Tropicana Las Vegas, SGS International, USI, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II and ONCAP III, Flushing Town Center, OCP CLO-1 through OCP CLO-4, the warehouse facility for OCP CLO-5 and the parent company. In addition, other includes the investments in Allison Transmission, BBAM, Tomkins and certain Onex Real Estate Partners investments at fair value. December 2012 other includes the consolidated operations of Tropicana Las Vegas, SGS International, USI, KraussMaffei, the operating companies of ONCAP II and ONCAP III, Flushing Town Center, OCP CLO-1, OCP CLO-2 and the parent company. In addition, other includes the investments in Allison Transmission, BBAM, Hawker Beechcraft, RSI, Tomkins and certain Onex Real Estate investments at fair value. January 2012 other includes the consolidated operations of Tropicana Las Vegas, the operating companies of ONCAP II and ONCAP III, Flushing Town Center and the parent company. In addition, other includes the investments in Allison Transmission, Hawker Beechcraft, RSI, Tomkins and certain Onex Real Estate investments at fair value.

Consolidated long-term debt, without recourse to Onex Corporation

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

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

Total consolidated long-term debt (consisting of the current and long-term portions of long-term debt, net of financing charges) was $12.0 billion at December 31, 2013 compared to $10.5 billion at December 31, 2012 and $7.0 billion at January 1, 2012. Table 20 summarizes consolidated long-term debt by industry segment. Consolidated long-term debt does not include the debt of operating businesses that are included in investments in joint ventures and associates as the net investment in those businesses is accounted for at fair value and not consolidated.

Consolidated Long-Term Debt of Operating Companies, Without Recourse to Onex Corporation

TABLE 20 ($ millions)	As at December 31, 2013	As at December 31, 2012	As at January 1, 2012
Electronics Manufacturing Services	$ –	$ 55	$ –
Aerostructures	1,128	1,133	1,157
Healthcare	3,009	2,540	2,670
Insurance Provider	255	258	203
Customer Care Services	740	725	652
Building Products	661	547	481
Other[a]	6,177	5,212	1,798
	11,970	10,470	6,961
Current portion of long-term debt of operating companies	(651)	(286)	(482)
Total	$ 11,319	$ 10,184	$ 6,479

(a) December 31, 2013 other includes the consolidated operations of Tropicana Las Vegas, SGS International, USI, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II and ONCAP III, Flushing Town Center and OCP CLO-1 through OCP CLO-4. December 31, 2012 other includes the consolidated operations of Tropicana Las Vegas, SGS International, USI, KraussMaffei, the operating companies of ONCAP II and ONCAP III, Flushing Town Center, OCP CLO-1 and OCP CLO-2. January 1, 2012 other includes the consolidated operations of Tropicana Las Vegas, the operating companies of ONCAP II and ONCAP III and Flushing Town Center. Long-term debt of TMS International is included in the other segment for January 1, 2012 and December 31, 2012 as TMS International has been presented as a discontinued operation.

Spirit AeroSystems (Aerostructures segment)

In August 2013, Spirit AeroSystems amended its credit agreement to suspend its existing debt covenant ratios until December 2014. This was to accommodate the $448 million of forward-loss charges recognized during the second quarter of 2013. The amendment requires the company to meet certain minimum liquidity and borrowing base covenants while the existing debt covenant ratios are suspended. No other amendments were made to Spirit AeroSystems' credit agreement.

Carestream Health (Healthcare segment)

In June 2013, Carestream Health entered into a new credit facility. This new credit facility consists of a $1.85 billion first-lien term loan, a $500 million second-lien term loan and a $150 million revolving facility. The first-lien term loan bears interest at LIBOR (subject to a floor of 1 percent) plus a margin of 4 percent and matures in June 2019. The offering price was 98.5 percent of par to yield 5.4 percent to maturity. The second-lien term loan bears interest at LIBOR (subject to a floor of 1 percent) plus a margin of 8.5 percent and matures in December 2019. The offering price was 98 percent of par to yield 10 percent to maturity. The revolving facility bears interest at LIBOR (subject to a floor of 1 percent) plus a margin of 4 percent and matures in June 2018. As a result of the refinancing, Carestream Health recognized a charge in interest expense of $16 million in 2013. At December 31, 2013, the first-lien term loan with $1.8 billion outstanding was recorded net of the unamortized discount of $25 million. At December 31, 2013, the second-lien term loan with $500 million outstanding was recorded net of the unamortized discount of $9 million. At December 31, 2013, no amounts were outstanding under the revolving facility.

The proceeds from the new credit facility, along with cash on hand, were used to repay existing debt facilities, fund a $750 million distribution to shareholders and pay fees and expenses associated with the transaction, as discussed on page 24 of this MD&A.

Skilled Healthcare Group (Healthcare segment)

During 2013, Skilled Healthcare Group entered into insured loans from a department of the U.S. federal government. The loans, in the amount of $88 million, bear interest at rates ranging from 3.39 percent to 4.55 percent, amortize over 30 to 35 years and are secured by 10 of the company's nursing facilities. At December 31, 2013, $87 million was outstanding under the insured loans.

In December 2013, Skilled Healthcare Group entered into an additional credit facility. This new credit facility consists of a $62 million mortgage-backed term loan and a $5 million asset-based revolving credit facility. The loans are secured by 10 of the company's skilled nursing facilities, bear interest at a rate based on LIBOR (subject to a floor of 0.75%) plus a margin of 5.95 percent and mature in December 2016. At December 31, 2013, $67 million was outstanding under the new credit facility.

The proceeds from the insured loans and new credit facility were used to repay a portion of the term loan under the existing senior secured credit facility and pay fees and expenses associated with the transactions.

The Warranty Group (Insurance Provider segment)

In December 2013, The Warranty Group redeemed $65 million of its redeemable preferred shares, including $34 million of accumulated and unpaid dividends. The Onex Partners I Group and Onex Partners II Group received a total redemption of $63 million, of which Onex' share was $20 million. Included in long-term debt at December 31, 2013 was $380 million of redeemable preferred shares, of which $369 million was held by the Onex Partners I Group and Onex Partners II Group.

JELD-WEN (Building Products segment)

During the four months ended April 2013, the Onex Partners III Group received payments from JELD-WEN totalling $60 million, including accrued interest, to repay a portion of its convertible promissory notes (all of which were held by the Onex Partners III Group). Onex' share of the repayments was $15 million. In April 2013, the remaining convertible promissory notes and accrued interest of $72 million, all of which were held by the Onex Partners III Group, were converted into additional Series A Convertible Preferred Stock of JELD-WEN in accordance with the terms of the purchase agreement. Onex' share of the remaining convertible promissory notes and accrued interest was $18 million. After giving effect to the conversion, the Onex Partners III Group's as-converted economic ownership increased to 71 percent, of which Onex' share was 17 percent.

In June 2013, JELD-WEN amended its senior secured credit facility to increase the size of its term loan to $100 million from $30 million. The term loan bears interest at either the Eurodollar rate plus a margin of 3.5 percent or a base rate plus a margin of 2.5 percent, requires quarterly amortization payments beginning in December 2013 and matures in April 2016. Proceeds from the addition to the term loan were primarily used to repay a portion of the outstanding balance under the revolving credit facility. At December 31, 2013, $99 million and $70 million were outstanding under the term loan and revolving credit facility, respectively. The amount available under the revolving credit facility was reduced by $38 million of letters of credit outstanding at December 31, 2013.

Onex Credit Partners' CLOs (Other segment)

In March 2012, Onex Credit Partners established its first CLO. A CLO is a leveraged structured vehicle that holds a widely diversified collateral asset portfolio and is funded through the issuance of collateralized loan instruments in a series of tranches of secured notes and equity. As of December 31, 2013, Onex Credit Partners had established four CLOs. The CLOs were funded through the issuance of secured notes and equity in private placement transactions in an aggregate amount of $1.9 billion, comprised of (i) $327 million from OCP CLO-1, which closed in March 2012; (ii) $521 million from OCP CLO-2, which closed in November 2012; (iii) $512 million from OCP CLO-3, which closed in March 2013; and (iv) $514 million from OCP CLO-4, which closed in October 2013.

The secured notes bear interest at a rate of LIBOR plus a margin and mature between March 2023 and October 2025. The notes and equity of the Onex Credit Partners CLOs are designated at fair value through net earnings upon initial recognition. At December 31, 2013, the fair value of the notes and equity held by investors other than Onex was $1.7 billion.

PURE Canadian Gaming (Other segment)

In March 2013, PURE Canadian Gaming, previously named Casino ABS, amended its credit facility agreement to increase the amount of its term loan by $70 million (C$71 million) to $167 million (C$170 million). Borrowings under the term loan bear interest at a rate of LIBOR plus a margin of up to 4 percent, depending on the company's leverage ratio. The net proceeds from the amended credit facility were used to repay $54 million (C$55 million) of subordinated debt that bore interest at 8.5 percent and to repurchase $14 million (C$15 million) of subordinate notes held primarily by the ONCAP II Group and ONCAP III Group. Onex' share of the repurchase of subordinated notes was $6 million (C$6 million).

Emerald Expositions (Other segment)

In June 2013, as part of the acquisition, Emerald Expositions entered into a credit facility consisting of a $430 million term loan and a $90 million revolving facility. The offering price of the term loan was 99 percent of par to yield 5.75 percent to maturity. Borrowings under the term loan bear interest at LIBOR (subject to a floor of 1.25 percent) plus a margin of 4.25 percent. The term loan requires quarterly repayments, but can be repaid in whole or in part without premium or penalty any time before maturity in June 2020. The revolving facility bears interest at LIBOR plus a margin of 4.25 percent and matures in June 2018. At December 31, 2013, the term loan with $428 million outstanding was recorded net of the unamortized discount of $4 million and no amounts were outstanding under the revolving facility.

In January 2014, Emerald Expositions amended its credit facility to increase its term loan by $200 million to partially fund its acquisition of GLM. The addition to the term loan continues to bear interest at the same rate as the existing term loan and requires quarterly repayments until maturity in June 2020.

In June 2013, as part of the acquisition, Emerald Expositions issued $200 million in aggregate principal amount of 9 percent senior notes due in June 2021. Interest is payable semi-annually beginning in December 2013. The senior notes may be redeemed by the company at any time at various premiums above face value. At December 31, 2013, $200 million of the senior notes was outstanding.

SGS International (Other segment)

In November 2013, SGS International amended the credit agreement governing its senior secured term loan and senior secured revolving credit facility to reduce the interest rate of its senior secured term loan. The amendment reduces the rate at which borrowings bear interest to LIBOR (subject to a floor of 1.00 percent) plus a margin of up to 3.25 percent or a base rate plus a margin of up to 2.25 percent, depending on the company's leverage ratio. Previously, borrowings under the senior secured term loan bore interest at LIBOR (subject to a floor of 1.25 percent) plus a margin of up to 3.75 percent or a base rate plus a margin of up to 2.75 percent, depending on the company's leverage ratio. At December 31, 2013, $385 million was outstanding under the senior secured term loan and no amounts were outstanding under the senior secured revolving credit facility. Based on the outstanding balances at December 31, 2013 and the current LIBOR rate, the amendment to the credit facility represents an annual interest savings of approximately $2 million.

USI (Other segment)

In December 2013, USI amended the credit agreement governing its senior secured term loan and senior secured revolving credit facility. The amendment reduces the rate at which borrowings under the senior secured term loan bear interest to LIBOR plus a margin of 3.25 percent or a base rate plus a margin of 2.25 percent. In addition, the LIBOR floor was reduced to 1.00 percent for borrowings under the senior secured term loan. Previously, borrowings under the senior secured term loan bore interest at LIBOR plus a margin of up to 4.00 percent or a base rate plus a margin of up to 3.00 percent, depending on the company's leverage ratio. Borrowings under the senior secured term loan were previously subject to a LIBOR floor of 1.25 percent. At December 31, 2013, $1.0 billion was outstanding under the senior secured term loan and no amounts were outstanding under the senior secured revolving credit facility. The senior secured term loan is recorded net of the unamortized discount of $5 million. Based on the outstanding balances at December 31, 2013 and the current LIBOR rate, the amendment to the credit facility represents an annual interest savings of approximately $8 million.

Table 21 details the aggregate debt maturities as at December 31, 2013 for Onex' consolidated operating companies and investments in joint ventures and associates for each of the years up to 2019 and in total thereafter. As investments in joint ventures and associates are included in the table, the total amount is in excess of the reported consolidated debt. As the following table illustrates, most of the maturities occur in 2016 and thereafter.

Debt Maturity Amounts by Year

TABLE 21 *($ millions)*	2014	2015	2016	2017	2018	2019	Thereafter	Total
Consolidated operating companies[a]	$ 741	$ 329	$ 1,566	$ 1,155	$ 1,226	$ 3,766	$ 2,170	$ 10,953
Investments in joint ventures and associates	44	127	1,319	441	348	2,166	–	4,445
Total	$ 785	$ 456	$ 2,885	$ 1,596	$ 1,574	$ 5,932	$ 2,170	$ 15,398

(a) Includes debt amounts of subsidiaries held by Onex, the parent company, and are gross of financing fees. Excludes preferred shares of The Warranty Group recorded as long-term debt under IFRS. Excludes debt of the Onex Credit Partners Collateralized Loan Obligations, which are collateralized by the asset portfolio held by each respective CLO.

In January 2013, Tomkins (included in the table above in investments in joint ventures and associates) amended approximately $1.4 billion of the credit facility that governs its term loans to reduce the interest rate spread and LIBOR floor. Under the terms of the amendment, borrowings on the term loans currently bear interest at LIBOR (subject to a floor of 1 percent) plus a margin of 2.75 percent. In September 2013, Tomkins exercised a call option to redeem $115 million of the $445 million outstanding senior secured second-lien notes at a redemption price of 103 percent of the principal amount plus accrued and unpaid interest.

In February 2013, Allison Transmission (included in the table above in investments in joint ventures and associates) repriced its Term Loan B-2 ($793 million due in August 2017), reducing the interest rate spread over LIBOR by 50 basis points, from 3.5 percent to 3 percent. In connection with the repricing, Allison Transmission's Term Loan B-1 ($411 million due in August 2014) was refinanced with additional Term Loan B-2 borrowings, increasing the interest rate spread over LIBOR by 50 basis points, from 2.5 percent to 3 percent, and extending the maturing from August 2014 to August 2017. In August 2013, Allison Transmission repriced its Term Loan B-3 ($1.1 billion due in August 2019), reducing the interest rate spread over LIBOR by 50 basis points, from 3.25 percent to 2.75 percent. In December 2013, Allison Transmission converted $650 million of its Term Loan B-2 (due in August 2017) to Term Loan B-3 (due in August 2019). As a result, the interest rate spread over LIBOR decreased by 25 basis points, from 3 percent to 2.75 percent; however a 1 percent floor was added to LIBOR. Allison Transmission also amended its revolving credit facility. The amendments included increasing the amount available under the revolving credit facility by $10 million to $410 million, reducing the interest rate spread over LIBOR by 100 basis points and extending the maturity of the revolving credit facility from August 2016 to January 2019.

Warranty reserves and unearned premiums

Warranty reserves and unearned premiums represent The Warranty Group's gross warranty and property and casualty reserves, as well as gross warranty unearned premiums. At December 31, 2013, gross warranty reserves and unearned premiums (consisting of the current and non-current portions) totalled $3.1 billion, unchanged from the balance at December 31, 2012. Gross warranty and property and casualty reserves are approximately $530 million (2012 – $616 million) of the total, which represent the estimated and incurred but not reported reserves on warranty contracts and property and casualty insurance policies. The Warranty Group has ceded 100 percent of the property and casualty reserves component of $310 million (2012 – $383 million) to third-party reinsurers, which therefore has created a ceded claims recoverable asset. The Warranty Group's liability for gross warranty and property and casualty unearned premiums totalled $2.6 billion in 2013 (2012 – $2.5 billion). All of the unearned premiums are related to warranty business and represent the portion of the revenue received that has not yet been earned as revenue by The Warranty Group on extended warranty products sold through multiple distribution channels. Typically, there is a time delay between when the warranty contract starts to earn and the contract effective date. The contracts generally commence earning

after the original manufacturer's warranty on a product expires. Note 14 to the audited annual consolidated financial statements provides details of the gross warranty and property and casualty reserves for loss and loss adjustment expenses and warranty unearned premiums as at December 31, 2013 and 2012.

Limited Partners' Interests

Limited Partners' Interests liability represents the fair value of limited partners' invested capital in the Onex Partners and ONCAP Funds. The Limited Partners' Interests liability is affected by the change in the fair value of the underlying investments in the Onex Partners and ONCAP Funds, the impact of the carried interest, as well as any contributions by and distributions to limited partners in those Funds.

At December 31, 2013, Limited Partners' Interests liability totalled $7.0 billion compared to $6.2 billion at December 31, 2012.

Table 22 shows the change in Limited Partners' Interests from January 1, 2012 to December 31, 2013.

Limited Partners' Interests

TABLE 22 *($ millions)*	
Balance – January 1, 2012	$ 4,980
Limited Partners' Interests charge	929
Contributions by limited partners	1,311
Distributions paid to limited partners	(977)
Balance – December 31, 2012[1]	6,243
Limited Partners' Interests charge	**1,855**
Contributions by limited partners	**401**
Distributions paid to limited partners	**(1,540)**
Balance – December 31, 2013	**$ 6,959**

(1) The current portion of the Limited Partners' Interests was $35 million at December 31, 2012 and was included in accounts payable and accrued liabilities.

The Limited Partners' Interests liability increased by $401 million for contributions made in 2013, which consisted primarily of amounts received from (i) the limited partners of Onex Partners III for their investment in Emerald Expositions; (ii) certain limited partners of Onex Partners III and others for their investment in the USI co-investment; (iii) the limited partners of ONCAP II for their add-on investments in EnGlobe and Pinnacle Renewable Energy Group; and (iv) the limited partners of the Onex Partners and ONCAP Funds for management fees and partnership expenses.

Contributions totalled $1.3 billion for the year ended December 31, 2012 primarily from (i) the limited partners of Onex Partners III for their investments in SGS International, USI, BBAM and KraussMaffei, in addition to their add-on investments in JELD-WEN and Tropicana Las Vegas; (ii) the limited partners of ONCAP III for their investment in Bradshaw; and (iii) certain limited partners of Onex Partners III and others for their investment in the JELD-WEN co-investment.

During 2013, the Limited Partners' Interests liability was reduced by $1.5 billion of distributions primarily to the limited partners of Onex Partners I, Onex Partners II, Onex Partners III and ONCAP II. Onex Partners I distributed $24 million to its limited partners for their share of the distribution from The Warranty Group. Onex Partners II distributed $1.1 billion to its limited partners for their share of (i) the proceeds on the October 2013 sale of TMS International, as well as the dividends received during 2013; (ii) the proceeds on the February 2013 sale of RSI; (iii) the dividends and return of capital from Carestream Health; (iv) the proceeds on the sales of a portion of the shares of Allison Transmission as well as the dividends received during 2013; and (v) the distribution from The Warranty Group. Onex Partners III distributed $63 million to its limited partners and others primarily for their share of the principal repayments and accrued interest on the convertible promissory notes from JELD-WEN. Distributions of $307 million were paid to the limited partners of ONCAP II for their share of the proceeds on the June 2013 sale of BSN SPORTS and the November 2013 sale of Caliber Collision.

During 2012, the Limited Partners' Interests liability was reduced for $977 million of distributions primarily to the limited partners of the Onex Partners Funds. Onex Partners I distributed $105 million to its limited partners for their share of (i) the June 2012 and December 2012 dividends and returns of capital from The Warranty Group; and (ii) the July 2012 sale of CDI. Onex Partners II distributed $349 million to its limited partners and others for

their share of (i) the proceeds on the sale of a portion of the shares of Allison Transmission as well as the dividends received during 2012; and (ii) the dividends and returns of capital received from Carestream Health and The Warranty Group. Onex Partners III distributed $506 million to its limited partners and others for their share of (i) the December 2012 distribution from Tomkins; and (ii) partial principal repayments including accrued interest on the convertible promissory notes from JELD-WEN.

At December 31, 2013, total carried interest netted against the Limited Partners' Interests in Onex' consolidated balance sheet was $538 million, of which Onex' share was $202 million.

The Limited Partners' Interests charge recorded for 2013 is discussed in detail on page 42 of this MD&A.

Equity

Total equity was $4.3 billion at December 31, 2013 compared to $5.4 billion at December 31, 2012, after giving effect to the impact of the adoption of new accounting policies, as described in note 1 to the audited annual consolidated financial statements. Table 23 provides a reconciliation of the change in equity from December 31, 2012 to December 31, 2013.

Change in Equity

TABLE 23 | *($ millions)*

Balance – December 31, 2012	**$ 5,441**
Change in accounting policies[1]	**8**
Dividends declared	**(15)**
Shares repurchased and cancelled	**(153)**
Investments by shareholders other than Onex	**119**
Distributions to non-controlling interests	**(2)**
Repurchase of shares of operating companies	**(109)**
Non-controlling interests on sale of investments in operating companies	**(209)**
Net loss for the period	**(813)**
Other comprehensive earnings for the period, net of tax	**78**
Equity as at December 31, 2013	**$ 4,345**

(1) Impact of the adoption of new accounting policies, as described in note 1 to the audited annual consolidated financial statements.

Investments by shareholders other than Onex

Onex recorded an increase in consolidated equity of $119 million during 2013 due to an increase in investments in operating companies by shareholders other than Onex and stock-based compensation provided to employees at the operating companies.

Repurchase of shares of operating companies

Onex recorded a decrease in equity of $109 million during 2013 due to the repurchase of shares of operating companies. The decrease was due primarily to Celestica for its purchases of shares in the open market throughout the year and share repurchases by Carestream Health.

Non-controlling interests on sale of investments in operating companies

Onex recorded a decrease in equity of $209 million during 2013 related primarily to the non-controlling interests of BSN SPORTS and TMS International, which were sold during 2013.

Shares outstanding

At January 31, 2014, Onex had 111,048,755 Subordinate Voting Shares issued and outstanding. Table 24 shows the change in the number of Subordinate Voting Shares outstanding from December 31, 2012 to January 31, 2014.

Change in Subordinate Voting Shares Outstanding

TABLE 24

Subordinate Voting Shares outstanding at December 31, 2012	**114,496,438**
Shares repurchased under Onex' Normal Course Issuer Bids	**(2,457,600)**
Shares repurchased in a private transaction	**(1,000,000)**
Issue of shares – Dividend Reinvestment Plan	**9,917**
Subordinate Voting Shares outstanding at January 31, 2014	**111,048,755**

Onex also has 100,000 Multiple Voting Shares outstanding, which have a nominal paid-in value reflected in Onex' audited annual consolidated financial statements. Note 18 to the audited annual consolidated financial statements provides additional information on Onex' share capital. There was no change in the Multiple Voting Shares outstanding during 2013.

Cash dividends

In May 2013, Onex increased its quarterly dividend by 36 percent to C$0.0375 per Subordinate Voting Share beginning in the second quarter of 2013. During 2013, Onex declared dividends of C$0.14 per Subordinate Voting Share, which were paid quarterly at a rate of C$0.0275 per Subordinate Voting Share for the first quarter of 2013 and at a rate of C$0.0375 per Subordinate Voting Share for the remaining quarters of 2013. The dividends are payable on or about January 31, April 30, July 31 and October 31 of each year.

Dividend Reinvestment Plan

Onex' Dividend Reinvestment Plan enables Canadian shareholders to reinvest cash dividends to acquire new Subordinate Voting Shares of Onex at a market-related price at the time of reinvestment. During 2013, Onex issued 8,062 Subordinate Voting Shares at an average cost of C$48.33 per Subordinate Voting Share, creating a cash savings of less than $1 million (less than C$1 million). During the period from January 1, 2012 to December 31, 2012, Onex issued 6,183 Subordinate Voting Shares at an average cost of C$37.94 per Subordinate Voting Share, creating a cash savings of less than $1 million (less than C$1 million).

Stock Option Plan

Onex, the parent company, has a Stock Option Plan in place that provides for options and/or share appreciation rights to be granted to Onex directors, officers and employees for the acquisition of Subordinate Voting Shares of Onex, the parent company, for a term not exceeding 10 years. The options vest equally over five years with the exception of 2,750,000 of the 3,402,000 options granted in December 2013, which vest at a rate of 15 percent per year during the first four years and 40 percent in the fifth year. The price of the options issued is no less than the market value of the Subordinate Voting Shares on the business day preceding the day of the grant. Vested options are not exercisable unless the average five-day market price of Onex Subordinate Voting Shares is at least 25 percent greater than the exercise price at the time of exercise.

At December 31, 2013, Onex had 7,867,175 options outstanding to acquire Subordinate Voting Shares, of which 2,907,441 options were vested and exercisable. Table 25 provides information on the activity during 2013 and 2012.

Change in Stock Options Outstanding

TABLE 25	Number of Options	Weighted Average Exercise Price
Outstanding at January 1, 2012	14,036,498	C$ 19.47
Granted	1,025,000	C$ 40.26
Surrendered	(1,488,620)	C$ 18.32
Expired	(278,326)	C$ 30.87
Outstanding at December 31, 2012	**13,294,552**	**C$ 20.96**
Granted	**3,402,000**	**C$ 56.92**
Surrendered	**(8,660,526)**	**C$ 16.34**
Expired	**(168,851)**	**C$ 33.51**
Outstanding at December 31, 2013	**7,867,175**	**C$ 41.34**

During 2013, 8,660,526 options were surrendered at a weighted average exercise price of C$16.34 for aggregate cash consideration of $292 million (C$299 million) and 168,851 options expired. In addition, during 2013, 3,402,000 options were issued at an exercise price of C$56.92 per share, all of which were issued during the fourth quarter of 2013.

In January 2014, Onex issued 3,950,000 options to acquire Subordinate Voting Shares with an exercise price of C$57.45 per share. The options vest at a rate of 15 percent per year during the first four years and 40 percent in the fifth year.

During 2012, 1,488,620 options were surrendered at a weighted average exercise price of C$18.32 for aggregate cash consideration of $30 million (C$30 million) and 278,326 options expired. In addition, during 2012, 1,025,000 options were issued, of which 50,000 options were issued in the third quarter at an exercise price of C$38.50 and 975,000 options were issued during the fourth quarter at an exercise price of C$40.35.

Normal Course Issuer Bids

Onex had Normal Course Issuer Bids (the "Bids") in place during 2013 that enable it to repurchase up to 10 percent of its public float of Subordinate Voting Shares during the period of the relevant Bid. Onex believes that it is advantageous to Onex and its shareholders to continue to repurchase Onex' Subordinate Voting Shares from time to time when the Subordinate Voting Shares are trading at prices that reflect a significant discount to their value as perceived by Onex.

On April 16, 2013, Onex renewed its Normal Course Issuer Bid ("NCIB") following the expiry of its previous NCIB on April 15, 2013. Under the new NCIB, Onex is permitted to purchase up to 10 percent of its public float of Subordinate Voting Shares, or 8,874,849 Subordinate Voting Shares. Onex may purchase up to 32,914 Subordinate Voting Shares during any trading day, being 25 percent of its average daily trading volume for the six-month period ended March 31, 2013. Onex may also purchase Subordinate Voting Shares from time to time under the Toronto Stock Exchange's block purchase exemption, if available, under the new NCIB. The new NCIB commenced on April 16, 2013 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 15, 2014. A copy of the Notice of Intention to make the Normal Course Issuer Bid filed with the Toronto Stock Exchange is available at no charge to shareholders by contacting Onex.

Under the previous NCIB that expired on April 15, 2013, Onex repurchased 1,526,865 Subordinate Voting Shares at a total cost of $65 million (C$65 million), or an average purchase price of C$42.35 per share. For the year ended December 31, 2013, Onex repurchased 2,060,400 Subordinate Voting Shares under its Normal Course Issuer Bids for a total cost of $100 million (C$102 million), or an average cost per share of C$49.53. In addition, Onex repurchased 397,200 Subordinate Voting Shares under its Normal Course Issuer Bid in January 2014 for a total cost of $21 million (C$23 million), or an average cost per share of C$57.01. Under similar Bids, Onex repurchased 627,061 Subordinate Voting Shares at a total cost of $24 million (C$24 million) during 2012.

In addition, Onex repurchased 1,000,000 of its Subordinate Voting Shares in a private transaction for a cash cost of C$56.50 per Subordinate Voting Share or $53 million (C$57 million) in November 2013, which represented a slight discount to the trading price of Onex shares at that date. The shares were held indirectly by Mr. Gerald W. Schwartz, who is Onex' controlling shareholder.

Included in table 26 below is a summary of Onex' repurchases of Subordinate Voting Shares under its NCIB for the last 10 years.

TABLE 26	Shares Repurchased	Total Cost of Shares Repurchased *(in C$ millions)*	Average Share Price *(in C$ per share)*
2004	9,143,100	C$ 150	C$ 16.37
2005	939,200	18	18.93
2006	9,176,300	203	22.17
2007	3,357,000	113	33.81
2008	3,481,381	101	28.89
2009	1,784,600	41	23.04
2010	2,040,750	52	25.44
2011	3,165,296	105	33.27
2012	627,061	24	38.59
2013[1]	3,060,400	159	51.81
Total	36,775,088	C$ 966	C$ 26.25

(1) Includes 1,000,000 Subordinate Voting Shares repurchased in a private transaction.

Deferred Share Unit Plans

During the second quarter of 2013, 30,537 Deferred Share Units ("DSUs") were issued to directors having an aggregate value, at the date of grant, of $2 million in lieu of that amount of cash compensation for directors' fees (2012 – 40,000 DSUs at a cost of approximately $2 million). During 2013, an additional 11,969 DSUs (2012 – 14,366 DSUs) were issued to directors in lieu of cash directors' fees and for dividends on outstanding DSUs. There were no DSUs redeemed during 2013 or 2012. At December 31, 2013, there were 543,260 Director DSUs outstanding. In 2012, Onex entered into a forward agreement with a counterparty financial institution to hedge Onex' exposure to changes in the market value of its Subordinate Voting Shares associated with a portion of the outstanding Director DSUs.

At December 31, 2013, there were 467,230 Management Deferred Share Units ("MDSUs") outstanding. In January 2014, Onex issued 97,704 MDSUs to management having an aggregate value, at the date of grant, of $5 million (C$6 million) in lieu of that amount of cash compensation for Onex' 2013 fiscal year. Forward agreements have been entered into to hedge Onex' entire exposure to changes in the value of the MDSUs.

MDSUs and DSUs must be held until leaving the employment of Onex or retirement from the Board. Table 27 reconciles the changes in the DSUs and MDSUs outstanding at December 31, 2013 from January 1, 2012.

Change in Outstanding Deferred Share Units

TABLE 27	Director DSU Plan		Management DSU Plan	
	Number of DSUs	Weighted Average Price	Number of MDSUs	Weighted Average Price
Outstanding at January 1, 2012	446,388		443,139	
Granted	40,000	C$ 38.53	–	–
Exercised	–	–	(113,534)	C$ 40.11
Additional units issued in lieu of compensation and cash dividends	14,366	C$ 39.08	136,399	C$ 37.83
Outstanding at December 31, 2012	**500,754**		**466,004**	
Granted	**30,537**	**C$ 49.94**	**–**	**–**
Additional units issued in lieu of compensation and cash dividends	**11,969**	**C$ 51.66**	**1,226**	**C$ 49.48**
Outstanding at December 31, 2013	**543,260**		**467,230**	
Hedged with a counterparty financial institution	**(250,829)**		**(467,230)**	
Outstanding at December 31, 2013 – Unhedged	**292,431**		**–**	

Management of capital

Onex considers the capital it manages to be the amounts it has in cash and cash equivalents and near-cash investments, and the investments made by it in the operating businesses, Onex Real Estate Partners and Onex Credit Partners. Onex also manages the capital from other investors invested in the Onex Partners, ONCAP and Onex Credit Partners Funds. Onex' objectives in managing capital are to:

- preserve a financially strong parent company with appropriate liquidity and no, or a limited amount of, debt so that funds are available to pursue new acquisitions and growth opportunities, as well as support expansion of its existing businesses. Onex does not generally have the ability to draw cash from its operating businesses. Accordingly, maintaining adequate liquidity at the parent company is important;
- achieve an appropriate return on capital invested commensurate with the level of assumed risk;
- build the long-term value of its operating businesses;
- control the risk associated with capital invested in any particular business or activity. All debt financing is within the operating businesses and each company is required to support its own debt. Onex Corporation does not guarantee the debt of the operating businesses and there are no cross-guarantees of debt between the operating businesses; and

• have appropriate levels of committed limited partners' capital available to invest along with Onex' capital. This allows Onex to respond quickly to opportunities and pursue acquisitions of businesses of a size it could not achieve using only its own capital. The management of limited partners' capital also provides management fees to Onex and the ability to enhance Onex' returns by earning a carried interest on the profits of limited partners.

At December 31, 2013, Onex, the parent company, had approximately $1.4 billion of cash on hand and $343 million of near-cash items at market value.

Onex, the parent company, has a conservative cash management policy that limits its cash investments to short-term high-rated money market instruments. This policy is driven toward maintaining liquidity and preserving principal in all money market investments.

At December 31, 2013, Onex had access to $843 million of uncalled committed limited partners' capital for acquisitions through Onex Partners III ($479 million) and ONCAP III (C$387 million). In addition, Onex raised approximately $1.9 billion of limited partners' committed capital for Onex Partners IV during the fourth quarter of 2013. In February 2014, Onex raised approximately $600 million of additional limited partners' committed capital for Onex Partners IV toward a target of $3.3 billion. The strategy for risk management of capital did not change in 2013.

Non-controlling interests

Non-controlling interests in equity in Onex' consolidated balance sheets as at December 31, 2013 primarily represent the ownership interests of shareholders, other than Onex and its limited partners in its Funds, in Onex' controlled operating companies. The non-controlling interests balance at December 31, 2013 decreased to $3.2 billion from $3.8 billion at December 31, 2012. The decrease was primarily due to the non-controlling interests' share of the net loss during 2013 of $459 million and a decrease of $209 million primarily due to the sales of BSN SPORTS and TMS International. The largest contributors to the non-controlling interests balance come from ownership interests of public shareholders of Celestica and Spirit AeroSystems. Additional information is provided about the non-controlling interests associated with Celestica and Spirit AeroSystems in note 19 to the audited annual consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

This section should be read in conjunction with the audited annual consolidated statements of cash flows and the corresponding notes thereto. Table 28 summarizes the major consolidated cash flow components for the years ended December 31, 2013 and 2012.

Major Cash Flow Components

TABLE 28 *($ millions)*	2013	2012
Cash from operating activities	$ 1,586	$ 2,043
Cash from (used in) financing activities	$ (858)	$ 175
Cash used in investing activities	$ (192)	$ (2,015)
Consolidated cash and cash equivalents held by continuing operations	$ 3,191	$ 2,629

Cash from operating activities

Table 29 provides a breakdown of cash from operating activities by cash generated from operations and changes in non-cash working capital items, other operating activities and warranty reserves and premiums for the years ended December 31, 2013 and 2012.

Components of Cash from Operating Activities

TABLE 29 *($ millions)*	2013	2012
Cash generated from operations	$ 934	$ 1,584
Changes in non-cash working capital items:		
Accounts receivable	(123)	(39)
Inventories	650	371
Other current assets	19	18
Accounts payable, accrued liabilities and other current liabilities	31	33
Increase in cash and cash equivalents due to changes in non-cash working capital items	577	383
Decrease in other operating activities and change in warranty reserves and premiums	(42)	(74)
Cash flows from operating activities of discontinued operations	117	150
Cash from Operating Activities	$ 1,586	$ 2,043

Cash generated from operations includes net earnings (loss) before interest and income taxes, adjusted for cash taxes paid and items not affecting cash and cash equivalents. Included in determining cash generated from operations during 2013 are payments totalling $292 million by Onex, the parent company, for the exercise of stock options, as discussed on page 60 of this MD&A.

The significant changes in non-cash working capital items for the year ended December 31, 2013 were:

- a $123 million increase in accounts receivable primarily from Spirit AeroSystems due to higher revenues; and
- a $650 million decrease in inventories primarily at Spirit AeroSystems due to the forward-loss charges recorded during 2013, and at Flushing Town Center, partially offset by an increase in inventory at Celestica.

Cash from operating activities also included $117 million of cash flows from operating activities of discontinued operations, which represents the cash from operating activities of TMS International up to the date of its disposition.

For the year ended December 31, 2012, the decrease in inventory at (i) Spirit AeroSystems due primarily to the forward-loss charges recorded by the company; and (ii) Celestica due primarily to the disengagement from a significant consumer customer contributed significantly to the changes in non-cash working capital items.

Cash from (used in) financing activities

Cash used in financing activities was $858 million for 2013 compared to cash from financing activities of $175 million for 2012. Cash used in financing activities for 2013 included:

- $1.5 billion of distributions primarily to the limited partners of Onex Partners II and ONCAP II (as discussed under Limited Partners' Interests on page 58 of this MD&A);
- $697 million of cash interest paid;
- $153 million of cash used by Onex, the parent company, for purchases of its shares; and
- $109 million of cash used primarily by Carestream Health and Celestica for the repurchase of share capital.

Partially offsetting these were:

- $1.3 billion of net new long-term debt primarily from the note issuance of OCP CLO-3 and OCP CLO-4 and the debt raised by Carestream Health during the second quarter of 2013; and
- $401 million of cash received primarily from the limited partners of Onex Partners III for their investment in Emerald Expositions, certain limited partners of Onex Partners III and others for their co-investment in USI and the limited partners of the Onex Partners and ONCAP Funds for management fees and partnership expenses.

For the year ended December 31, 2012, cash from financing activities was $175 million. Included in cash from financing activities for 2012 were:

- Approximately $1.2 billion of cash received from the limited partners of the Onex Partners III Group primarily for their investments in SGS International, USI, BBAM and KraussMaffei in addition to their add-on investments in JELD-WEN and Tropicana Las Vegas;
- $75 million of cash received from the limited partners of the ONCAP III Group for their investment in Bradshaw; and
- $825 million of net new long-term debt primarily from the note issuances of OCP CLO-1 and OCP CLO-2.

Partially offsetting these was cash used in financing activities, which included (i) $977 million of distributions to the limited partners of the Onex Partners Funds (as discussed under Limited Partners' Interests on page 58 of this MD&A); (ii) $445 million of cash interest paid; (iii) $315 million of cash used primarily by Celestica for purchases of its shares in the open market; and (iv) $117 million of cash used for financing activities of discontinued operations.

Cash used in investing activities

Cash used in investing activities totalled $192 million for 2013 compared to $2.0 billion during 2012. Cash used in investing activities consisted primarily of (i) net purchases of investments and securities of $1.1 billion mainly by the OCP CLOs and The Warranty Group; (ii) $513 million used to fund acquisitions, of which $338 million related to the Onex Partners III Group's acquisition of Emerald Expositions as outlined in note 2 to the audited annual consolidated financial statements; and (iii) $115 million of cash used for investing activities of discontinued operations.

Partially offsetting these were:

- $1.1 billion received on the sales of TMS International ($410 million), BSN SPORTS ($224 million) and Caliber Collision ($426 million);
- $908 million received on the sales of RSI ($323 million) and a portion of the shares of Allison Transmission ($585 million); and
- $290 million of proceeds on the sale of property, plant and equipment consisting primarily of proceeds on the sale of two aircraft by Meridian Aviation.

Cash used in investing activities totalled $2.0 billion for 2012 and consisted primarily of (i) $1.4 billion used to fund acquisitions primarily completed by Onex Partners III, as outlined in note 2 to the audited annual consolidated financial statements; (ii) net purchases of investments and securities of $785 million mainly by the OCP CLOs and The Warranty Group; and (iii) $165 million for the investment in BBAM by Onex Partners III. This was partially offset by cash proceeds of $1.1 billion received on the sale of CDI ($71 million), the sale of shares of Allison Transmission ($326 million) and the distribution paid by Tomkins ($663 million).

In addition, there was $835 million of cash used for purchases of property, plant and equipment by Onex' operating companies (2012 – $607 million). Table 30 details the property, plant and equipment expenditures by industry segment.

Cash Used for Property, Plant and Equipment Purchases by Industry Segment

TABLE 30 *($ millions)*	**2013**	2012
Electronics Manufacturing Services	**$ 53**	$ 101
Aerostructures	**252**	222
Healthcare	**93**	95
Insurance Provider	**2**	3
Customer Care Services	**28**	25
Building Products	**80**	81
Other[a]	**327**	80
Total	**$ 835**	$ 607

(a) 2013 other includes Tropicana Las Vegas, SGS International, USI, KraussMaffei, Emerald Expositions, Meridian Aviation, the operating companies of ONCAP II and ONCAP III and Flushing Town Center. 2012 other includes Tropicana Las Vegas, SGS International, USI, KraussMaffei, the operating companies of ONCAP II and ONCAP III and Flushing Town Center.

During 2013, Celestica invested $53 million in property, plant and equipment primarily to enhance its manufacturing capabilities in various geographies and to support new customer programs.

Spirit AeroSystems invested $252 million in property, plant and equipment, related primarily to purchases of tooling and machinery and equipment for the development programs and to support increasing production rates for several Boeing programs, as well as for repair costs incurred after the severe weather event, as discussed on page 41 of this MD&A.

JELD-WEN invested $80 million in property, plant and equipment, including expenditures related to the construction of a new fibre plant.

Cash used for the purchase of property, plant and equipment in the other segment consisted primarily of cash used by Meridian Aviation to purchase two aircraft, which were subsequently sold during 2013.

Consolidated cash resources

At December 31, 2013, consolidated cash held by continuing operations increased from December 31, 2012 to $3.2 billion from $2.7 billion. The major components at December 31, 2013 were:

- approximately $1.4 billion of cash on hand at Onex, the parent company; and
- approximately $545 million of cash at Celestica.

Onex believes that maintaining a strong financial position at the parent company with appropriate liquidity enables the Company to pursue new opportunities to create long-term value and support Onex' existing operating businesses. In addition to the approximate $1.4 billion of cash at the parent company at December 31, 2013, there was $343 million of near-cash items that are invested in a segregated unleveraged fund managed by Onex Credit Partners.

Table 31 provides a reconciliation of the change in cash at Onex, the parent company, from December 31, 2012 to December 31, 2013.

Change in Cash at Onex, the Parent Company

TABLE 31 *(unaudited) ($ millions)*	
Cash on hand at December 31, 2012	**$ 813**
Carestream Health distribution received	**303**
Sale of shares of Allison Transmission and dividends	**203**
Sale of TMS International and dividends	**174**
Sale of Caliber Collision	**173**
Proceeds received on the sale of interest in RSI	**130**
Sale of BSN SPORTS	**98**
USI sale to co-investors	**84**
The Warranty Group distribution received	**20**
JELD-WEN note repayment including accrued interest	**15**
PURE Canadian Gaming debt repayment	**6**
BBAM distribution received	**6**
Investment in Emerald Expositions	**(85)**
Net Onex Credit Partners activity, including warehouse facility associated with OCP CLO-5	**(50)**
Investments in Meridian Aviation	**(14)**
Options exercised for cash	**(292)**
Onex share repurchases	**(153)**
Other, net, including dividends, management fees and operating costs	**(33)**
Cash on hand at December 31, 2013	**$ 1,398**

Recent events

Emerald Expositions

In January 2014, Emerald Expositions completed the acquisition of George Little Management, LLC ("GLM"), an operator of business-to-business tradeshows in the United States. In conjunction with this acquisition, the Onex Partners III Group invested an additional $140 million in Emerald Expositions, of which Onex' share was $34 million.

Onex Partners IV

In February 2014, Onex raised approximately $600 million of additional limited partners' committed capital for Onex Partners IV. To date, Onex has raised $2.5 billion of capital commitments from limited partners for Onex Partners IV. Onex is targeting $3.3 billion in limited partners' capital commitments toward a $4.5 billion fund size, including Onex' $1.2 billion commitment. Onex expects to complete fundraising in 2014.

ADDITIONAL USES OF CASH

Contractual obligations

Table 32 presents the contractual obligations of Onex and its operating companies as at December 31, 2013:

Contractual Obligations

TABLE 32 *($ millions)*		Payments Due by Period			
	Total	Less than 1 year	1–3 years	4–5 years	After 5 years
Long-term debt, without recourse to Onex[a]	**$ 12,183**	$ 651	$ 1,895	$ 2,217	$ 7,420
Finance and operating leases	**1,775**	371	523	293	588
Purchase obligations	**725**	433	271	21	–
Total contractual obligations	**$ 14,683**	$ 1,455	$ 2,689	$ 2,531	$ 8,008

(a) Excludes debt amounts of subsidiaries held by Onex, the parent company, and debt of investments in joint ventures and associates. Amounts are gross of financing fees.

In addition to the obligations in table 32, certain of Onex' consolidated operating companies have funding obligations related to their defined benefit pension plans. The operating companies estimate that $37 million of contributions will be required in 2014 for their defined benefit pension plans. Onex, the parent company, does not provide pension, other retirement or post-retirement benefits to its employees or to employees of any of the operating companies. In addition, Onex, the parent company, does not have any obligations and has not made any guarantees with respect to the plans of the operating companies.

A breakdown of long-term debt by industry segment is provided in table 20 on page 54 of this MD&A. In addition, notes 12 and 13 to the audited annual consolidated financial statements provide further disclosure on long-term debt and lease commitments. Our consolidated operating companies currently believe they have adequate cash from operations, cash on hand and borrowings available to them to meet anticipated debt service requirements, capital expenditures and working capital needs. There is, however, no assurance that our consolidated operating companies will generate sufficient cash flow from operations or that future borrowings will be available to enable them to grow their business, service all indebtedness or make anticipated capital expenditures.

Commitments

At December 31, 2013, Onex and its operating companies had total commitments of $672 million. Commitments by Onex and its operating companies provided in the normal course of business include commitments for corporate investments and letters of credit, letters of guarantee and surety and performance bonds.

Approximately $337 million of the total commitments in 2013 were for contingent liabilities in the form of letters of credit, letters of guarantee, and surety and performance bonds provided by certain operating companies to various third parties, including bank guarantees. These guarantees are without recourse to Onex.

The remainder of the commitments of $335 million relate to the acquisition of GLM completed by Emerald Expositions in January 2014. The $335 million purchase price was funded by debt financing at Emerald Expositions and $140 million invested in Emerald Expositions by the Onex Partners III Group.

Onex' commitment to the Funds

Onex, the parent company, is the largest limited partner in each of the Onex Partners and ONCAP Funds. Table 33 presents the commitment and uncalled committed capital of Onex, the parent company, in these Funds at December 31, 2013:

TABLE 33 *($ millions)*	Fund Size	Onex' Commitment	Onex' Uncalled Committed Capital[a]
Onex Partners I	**$ 1,655**	**$ 400**	**$ –**
Onex Partners II	**$ 3,450**	**$ 1,407**	**$ 158**
Onex Partners III	**$ 4,700**	**$ 1,200**	**$ 151**
Onex Partners IV[b]	**$ 3,136**	**$ 1,200**	**$ 1,200**
ONCAP II	**C$ 574**	**C$ 252**	**C$ 2**
ONCAP III[c]	**C$ 800**	**C$ 252**	**C$ 163**

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

(b) Represents committed capital raised during 2013 for Onex Partners IV including the minimum committed amounts from the management of Onex. In February 2014, Onex raised approximately $600 million of additional limited partners' committed capital for Onex Partners IV.

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

Pension plans

Seven (2012 – eight) of Onex' consolidated operating companies have defined benefit pension plans, of which the more significant plans are those of Spirit AeroSystems, Celestica, Carestream Health, JELD-WEN and KraussMaffei. At December 31, 2013, the defined benefit pension plans of the Onex consolidated operating companies had combined assets of $2.2 billion (2012 – $2.2 billion) against combined obligations of $2.3 billion (2012 – $2.5 billion), with a net deficit of $33 million (2012 – $313 million). A surplus in any plan is not available to offset deficiencies in the others.

Onex, the parent company, does not have a pension plan and has no obligation to the pension plans of its operating companies.

Spirit AeroSystems has several U.S. defined benefit pension plans that were frozen at the date of Onex' acquisition of Spirit AeroSystems, with no future service benefits being earned in these plans. Pension assets are placed in a trust for the purpose of providing liquidity sufficient to pay benefit obligations. Therefore, required and discretionary contributions to those plans are not expected in 2014.

In addition, Spirit AeroSystems has a U.K. defined benefit pension plan that is fully funded. Effective December 31, 2013, the U.K. pension plan benefits were frozen due to an amendment which closed the plan, resulting in a net curtailment gain of $13 million. Spirit AeroSystems' defined benefit pension plans remained overfunded by $250 million (2012 – $78 million) at December 31, 2013.

At December 31, 2013, Celestica's defined benefit pension plans were overfunded on a net basis by $15 million (2012 – $14 million). Celestica's pension funding policy is to contribute amounts sufficient to meet minimum local statutory funding requirements that are based on actuarial calculations. The company may make additional discretionary contributions based on actuarial assessments. Celestica estimates $17 million of contributions for its defined benefit pension plans in 2014 based on the most recent actuarial valuations.

Carestream Health's defined benefit pension plans were in an underfunded position of $65 million (2012 – $72 million) at December 31, 2013. The company's pension plan assets are broadly diversified in equity and debt funds, as well as other investments. Carestream Health expects to contribute approximately $3 million in 2014 to its defined benefit pension plans, and it does not believe that future pension contributions will materially impact its liquidity.

At December 31, 2013, JELD-WEN's defined benefit pension plans were in an underfunded position of $112 million (2012 – $206 million). The company's pension plan assets are broadly diversified in equity and debt securities, as well as other investments. JELD-WEN estimates that $13 million of contributions will be required for its defined benefit pension plans in 2014.

KraussMaffei grants pensions to the majority of its employees in Germany and to certain employees in Switzerland and the United Kingdom. At December 31, 2013, KraussMaffei's defined benefit pension plans had a net pension liability of $109 million (2012 – $103 million). KraussMaffei expects to contribute approximately $3 million to its defined benefit pension plans in 2014.

ADDITIONAL SOURCES OF CASH

Private equity Funds

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

Table 34 provides a summary of the remaining commitments available from limited partners for future Onex-sponsored acquisitions in the Onex Partners and ONCAP Funds as of December 31, 2013.

Private Equity Funds' Uncalled Limited Partners' Committed Capital

TABLE 34 *($ millions)*	Available Uncalled Committed Capital (excluding Onex)
Onex Partners I	**$ 63**
Onex Partners II	**$ 242** [a]
Onex Partners III	**$ 479** [a]
Onex Partners IV[b]	**$ 1,936** [a]
ONCAP II	**C$ 2** [a]
ONCAP III[c]	**C$ 387** [a]

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

(b) Includes limited partners' committed capital raised during 2013 for Onex Partners IV. In February 2014, Onex raised approximately $600 million of additional limited partners' committed capital for Onex Partners IV.

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

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

During 2003, Onex raised its first large-cap Fund, Onex Partners I, with $1.655 billion of committed capital, including committed capital from Onex of $400 million. Since 2003, Onex Partners I has completed 10 investments or acquisitions with $1.5 billion of equity, including Onex, being invested. While Onex Partners I has concluded its investment period, the Fund still has uncalled limited partners' committed capital of $63 million for future funding of management fees. In January 2014, the date of termination for Onex Partners I was extended to February 2015. Onex Partners I may be further extended with the approval of a majority in interest of the limited partners for up to two additional one-year periods.

During 2006, Onex raised its second large-cap Fund, Onex Partners II, a $3.45 billion private equity fund, including committed capital of $1.4 billion from Onex. Onex Partners II has completed seven investments or acquisitions, investing $2.9 billion of equity, including Onex, in those transactions. At December 31, 2013, Onex Partners II has uncalled limited partners' committed capital of $242 million, which is largely reserved for possible future funding for any of Onex Partners II's existing businesses and for management fees.

During 2009, Onex completed fundraising for its third large-cap private equity fund, Onex Partners III, a $4.7 billion private equity fund. Onex' initial commitment to the fund was $1.0 billion, which could be either increased or decreased by $500 million with six months' notice to the limited partners. On December 31, 2008, Onex notified its limited partners that it would be reducing its commitment to the Fund to approximately $500 million effective July 1, 2009. Since July 2009, Onex has increased its commitment as follows:

- to $800 million for new acquisitions completed after June 16, 2010 and up to May 14, 2012; and
- to $1.2 billion for new investments completed after May 14, 2012.

Changes to Onex' commitment do not alter Onex' ownership of businesses acquired prior to the effective dates of the changes. Onex Partners III has completed nine investments or acquisitions, investing $2.8 billion of limited partners' capital in those transactions. At December 31, 2013, Onex Partners III had $479 million of uncalled limited partners' capital.

During 2013, Onex commenced fundraising for its fourth large-cap private equity fund, Onex Partners IV, which will provide capital for new Onex-sponsored acquisitions. By December 31, 2013, Onex Partners IV had $3.1 billion of committed capital, including committed capital from Onex of $1.2 billion. In February 2014, Onex raised approximately $600 million of additional limited partners' committed capital for Onex Partners IV. Onex is targeting $4.5 billion of committed capital for Onex Partners IV and expects the final closing to occur during 2014.

During 2006, ONCAP raised its second mid-market Fund, ONCAP II, a C$574 million private equity fund including a commitment of C$252 million from Onex. ONCAP II has completed eight acquisitions, investing C$262 million of limited partners' capital. At December 31, 2013, this Fund had uncalled committed limited partners' capital of C$2 million.

During 2011, ONCAP completed fundraising for its third mid-market private equity fund, ONCAP III, a C$800 million private equity fund with total limited partners' capital commitments of C$520 million, excluding commitments from management of Onex and ONCAP. ONCAP III has completed four investments or acquisitions, investing C$179 million of limited partners' capital. At December 31, 2013, this Fund has uncalled committed limited partners' capital of C$387 million available for future acquisitions and for management fees.

Related party transactions

Related party transactions are primarily investments by the management of Onex and of the operating companies in the equity of the operating companies acquired. The investment programs are designed to align Onex management's interests with those of Onex' shareholders and the limited partner investors in Onex' Funds.

The various investment programs are described in detail in the following pages and certain key aspects are summarized in table 35.

Investment Programs

TABLE 35	Minimum Stock Price Appreciation/ Return Threshold	Vesting	Associated Investment by Management
Management Investment Plan	15% Compounded Return	Vests equally over 6 years	• personal "at risk" equity investment required • 25% of gross proceeds on the 7.5% gain allocated under the MIP to be reinvested in Subordinate Voting Shares or Management DSUs until 1,000,000 shares and DSUs owned
Carried Interest Participation – Onex Partners	8% Compounded Return	Onex Partners I Fully vested Onex Partners II Fully vested Onex Partners III Will be fully vested in December 2014 Onex Partners IV Will vest equally over 6 years from the due date of the first capital call for Onex Partners IV	• corresponds to participation in minimum 1% "at risk" Onex management team equity investment for Onex Partners I through III and 2% "at risk" Onex management team equity investment for Onex Partners IV • 25% of gross proceeds to be reinvested in Subordinate Voting Shares or Management DSUs until 1,000,000 shares and DSUs owned
Carried Interest Participation – ONCAP	8% Compounded Return	ONCAP II Fully vested ONCAP III Vests equally over 5 years ending in July 2016	• corresponds to participation in minimum 1% "at risk" ONCAP management team equity investment
Stock Option Plan	25% Price Appreciation	Vests equally over 5 years, except for 2,750,000 options which vest at a rate of 15 percent per year during the first 4 years and 40 percent in the 5th year	• satisfaction of exercise price (market value at grant date)
Management DSU Plan	n/a	n/a	• investment of elected portion of annual compensation in Management DSUs • value reflects changes in Onex' share price • units not redeemable while employed
Director DSU Plan	n/a	n/a	• investment of elected portion of annual directors' fees in Director DSUs • value reflects changes in Onex' share price • units not redeemable until retirement • annual allocation of DSUs

Management Investment Plan

Onex has a Management Investment Plan (the "MIP") that requires its management members to invest in each of the operating businesses acquired or invested in by Onex. Management's required cash investment is 1.5 percent of Onex' interest in each acquisition or investment. An amount invested in an Onex Partners acquisition under the Fund's investment requirement (discussed below) also applies toward the 1.5 percent investment requirement under the MIP.

In addition to the 1.5 percent participation, management is allocated 7.5 percent of Onex' realized gain from an operating business investment, subject to certain conditions. In particular, Onex must realize in cash the full return of its investment plus a net 15 percent internal rate of return from the investment in order for management to be allocated the additional 7.5 percent of Onex' gain. The plan has vesting requirements, certain limitations and voting requirements.

During 2013, management invested $4 million (2012 – $13 million) under the MIP, including amounts invested under the minimum investment requirements of the Onex Partners Funds to meet the 1.5 percent MIP requirement. Management received $39 million under the MIP in 2013 (2012 – less than $1 million). Notes 1 and 31 to the audited annual consolidated financial statements provide additional details on the MIP.

Onex Partners and ONCAP Funds

The structure of the Onex Partners and ONCAP Funds requires management of Onex or ONCAP to invest a minimum of 1 percent in all acquisitions, with the exception of Onex Partners IV, which requires the management of Onex to invest a minimum of 2 percent in all acquisitions. Onex Partners I completed its investment period in 2006 and Onex Partners II completed its investment period in 2011. During 2013, Onex obtained approval for an extension of the commitment period for Onex Partners III into 2014 to enable further investing through that Fund. The commitment period for Onex Partners III would have otherwise expired in December 2013. Onex management and directors have committed to invest 6 percent of the total capital invested by Onex Partners III and 8 percent of the total capital invested by Onex Partners IV for new investments completed in 2014. For ONCAP III, management of Onex and ONCAP as well as directors have committed to invest 6 percent of the total capital invested by the Fund for new investments completed in 2014.

The total amount invested in 2013 by management of Onex and ONCAP, and directors on acquisitions and investments completed through the Onex Partners III and ONCAP II Funds was $22 million (2012 – $67 million).

Carried interest participation

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

During 2013, management of Onex received carried interest totalling $110 million, comprised of (i) $5 million on the sale of RSI; (ii) $71 million on the distributions from Carestream Health; (iii) $19 million on the sales of a portion of the shares of Allison Transmission in that company's share repurchase and secondary offerings; and (iv) $15 million on the sale of TMS International. During the same period, management of ONCAP received carried interest of $60 million on the sales of BSN SPORTS ($18 million) and Caliber Collision ($42 million). The impact of the ONCAP transactions to Onex and management of Onex was a net payment of $15 million in carried interest.

During 2012, management of Onex received $5 million of carried interest on the sale of CDI.

Table 36 shows the amount of carried interest received by Onex, the parent company, by year.

Carried Interest

TABLE 36 *($ millions)*	Carried Interest Received
Carried interest – 2003	$ 1
Carried interest – 2004	4
Carried interest – 2005	16
Carried interest – 2006	55
Carried interest – 2007	77
Carried interest – 2008	–
Carried interest – 2009	19
Carried interest – 2010	–
Carried interest – 2011	65
Carried interest – 2012	3
Carried interest – 2013	75
Total	$ 315

During 2013, Onex, the parent company, realized carried interest of $75 million, which was comprised of amounts received on the following transactions: (i) $3 million on the February 2013 sale of RSI; (ii) $50 million in connection with the distributions received from Carestream Health in June and July 2013; (iii) $12 million on the sales of a portion of the shares of Allison Transmission in that company's share repurchase and secondary offerings; and (iv) $10 million on the October 2013 sale of TMS International.

During 2012, Onex, the parent company, realized carried interest of $3 million in connection with the sale of CDI by Onex Partners I in July 2012.

At December 31, 2013, there was $54 million of unrealized carried interest allocable to Onex based on the values of the public companies held at market value in the Onex Partners Funds. In addition, Onex has the potential to receive a further $148 million of carried interest on its private businesses in the Onex Partners and ONCAP Funds based on their fair values determined at December 31, 2013.

Incentive fees

Onex Credit Partners is entitled to incentive fees on $2.4 billion of other investors' capital it manages. Incentive fees range between 5 percent and 20 percent of the net income of a fund or a share of the return above an investment return hurdle of a CLO. Certain incentive fees are subject to a minimum preferred return to investors on all amounts contributed in a particular fund. During the year ended December 31, 2013, Onex Credit Partners earned $10 million of incentive fees, of which Onex' share as an investor in Onex Credit Partners was $7 million.

Stock Option Plan

Onex, the parent company, has a Stock Option Plan in place that provides for options and/or share appreciation rights to be granted to Onex directors, officers and employees for the acquisition of Subordinate Voting Shares of Onex, the parent company, for a term not exceeding 10 years. The options vest equally over five years, with the exception of 2,750,000 of the 3,402,000 options granted in December 2013, which vest at a rate of 15 percent per year during the first four years and 40 percent in the fifth year. The price of the options issued is at the market value of the Subordinate Voting Shares on the business day preceding the day of the grant. Vested options are not exercisable unless the average five-day market price of Onex Subordinate Voting Shares is at least 25 percent greater than the exercise price at the time of exercise. Table 25 on page 60 of this MD&A provides details of the change in the stock options outstanding at December 31, 2013 and 2012.

Management Deferred Share Unit Plan

Effective December 2007, a Management Deferred Share Unit Plan ("MDSU Plan") was established as a further means of encouraging personal and direct economic interests by the Company's senior management in the performance of the Subordinate Voting Shares. Under the MDSU Plan, the members of the Company's senior management team are given the opportunity to designate all or a portion of their annual compensation to acquire MDSUs based on the market value of Onex shares at the time in lieu of

cash. MDSUs vest immediately but are redeemable by the participant only after he or she has ceased to be an officer or employee of the Company or an affiliate for a cash payment equal to the then current market price of Subordinate Voting Shares. Additional units are issued equivalent to the value of any cash dividends that would have been paid on the Subordinate Voting Shares. To hedge Onex' exposure to changes in the trading price of Onex shares associated with the MDSU Plan, the Company enters into forward agreements with a counterparty financial institution for all grants under the MDSU Plan. The costs of those arrangements are borne entirely by participants in the MDSU Plan. MDSUs are redeemable only for cash and no shares or other securities of Onex will be issued on the exercise, redemption or other settlement thereof. Table 27 on page 62 of this MD&A provides details of the change in the MDSUs outstanding during 2013 and 2012.

Director Deferred Share Unit Plan

Onex, the parent company, established a Director Deferred Share Unit Plan ("DSU Plan") in 2004, which allows Onex directors to apply directors' fees to acquire DSUs based on the market value of Onex shares at the time. Grants of DSUs may also be made to Onex directors from time to time. Holders of DSUs are entitled to receive for each DSU, upon redemption, a cash payment equivalent to the market value of a Subordinate Voting Share at the redemption date. The DSUs vest immediately, are only redeemable once the holder retires from the Board of Directors and must be redeemed by the end of the year following the year of retirement. Additional units are issued equivalent to the value of any cash dividends that would have been paid on the Subordinate Voting Shares. The Company has entered into a forward agreement with a counterparty financial institution to hedge the Company's exposure to changes in the market value of Onex' Subordinate Voting Shares associated with a portion of the outstanding DSUs. Onex, the parent company, has recorded a liability for the future settlement of DSUs at the balance sheet date by reference to the value of underlying shares at that date. The liability is adjusted for the change in the market value of the underlying Subordinate Voting Shares, with the corresponding amount reflected in the audited annual consolidated statements of earnings. Table 27 on page 62 of this MD&A provides details of the change in the DSUs outstanding during 2013 and 2012.

Repurchase of shares

In November 2013, Onex repurchased 1,000,000 of its Subordinate Voting Shares in a private transaction for a cash cost of C$56.50 per Subordinate Voting Share or $53 million (C$57 million), which represented a slight discount to the trading price of Onex shares at that date. The shares were held indirectly by Mr. Gerald W. Schwartz, who is Onex' controlling shareholder. The private transaction was approved by the Board of Directors of Onex.

Investment in Onex shares and acquisitions

In 2006, Onex adopted a program designed to further align the interests of the Company's senior management and other investment professionals with those of Onex shareholders through increased share ownership. Under this program, members of senior management of Onex are required to invest at least 25 percent of all amounts received on the 7.5 percent gain allocated under the MIP and the carried interest in Onex Subordinate Voting Shares and/or Management DSUs until they individually hold at least 1,000,000 Onex Subordinate Voting Shares and/or Management DSUs. Under this program, during 2013 Onex management reinvested C$18 million (2012 – less than C$1 million) in the purchase of Subordinate Voting Shares.

Members of management and the Board of Directors of Onex can invest limited amounts in partnership with Onex in all acquisitions outside the Onex Partners and ONCAP Funds at the same time and cost as Onex and other outside investors. During 2013, $2 million in investments (2012 – less than $1 million) were made by Onex management and Onex Board members.

Management fees

Onex receives management fees on limited partners' capital through its private equity platforms, Onex Partners and ONCAP, and directly from certain of its operating businesses. In addition, Onex Credit Partners earns management fees on its investors' capital.

During the initial fee period of the Onex Partners and ONCAP Funds, Onex receives a management fee based upon limited partners' committed capital to each Fund. At December 31, 2013, the management fees of ONCAP III are determined based on limited partners' committed capital.

Following the termination of the initial fee period, Onex becomes entitled to a management fee on limited partners' invested capital. At December 31, 2013, the

management fees of Onex Partners I, Onex Partners II, Onex Partners III and ONCAP II are determined based upon each Fund's limited partners' invested capital. As realizations occur in these Funds, the management fees calculated based on invested limited partners' capital will decline.

In December 2013, the initial fee period for Onex Partners III expired and Onex' entitlement to management fees changed from being based on committed capital to being based on limited partners' invested capital. In addition, Onex Partners III deferred its December 2013 capital call for management fees until early 2014. Management fees to be called by Onex Partners III in early 2014 will be $19 million lower than the last management fee call due to the impact of the end of the initial fee period.

During the fourth quarter of 2013, Onex raised $3.1 billion of total capital commitments for Onex Partners IV, which includes Onex' commitment of $1.2 billion. Onex Partners IV is targeting $4.5 billion in total capital commitments, including Onex' commitment, and expects to complete fundraising during 2014. We expect to start drawing management fees for Onex Partners IV sometime in 2014. During the initial fee period of Onex Partners IV, Onex will receive annual management fees based upon 1.75 percent of up to $3.0 billion of committed capital to Onex Partners IV by investors other than Onex and Onex management and 1.5 percent on capital committed by investors other than Onex and Onex management in excess of $3.0 billion.

In March and October 2013, Onex Credit Partners closed OCP CLO-3 and OCP CLO-4, respectively. In addition, in November 2013, Onex Credit Partners established a warehouse facility in connection with its fifth CLO, OCP CLO-5. The increase in investors' capital associated with these new CLOs will result in an increase in the management fees earned by Onex Credit Partners.

Debt of operating companies

Onex' practice is not to guarantee the debt of its operating companies, and there are no cross-guarantees between operating companies. Onex may hold debt as part of its investment in certain operating companies, which amounted to $873 million at December 31, 2013 compared to $1.1 billion at December 31, 2012. Note 12 to the audited annual consolidated financial statements provides information on the debt of operating companies held by Onex.

Tax loss transaction

During 2013, Onex sold entities, the sole assets of which were certain tax losses, to companies controlled by Mr. Gerald W. Schwartz, who is also Onex' controlling shareholder. As a result of these transactions, Onex recorded a gain of $9 million (2012 – $16 million) in other items in 2013. A discussion of these transactions is included on page 41 of this MD&A. In connection with these transactions, Deloitte & Touche LLP, an independent accounting firm retained by Onex' Audit and Corporate Governance Committee, provided an opinion that the value received by Onex for the tax losses was fair. The transactions were unanimously approved by Onex' Audit and Corporate Governance Committee, all the members of which are independent directors.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

OUTLOOK

Onex' reported quarterly and annual consolidated financial results may vary substantially from quarter to quarter and year to year due to acquisitions and dispositions of businesses, changes in the value of its publicly traded and privately held operating companies and the effect of varying business cycles at its operating companies. Accordingly, it is difficult to predict the future consolidated financial results for Onex. However, it is Onex' objective to complete acquisitions during 2014. New acquisitions where Onex has control would add to the consolidated revenues, assets and liabilities. Similarly, if a controlled business is sold, consolidated revenues, assets and liabilities would be reduced. It is difficult to predict when new acquisitions may occur or when businesses may be sold.

Onex remains in a very strong financial position to complete new investment opportunities as they arise. In addition to our own cash, we have approximately $840 million of undrawn committed capital from limited partners in Onex Partners III and ONCAP III. Furthermore, to date, Onex has raised approximately $2.5 billion of capital commitments from limited partners for Onex Partners IV, its fourth private equity fund for larger transactions. Onex is targeting a fund size of $4.5 billion in total capital commitments, which includes limited partner commitments of $3.3 billion and Onex' $1.2 billion commitment, and expects to complete fundraising in 2014.

A new fund will contribute to Onex' stream of annual management fees once the fund begins investing and provides the potential to earn carried interest on invested limited partner capital. Onex' limited partnership agreements typically have a 10-year term and provide a predictable flow of management fees from assets under management. Fees for Onex Partners III stepped down to 1 percent of invested capital in December 2013, marking the end of its original five-year commitment period. We expect to start drawing management fees for Onex Partners IV sometime in 2014.

We believe Onex is well-positioned for continued growth in 2014. We have a stable, experienced team; our investing culture is ingrained throughout the organization; our investments are performing well overall; and we have the financial resources to grow.

This printed report is by its nature current only at the point in time when it is issued. We encourage you to visit our website: www.onex.com for updates on Onex' activities.

RISK MANAGEMENT

This section describes the risks that we believe are material to Onex that could adversely affect Onex' business, financial condition or results of operations. The risks described below are not the only risks that may impact our business. Additional risks not currently known to us or that we currently believe are immaterial may also have a material adverse effect on future business and operations.

As managers, it is our responsibility to identify and manage business risk. As shareholders, we require an appropriate return for the risk we accept.

Managing risk

Onex' general approach to the management of risk is to apply common-sense business principles to the management of the Company, the ownership of its operating businesses and the acquisition of new businesses. Each year, detailed reviews are conducted of many opportunities to purchase either new businesses or add-on acquisitions for existing businesses. Onex' primary interest is in acquiring well-managed companies with a strong position in growing industries. In addition, diversification among Onex' operating businesses enables Onex to participate in the growth of a number of high-potential industries with varying business cycles.

As a general rule, Onex attempts to arrange as many factors as practical to minimize risk without hampering its opportunity to maximize returns. When a purchase opportunity meets Onex' criteria, for example, typically a fair price is paid, though not necessarily the lowest price, for a high-quality business. Onex does not commit all of its capital to a single acquisition and has equity partners with whom it shares the risk of ownership. The Onex Partners and ONCAP Funds streamline Onex' process of sourcing and drawing on commitments from such equity partners.

An acquired company is not burdened with more debt than it can likely sustain, but rather is structured so that it has the financial and operating leeway to maximize long-term growth in value. Finally, Onex invests in financial partnership with management. This strategy not only gives Onex the benefit of experienced managers but also is designed to ensure that an operating company is run entrepreneurially for the benefit of all shareholders.

Onex maintains an active involvement in its operating businesses in the areas of strategic planning, financial structures, and negotiations and acquisitions. In the early stages of ownership, Onex may provide resources for business and strategic planning and financial reporting while an operating business builds these capabilities in-house. In almost all cases, Onex ensures there is oversight of its investment through representation on the acquired company's board of directors. Onex does not get involved in the day-to-day operations of acquired companies.

Operating businesses are encouraged to reduce risk and/or expand opportunity by diversifying their customer bases, broadening their geographic reach or product and service offerings, and improving productivity. In certain instances, we may also encourage an operating business to seek additional equity in the public markets in order to continue its growth without eroding its balance sheet. One element of this approach may be to use new equity investment, when financial markets are favourable, to prepay existing debt and absorb related penalties. Some of the strategies and policies to manage business risk at Onex and its operating businesses are discussed in this section.

Business cycles

Diversification by industry and geography is a deliberate strategy at Onex to reduce the risk inherent in business cycles. Onex' practice of owning companies in various industries with differing business cycles reduces the risk of holding a major portion of Onex' assets in just one or two industries. Similarly, the Company's focus on building industry leaders with extensive international operations reduces the financial impact of downturns in specific regions. Onex is well diversified among various industry segments, with no single industry or business representing more than 10 percent of Onex capital. The table in note 34 to the audited annual consolidated financial statements provides information on the geographic diversification of Onex' consolidated revenues.

Operating liquidity

It is Onex' view that one of the most important things Onex can do to control risk is to maintain a strong parent company with an appropriate level of liquidity. Onex needs to be in a position to support its operating businesses when and if it is appropriate and reasonable for Onex, as an equity owner with paramount duties to act in the best interests of Onex shareholders, to do so. Maintaining liquidity is important because Onex, as a holding company, generally does not have guaranteed sources of meaningful cash flow other than management fees. The approximate $75 million in annualized management fees that are expected to be earned by Onex Partners, ONCAP and Onex Credit Partners in 2014 will be used to offset the costs of running the parent company. Onex' management fees will be further enhanced once fees are called from Onex Partners IV.

A significant portion of the purchase price for new acquisitions is generally funded with debt provided by third-party lenders. This debt, sourced exclusively on the strength of the acquired company's financial condition and prospects, is a debt of the acquired company at closing and is without recourse to Onex, the parent company, or to its other operating companies or partnerships. The foremost consideration, however, in developing a financing structure for an acquisition is identifying the appropriate amount of equity to invest. In Onex' view, this should be the amount of equity that maximizes the risk/reward equation for both shareholders and the acquired company. In other words, it allows the acquired company to not only manage its debt through reasonable business cycles but also to have sufficient financial latitude for the business to vigorously pursue its growth objectives.

While Onex seeks to optimize the risk/reward equation in all acquisitions, there is the risk that the acquired company will not generate sufficient profitability or cash flow to service its debt requirements and/or meet related debt covenants or provide adequate financial flexibility for growth. In such circumstances, additional investment by the equity partners, including Onex, may be appropriate. In severe circumstances, the recovery of Onex' equity and any other investment in that operating company is at risk. The decline in the general aviation industry over the past few years resulted in Hawker Beechcraft being unable to meet certain of its financial obligations. During the second quarter of 2012, Hawker Beechcraft filed for bankruptcy protection in the United States. As a result, Onex no longer exerted significant influence over the company. On February 15, 2013, Hawker Beechcraft exited bankruptcy protection. As part of the restructuring, Onex has a nominal equity interest in the company.

Timeliness of investment commitments

Onex' ability to create value for shareholders is dependent in part on its ability to successfully complete large acquisitions. Our preferred course is to complete acquisitions on an exclusive basis. However, we also participate in large acquisitions through an auction or bidding process with multiple potential purchasers. Bidding is often very competitive for the large-scale acquisitions that are Onex' primary interest, and the ability to make knowledgeable, timely investment commitments is a key component in successful purchases. In such instances, the vendor often establishes a relatively short time frame for Onex to respond definitively. In order to improve the efficiency of Onex' internal processes on both auction and exclusive acquisition processes, and so reduce the risk of missing out on high-quality acquisition opportunities, Onex has committed pools of capital from limited partner investors with the Onex Partners and ONCAP Funds. As at December 31, 2013, Onex Partners III has $479 million of undrawn committed limited partners' capital and ONCAP III has C$387 million of such undrawn capital.

Onex Partners IV raised $1.9 billion of committed limited partners' capital during the fourth quarter of 2013. Onex Partners IV is targeting $3.3 billion in limited partners' capital commitments and expects to complete fundraising during 2014. The ability to raise new capital commitments is dependent upon general economic conditions and the track record or success Onex has achieved with the management and investment of prior funds. To date, Onex has a strong track record of investing other investors' capital and most investors in the original Onex Partners and ONCAP Funds did commit to invest in the successor funds that have been established.

Capital commitment risk The limited partners in the Onex Partners and ONCAP Funds comprise a relatively small group of high-quality, primarily institutional, investors. To date, each of these investors has met its commitments on called capital, and Onex has received no indications that any investor will be unable to meet its commitments in the future. While Onex' experience with its limited partners suggests that commitments will be honoured, there is always the risk that a limited partner may not be able to meet its entire commitment over the life of the fund.

Financial risks

In the normal course of business, Onex and its operating companies may face a variety of risks related to financial management. In dealing with these risks, it is a matter of Company policy that neither Onex nor its operating companies engage in speculative derivatives trading or other speculative activities.

Default on known credit As previously noted, new investments generally include a meaningful amount of third-party debt. Those lenders typically require that the acquired company meet ongoing tests of financial performance as defined by the terms of the lending agreement, such as ratios of total debt to operating income ("EBITDA") and the ratio of EBITDA to interest costs. It is Onex' practice to not burden acquired companies with levels of debt that might put at risk their ability to generate sufficient levels of profitability or cash flow to service their debts – and so meet their related debt covenants – or which might hamper their flexibility to grow.

Financing risk The continued volatility in the global credit markets has created some unpredictability about whether businesses, even creditworthy businesses, will be able to obtain new loans. This represents a risk to the ongoing viability of many otherwise healthy businesses whose loans or operating lines of credit are up for renewal in the short term. A significant portion of Onex' operating companies' refinancing will take place in 2016 and thereafter. Table 21 on page 57 of this MD&A provides the aggregate debt maturities for Onex' consolidated operating companies and investments in joint ventures and associates for each of the years up to 2019 and in total thereafter.

Interest rate risk As previously noted, new investments generally include a meaningful amount of third-party debt taken on by the acquired operating company. An important element in controlling risk is to manage, to the extent reasonable, the impact of fluctuations in interest rates on the debt of the operating company.

Onex' operating companies generally seek to fix the interest on some of their term debt or otherwise minimize the effect of interest rate increases on a portion of their debt at the time of acquisition. This is achieved by taking on debt at fixed interest rates or entering into interest rate swap agreements or financial contracts to control the level of interest rate fluctuation on variable rate debt. At December 31, 2013, approximately 50 percent (2012 – 38 percent) of Onex' operating companies' long-term debt had a fixed interest rate or the interest rate was effectively fixed by interest rate swap contracts. The risk inherent in such a strategy is that, should interest rates decline, the benefit of such declines may not be obtainable or may only be achieved at the cost of penalties to terminate existing arrangements. There is also the risk that the counterparty on an interest rate swap agreement may not be able to meet its commitments. Guidelines are in place that specify the nature of the financial institutions that operating companies can deal with on interest rate contracts.

The Onex Credit Partners' CLOs are exposed to interest rate risk on the debt issued by each CLO as substantially all interest for debt issued by the CLOs is based on a spread over a floating base rate. However, the interest rate risk is largely offset within each CLO by holding investments in debt securities, which receive interest based on a spread over the same or similar floating base rate.

Onex, the parent company, has some exposure to interest rate changes primarily through its cash and short-term investments, which are held in short-term deposits and commercial paper. A 0.25 percent increase (0.25 percent decrease) in the interest rate, assuming no significant changes in the cash balance at the parent company, would result in a minimal impact on annual interest income. In addition, The Warranty Group, which holds substantially all of its investments in interest-bearing securities, would also have some exposure to interest rate changes. A 0.25 percent increase in the interest rate would decrease the fair value

of the investments held by The Warranty Group by $13 million, with a corresponding decrease in other comprehensive earnings. However, as the investments are reinvested, a 0.25 percent increase in the interest rate would increase the annual interest income recorded by The Warranty Group by $5 million.

Currency fluctuations The functional currency of Onex, the parent company, and substantially all of Onex' operating companies is the U.S. dollar. A number of Onex' operating companies conduct business outside of the United States and as a result are exposed to currency risk on the portion of their business that is not based on U.S. currency. Fluctuations in the value of the U.S. dollar relative to other currencies can have an impact on Onex' reported results and consolidated financial position. Onex' operating companies may use currency derivatives in the normal course of business to hedge against adverse fluctuations in key operating currencies, but speculative activity is not permitted.

Onex and its operating companies have minimal exposure to fluctuations in the value of the U.S. dollar relative to the Canadian dollar.

Onex' results are reported in U.S. dollars, and fluctuations in the value of the U.S. dollar relative to other currencies can have an impact on Onex' reported results and consolidated financial position. During 2013, Onex' equity balance reflected a $43 million decrease in the value of Onex' equity for the translation of its operating companies with non-U.S. dollar functional currencies (2012 – $34 million).

Fair value changes The fair value measurements for investments in joint ventures and associates, Limited Partners' Interests and carried interest are primarily driven by the underlying fair value of the investments in the Onex Partners and ONCAP Funds. A change to a reasonably possible alternative estimate and/or assumption used in the valuation of non-public investments in the Onex Partners and ONCAP Funds could have a significant impact on the fair values calculated for investments in joint ventures and associates, Limited Partners' Interests and carried interest, which would impact both Onex' financial condition and results of operations.

Insurance claims The Warranty Group underwrites and administers extended warranties and credit insurance on a wide variety of consumer goods, including automobiles, consumer electronics and major home appliances. Unlike most property insurance risk, the risk associated with extended warranty claims is non-catastrophic and short-lived, resulting in predictable loss trends. The predictability of claims, which is enhanced by the large volume of claims data in the company's database, enables The Warranty Group to appropriately measure and price risk.

Commodity price risk

Certain Onex operating companies are vulnerable to price fluctuations in major commodities. Individual operating companies may use financial instruments to offset the impact of anticipated changes in commodity prices related to the conduct of their businesses. Aluminum, titanium and raw materials such as carbon fibre used to manufacture composites represent the principal raw materials used in Spirit AeroSystems' manufacturing operations. Spirit AeroSystems has entered into long-term supply contracts with its key suppliers of raw materials, which limit the company's exposure to rising raw materials prices. Most of the raw materials purchased are based on a fixed pricing or at reduced rates through Boeing's or Airbus' high-volume purchase contracts.

Silver is a significant commodity used in Carestream Health's manufacturing of x-ray film. The company's management continually monitors movement and trends in the silver market and enters into collar and forward agreements when considered appropriate to mitigate some of the risk of future price fluctuations for periods of generally up to a year.

Regulatory risk

Certain of Onex' operating companies and investment advisor affiliates may be subject to extensive governmental regulations and oversight with respect to their business activities. The failure to comply with applicable regulations, obtain applicable regulatory approvals, or maintain those approvals so obtained, may subject the applicable operating company to civil penalties, suspension or withdrawal of any regulatory approval obtained, injunctions, operating restrictions and criminal prosecutions and penalties, which could, individually or in the aggregate, have a material adverse effect on Onex' consolidated financial position.

Integration of acquired companies

An important aspect of Onex' strategy for value creation is to acquire what we consider to be "platform" companies. Such companies often have distinct competitive advantages in products or services in their respective industries that provide a solid foundation for growth in scale and value. In these instances, Onex works with company management to identify attractive add-on acquisitions that may enable the platform company to achieve its goals more quickly and successfully than by focusing solely on the development and/or diversification of its customer base, which is known as organic growth. Growth by acquisition, however, may carry more risk than organic growth. While as many of these risks as possible are considered in the acquisition planning, operating companies undertaking these acquisitions also face such risks as unknown expenses related to the cost-effective amalgamation of operations, the retention of key personnel and customers, and the future value of goodwill, intangible assets and intellectual property. There are also risk factors associated with the industry and the combined business in general. Onex works with company management to understand and attempt to mitigate such risks as much as possible.

Dependence on government funding

Since 2005, Onex has acquired businesses, or interests in businesses, in various segments of the U.S. healthcare industry. Some of the revenues of these companies are partially dependent on funding from federal, state and local government agencies, especially those agencies responsible for U.S. federal Medicare and state Medicaid funding. Budgetary pressures, as well as economic, industry, political and other factors, could influence governments to not increase or, in some cases, to decrease appropriations for the services that are offered by Onex' operating subsidiaries, which could reduce their revenues materially. Future revenues may be affected by changes in rate-setting structures, methodologies or interpretations that may be proposed or are under consideration. While each of Onex' operating companies in the U.S. healthcare industry is subject to reimbursement risk directly related to its particular business segment, it is unlikely that all of these companies would be affected by the same event, or to the same extent, simultaneously. Ongoing pressure on government appropriations is a normal aspect of business for these companies, and all seek to minimize the effect of possible funding reductions through productivity improvements and other initiatives.

Significant customers

Some of Onex' major acquisitions have been divisions of large companies. As part of these purchases, the acquired company has often continued to supply its former owner through long-term supply arrangements. It has been Onex' policy to encourage its operating companies to quickly diversify their customer bases to the extent practical in order to manage the risk associated with serving a single major customer. Certain Onex operating companies have major customers that represent more than 10 percent of their annual revenues. Spirit AeroSystems has one customer that represents approximately 18 percent of Onex' consolidated revenues.

Environmental considerations

Onex has an environmental protection policy that has been adopted by its operating businesses subject to company-specific modifications; many of the operating businesses have also adopted supplemental policies appropriate to their industries or businesses. Senior officers at each of the operating businesses are ultimately responsible for ensuring compliance with these policies. They are required to report annually to their company's board of directors and/or to Onex regarding compliance.

Environmental management by the operating businesses is generally accomplished through the education of employees about environmental regulations and appropriate operating policies and procedures; site inspections by environmental consultants; the addition of proper equipment or modification of existing equipment to reduce or eliminate environmental hazards; remediation activities as required; and ongoing waste reduction and recycling programs, all as appropriate to the business. Environmental consultants may be engaged to advise on current and upcoming environmental regulations that may be applicable.

Many of the operating businesses are involved in the remediation of particular environmental situations, such as soil contamination. In almost all cases, these situations have occurred prior to Onex' acquisition of those businesses, and the estimated costs of remedial work and related activities are generally managed either through agreements with the vendor of the company or through provisions established at the time of acquisition. Manufacturing activities carry the inherent risk that changing environmental regulations may identify additional situations requiring capital expenditures or remedial work and associated costs to meet those regulations.

Income taxes

The Company has investments in companies that operate in a number of tax jurisdictions. Onex provides for the tax on undistributed earnings of its subsidiaries that are probable to reverse in the foreseeable future based on the expected future income tax rates that are substantively enacted at the time of the income/gain recognition events. Changes to the expected future income tax rate will affect the provision for future tax, both in the current year and in respect of prior year amounts that are still outstanding, either positively or negatively, depending on whether rates decrease or increase. Changes to tax legislation or the application of tax legislation may affect the provision for future tax and the taxation of deferred amounts. During the third quarter of 2013, as a result of evaluating recent changes in tax law for the treatment of surplus and upstream loans, Onex, the parent company, determined that its previously recognized deferred tax provisions on gains realized from the disposition of foreign operating companies are temporary differences that are probable to not reverse in the foreseeable future, consistent with the principles outlined in IAS 12, *Income Taxes*. As a result, Onex, the parent company, recorded a $526 million non-cash recovery of deferred income taxes, of which $480 million was included in Onex', the parent company's, deferred income tax liability at December 31, 2012 and $46 million represents the provisions established and reversed during 2013.

Other contingencies

Onex and its operating companies are or may become parties to legal claims arising in the ordinary course of business. The operating companies have recorded liability provisions based upon their consideration and analysis of their exposure in respect of such claims. Such provisions are reflected, as appropriate, in Onex' consolidated financial statements. Onex, the parent company, has not currently recorded any further liability provision and we do not believe that the resolution of known claims would reasonably be expected to have a material adverse impact on Onex' consolidated financial position. However, the final outcome with respect to outstanding, pending or future actions cannot be predicted with certainty, and therefore there can be no assurance that their resolution will not have an adverse effect on our consolidated financial position.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared by management, reviewed by the Audit and Corporate Governance Committee and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these financial statements.

The Company maintains appropriate processes to ensure that relevant and reliable financial information is produced. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. The significant accounting policies which management believes are appropriate for the Company are described in note 1 to the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and overseeing management's performance of its financial reporting responsibilities. An Audit and Corporate Governance Committee of four non-management independent Directors is appointed by the Board.

The Audit and Corporate Governance Committee reviews the consolidated financial statements, adequacy of internal controls, audit process and financial reporting with management and with the external auditors. The Audit and Corporate Governance Committee reports to the Directors prior to the approval of the audited consolidated financial statements for publication.

PricewaterhouseCoopers LLP, the Company's external auditors, who are appointed by the holders of Subordinate Voting Shares, audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the consolidated financial statements. Their report is set out on the following page.

[signed]

Donald W. Lewtas
Chief Financial Officer
February 20, 2014

[signed]

Christine M. Donaldson
Vice President Finance

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Onex Corporation:

We have audited the accompanying consolidated financial statements of Onex Corporation and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2013, December 31, 2012 and January 1, 2012, the consolidated statements of earnings, comprehensive earnings, equity and cash flows for the years ended December 31, 2013 and 2012 and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Onex Corporation and its subsidiaries as at December 31, 2013, December 31, 2012 and January 1, 2012 and their financial performance and their cash flows for the years ended December 31, 2013 and 2012 in accordance with International Financial Reporting Standards.

[signed]

PricewaterhouseCoopers LLP
Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada
February 20, 2014

CONSOLIDATED BALANCE SHEETS

(in millions of U.S. dollars)	**As at December 31, 2013**	As at December 31, 2012	As at January 1, 2012
Assets			
Current assets			
Cash and cash equivalents (note 4)	**$ 3,191**	$ 2,656	$ 2,448
Short-term investments	**754**	730	749
Accounts receivable	**3,639**	3,858	3,272
Inventories (note 5)	**3,872**	4,519	4,428
Other current assets (note 6)	**1,478**	1,443	1,154
	12,934	13,206	12,051
Property, plant and equipment (note 7)	**5,105**	5,495	5,102
Long-term investments (note 8)	**7,564**	6,424	5,415
Other non-current assets (note 9)	**2,100**	1,986	1,776
Intangible assets (note 10)	**4,695**	4,833	2,599
Goodwill (note 10)	**4,469**	4,358	2,434
	$ 36,867	$ 36,302	$ 29,377
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities	**$ 4,342**	$ 4,549	$ 3,893
Current portion of provisions (note 11)	**331**	347	263
Other current liabilities	**1,621**	1,340	909
Current portion of long-term debt of operating companies, without recourse to Onex Corporation (note 12)	**651**	286	482
Current portion of warranty reserves and unearned premiums (note 14)	**1,350**	1,366	1,400
	8,295	7,888	6,947
Non-current portion of provisions (note 11)	**419**	264	180
Long-term debt of operating companies, without recourse to Onex Corporation (note 12)	**11,319**	10,184	6,479
Non-current portion of warranty reserves and unearned premiums (note 14)	**1,779**	1,774	1,727
Other non-current liabilities (note 15)	**2,526**	2,852	2,368
Deferred income taxes (note 16)	**1,225**	1,683	1,059
Limited Partners' Interests (note 17)	**6,959**	6,208	4,980
	32,522	30,853	23,740
Equity			
Share capital (note 18)	**346**	358	360
Non-controlling interests (note 19)	**3,191**	3,822	3,863
Retained earnings and accumulated other comprehensive earnings	**808**	1,269	1,414
	4,345	5,449	5,637
	$ 36,867	$ 36,302	$ 29,377

See accompanying notes to the consolidated financial statements, including the changes in accounting policies retroactively adopted on January 1, 2013, as described in note 1.

Signed on behalf of the Board of Directors

[signed] [signed]

Director Director

CONSOLIDATED STATEMENTS OF EARNINGS

Year ended December 31 *(in millions of U.S. dollars except per share data)*	**2013**	2012
Revenues	**$ 27,809**	$ 24,917
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	**(21,843)**	(19,908)
Operating expenses	**(4,197)**	(3,276)
Interest income	**106**	60
Amortization of property, plant and equipment	**(619)**	(538)
Amortization of intangible assets and deferred charges	**(537)**	(318)
Interest expense of operating companies (note 21)	**(813)**	(514)
Increase in value of investments in joint ventures and associates at fair value, net (note 8(a))	**1,098**	863
Stock-based compensation expense (note 22)	**(349)**	(239)
Other gains (note 23)	**561**	59
Other items (note 24)	**(449)**	(46)
Impairment of goodwill, intangible assets and long-lived assets, net (note 25)	**(319)**	(65)
Limited Partners' Interests charge (note 17)	**(1,855)**	(929)
Earnings (loss) before income taxes and discontinued operations	**(1,407)**	66
Recovery of (provision for) income taxes (note 16)	**333**	(76)
Loss from continuing operations	**(1,074)**	(10)
Earnings from discontinued operations (note 3)	**261**	26
Net Earnings (Loss) for the Year	**$ (813)**	$ 16

Earnings (Loss) from Continuing Operations attributable to:		
Equity holders of Onex Corporation	**$ (605)**	$ (143)
Non-controlling Interests	**(469)**	133
Loss from Continuing Operations for the Year	**$ (1,074)**	$ (10)

Net Earnings (Loss) attributable to:		
Equity holders of Onex Corporation	**$ (354)**	$ (128)
Non-controlling Interests	**(459)**	144
Net Earnings (Loss) for the Year	**$ (813)**	$ 16

Net Earnings (Loss) per Subordinate Voting Share of Onex Corporation (note 26)		
Basic and Diluted:		
Continuing operations	**$ (5.34)**	$ (1.25)
Discontinued operations	**2.22**	0.13
Net Loss for the Year	**$ (3.12)**	$ (1.12)

See accompanying notes to the consolidated financial statements, including the changes in accounting policies retroactively adopted on January 1, 2013, as described in note 1.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

Year ended December 31 *(in millions of U.S. dollars)*	**2013**	2012
Net earnings (loss) for the year	**$ (813)**	$ 16
Other comprehensive earnings (loss), net of tax		
Items that may be reclassified to net earnings (loss):		
Currency translation adjustments	**(48)**	32
Change in fair value of derivatives designated as hedges	**(24)**	24
Unrealized gains (loss) on available-for-sale financial assets	**(29)**	15
	(101)	71
Items that will not be reclassified to net earnings (loss):		
Remeasurements for post-employment benefit plans	**174**	(69)
Other comprehensive earnings from discontinued operations, net of tax (note 3)	**5**	2
Other comprehensive earnings, net of tax	**78**	4
Total Comprehensive Earnings (Loss) for the Year	**$ (735)**	$ 20

	2013	2012
Total Comprehensive Earnings (Loss) attributable to:		
Equity holders of Onex Corporation	**$ (336)**	$ (127)
Non-controlling Interests	**(399)**	147
Total Comprehensive Earnings (Loss) for the Year	**$ (735)**	$ 20

See accompanying notes to the consolidated financial statements, including the changes in accounting policies retroactively adopted on January 1, 2013, as described in note 1.

CONSOLIDATED STATEMENTS OF EQUITY

(in millions of U.S. dollars except per share data)	Share Capital (note 18)	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Total Equity Attributable to Equity Holders of Onex Corporation	Non-controlling Interests	Total Equity
Balance – January 1, 2012	$ 360	$ 1,433	$ (21)[b]	$ 1,772	$ 3,857	$ 5,629
Change in accounting policy (note 1)	–	2	–	2	6	8
Dividends declared[a]	–	(13)	–	(13)	–	(13)
Purchase and cancellation of shares (note 18)	(2)	(22)	–	(24)	–	(24)
Investments by shareholders other than Onex	–	36	–	36	113	149
Distributions to non-controlling interests	–	–	–	–	(5)	(5)
Repurchase of shares of operating companies[c]	–	(19)	–	(19)	(296)	(315)
Comprehensive Earnings (Loss)						
Net earnings (loss) for the year	–	(128)	–	(128)	144	16
Other comprehensive earnings (loss) for the year, net of tax:						
Currency translation adjustments	–	–	21	21	11	32
Change in fair value of derivatives designated as hedges	–	–	3	3	21	24
Unrealized gains on available-for-sale financial assets	–	–	13	13	2	15
Remeasurements for post-employment benefit plans (note 32)	–	(37)	–	(37)	(32)	(69)
Other comprehensive earnings from discontinued operations, net of tax (note 3)	–	–	1	1	1	2
Balance – December 31, 2012	**$ 358**	**$ 1,252**	**$ 17[d]**	**$ 1,627**	**$ 3,822**	**$ 5,449**
Dividends declared[a]	**–**	**(15)**	**–**	**(15)**	**–**	**(15)**
Purchase and cancellation of shares (note 18)	**(12)**	**(141)**	**–**	**(153)**	**–**	**(153)**
Investments by shareholders other than Onex	**–**	**–**	**–**	**–**	**119**	**119**
Distributions to non-controlling interests	**–**	**–**	**–**	**–**	**(2)**	**(2)**
Repurchase of shares of operating companies[c]	**–**	**–**	**–**	**–**	**(109)**	**(109)**
Non-controlling interests on sale of investments in operating companies (notes 3 and 23)	**–**	**–**	**–**	**–**	**(209)**	**(209)**
Non-controlling interests on conversion of promissory notes	**–**	**31**	**–**	**31**	**(31)**	**–**
Comprehensive Earnings (Loss)						
Net loss for the year	**–**	**(354)**	**–**	**(354)**	**(459)**	**(813)**
Other comprehensive earnings (loss) for the year, net of tax:						
Currency translation adjustments	**–**	**–**	**(36)**	**(36)**	**(12)**	**(48)**
Change in fair value of derivatives designated as hedges	**–**	**–**	**(11)**	**(11)**	**(13)**	**(24)**
Unrealized loss on available-for-sale financial assets	**–**	**–**	**(25)**	**(25)**	**(4)**	**(29)**
Remeasurements for post-employment benefit plans (note 32)	**–**	**87**	**–**	**87**	**87**	**174**
Other comprehensive earnings from discontinued operations, net of tax (note 3)	**–**	**–**	**3**	**3**	**2**	**5**
Balance – December 31, 2013	**$ 346**	**$ 860**	**$ (52)[e]**	**$ 1,154**	**$ 3,191**	**$ 4,345**

(a) Dividends declared per Subordinate Voting Share during 2013 totalled C$0.14 (2012 – C$0.11). In 2013, shares issued under the dividend reinvestment plan amounted to less than $1 (2012 – less than $1). There are no tax effects for Onex on the declaration or payment of dividends.

(b) Accumulated Other Comprehensive Earnings (Loss) as at January 1, 2012 consisted of currency translation adjustments of negative $63, unrealized losses on the effective portion of cash flow hedges of $3 and unrealized gains on available-for-sale financial assets of $45. Accumulated Other Comprehensive Earnings (Loss) as at January 1, 2012 included $4 of net losses related to discontinued operations. Income taxes did not have a significant effect on these items.

(c) Repurchase of shares of operating companies consisted primarily of shares repurchased by Celestica under its normal course issuer bid during 2012 and 2013, and its substantial issuer bid completed during the fourth quarter of 2012. During 2013, Celestica repurchased approximately 4.1 million of its subordinate voting shares (2012 – 35.8 million) for a cash cost of $44 (2012 – $289). In addition, during the fourth quarter of 2012, Sitel Worldwide repurchased common shares from a third-party investor for $1.

(d) Accumulated Other Comprehensive Earnings (Loss) as at December 31, 2012 consisted of currency translation adjustments of negative $41 and unrealized gains on available-for-sale financial assets of $58. Accumulated Other Comprehensive Earnings (Loss) as at December 31, 2012 included $3 of net losses related to discontinued operations. Income taxes did not have a significant effect on these items.

(e) Accumulated Other Comprehensive Earnings (Loss) as at December 31, 2013 consisted of currency translation adjustments of negative $74, unrealized losses on the effective portion of cash flow hedges of $11 and unrealized gains on available-for-sale financial assets of $33. Income taxes did not have a significant effect on these items.

See accompanying notes to the consolidated financial statements, including the changes in accounting policies retroactively adopted on January 1, 2013, as described in note 1.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended December 31 *(in millions of U.S. dollars)*	**2013**	2012
Operating Activities		
Loss for the year from continuing operations	**$ (1,074)**	$ (10)
Adjustments to loss from continuing operations:		
Provision for (recovery of) income taxes (note 16)	**(333)**	76
Interest income	**(106)**	(60)
Interest expense of operating companies (note 21)	**813**	514
Net earnings (loss) before interest and provision for income taxes	**(700)**	520
Cash taxes paid	**(234)**	(294)
Items not affecting cash and cash equivalents:		
Amortization of property, plant and equipment	**619**	538
Amortization of intangible assets and deferred charges	**537**	318
Amortization of deferred warranty costs, net	**(25)**	32
Increase in value of investments in joint ventures and associates at fair value, net (note 8(a))	**(1,098)**	(863)
Stock-based compensation expense	**13**	211
Other gains (note 23)	**(561)**	(59)
Impairment of goodwill, intangible assets and long-lived assets, net (note 25)	**319**	65
Limited Partners' Interests charge (note 17)	**1,855**	929
Change in provisions	**95**	91
Other	**114**	96
	934	1,584
Changes in non-cash working capital items:		
Accounts receivable	**(123)**	(39)
Inventories	**650**	371
Other current assets	**19**	18
Accounts payable, accrued liabilities and other current liabilities	**31**	33
Increase in cash and cash equivalents due to changes in working capital items	**577**	383
Decrease in other operating activities	**(115)**	(96)
Increase in warranty reserves and premiums	**73**	22
Cash flows from operating activities of discontinued operations (note 3)	**117**	150
	1,586	2,043
Financing Activities		
Issuance of long-term debt	**4,106**	2,320
Repayment of long-term debt	**(2,834)**	(1,495)
Cash interest paid	**(697)**	(445)
Cash dividends paid	**(14)**	(12)
Repurchase of share capital of Onex Corporation	**(153)**	(24)
Repurchase of share capital of operating companies	**(109)**	(315)
Financing provided by Limited Partners (note 17)	**401**	1,311
Issuance of share capital by operating companies	**47**	34
Distributions paid to non-controlling interests and Limited Partners (note 17)	**(1,542)**	(982)
Change in restricted cash for distribution to Limited Partners (note 17)	**35**	(35)
Decrease due to other financing activities	**(70)**	(65)
Cash flows used for financing activities of discontinued operations (note 3)	**(28)**	(117)
	(858)	175
Investing Activities		
Acquisition of operating companies, net of cash and cash equivalents in acquired companies of $14 (2012 – $275) (note 2)	**(513)**	(1,393)
Purchase of property, plant and equipment	**(835)**	(607)
Proceeds from sale of property, plant and equipment	**290**	31
Proceeds from sale of investment in joint ventures and associates at fair value (note 8(a))	**908**	326
Proceeds from sale of operating investment no longer controlled (notes 3 and 23)	**1,060**	71
Distributions received from investments in joint ventures and associates of Onex Partners (note 8(a))	**52**	676
Purchase of investments in joint venture of Onex Partners (note 8(a))	**–**	(165)
Cash interest and dividends received	**72**	19
Net purchases of investments and securities (note 8)	**(1,062)**	(785)
Decrease due to other investing activities	**(49)**	(73)
Cash flows used for investing activities of discontinued operations (note 3)	**(115)**	(115)
	(192)	(2,015)
Increase in Cash and Cash Equivalents for the Year	**536**	203
Increase (decrease) in cash due to changes in foreign exchange rates	**(1)**	5
Cash and cash equivalents, beginning of the year – continuing operations	**2,629**	2,339
Cash and cash equivalents, beginning of the year – discontinued operations (note 3)	**27**	109
Cash and Cash Equivalents	**3,191**	2,656
Cash and cash equivalents held by discontinued operations (note 3)	**–**	27
Cash and Cash Equivalents Held by Continuing Operations	**$ 3,191**	$ 2,629

See accompanying notes to the consolidated financial statements, including the changes in accounting policies retroactively adopted on January 1, 2013, as described in note 1.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(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, aerostructures, healthcare, insurance provider, customer care services, building products, commercial vehicles, aircraft leasing and management, business services/tradeshows, plastics processing equipment, business services/packaging, industrial products, gaming and insurance brokerage. Additionally, the Company has investments in real estate, credit strategies and mid-market private equity opportunities. Note 34 provides additional description of the Company's operations on a segmented basis. 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 OCX. Onex Corporation's shares are traded in Canadian dollars. The registered address for Onex Corporation is 161 Bay Street, Toronto, Ontario. Gerald W. Schwartz controls Onex Corporation by indirectly holding all of the outstanding Multiple Voting Shares of the corporation and also indirectly holds 18% of the outstanding Subordinate Voting Shares of the corporation as at December 31, 2013.

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

The consolidated financial statements were authorized for issue by the Board of Directors on February 20, 2014.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB"). These consolidated financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through total comprehensive earnings.

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

CONSOLIDATION

The 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") and Onex Partners IV LP ("Onex Partners IV"), referred to collectively as "Onex Partners", and ONCAP II L.P. and ONCAP III LP, referred to collectively as "ONCAP" (as described in note 31). In addition, Onex indirectly controls and consolidates the operations of the collateralized loan obligations of Onex Credit Partners. 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 designated, upon initial recognition, at fair value through earnings. As a result, these investments are recorded at fair value in the consolidated balance sheets, with changes in fair value recognized in the consolidated statements of earnings.

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

	December 31, 2013			December 31, 2012		
	Onex' Ownership	Onex' and Limited Partners' Ownership	Voting	Onex' Ownership	Onex' and Limited Partners' Ownership	Voting
Investments made through Onex						
Celestica Inc. ("Celestica")	**11%**	**11%**	**75%**	10%	10%	74%
SITEL Worldwide Corporation ("Sitel Worldwide")	**70%**	**70%**	**89%**	70%	70%	89%
Investments made through Onex and Onex Partners I						
Skilled Healthcare Group, Inc. ("Skilled Healthcare Group")	**9%**	**39%**	**86%**	9%	39%	87%
Spirit AeroSystems, Inc. ("Spirit AeroSystems")	**5%**	**16%**	**63%**	5%	16%	63%
Investments made through Onex and Onex Partners II						
Allison Transmission Holdings, Inc. ("Allison Transmission")	**8%**	**27%**	**(a)**	13%	41%	(a)
Carestream Health, Inc. ("Carestream Health")	**36%**	**92%**	**100%**	37%	93%	100%
RSI Home Products, Inc. ("RSI")[b]	**(b)**	**(b)**	**(b)**	20%	50%	50%[a]
TMS International Corp. ("TMS International")[c]	**(c)**	**(c)**	**(c)**	24%	60%	90%
Investments made through Onex, Onex Partners I and Onex Partners II						
The Warranty Group, Inc. ("The Warranty Group")	**29%**	**91%**	**100%**	29%	91%	100%
Investments made through Onex and Onex Partners III						
BBAM Limited Partnership ("BBAM")[d]	**13%**	**50%**	**50%[a]**	13%	50%	50%[a]
Emerald Expositions, LLC ("Emerald Expositions")	**24%**	**99%**	**99%**	–	–	–
JELD-WEN Holding, inc. ("JELD-WEN")[e]	**18%**	**72%**	**72%**	16%	64%	64%
KraussMaffei Group GmbH ("KraussMaffei")	**24%**	**96%**	**100%**	25%	97%	100%
SGS International, Inc. ("SGS International")	**23%**	**93%**	**93%**	24%	94%	94%
Tomkins Limited ("Tomkins")	**14%**	**56%**	**50%[a]**	14%	56%	50%[a]
Tropicana Las Vegas, Inc. ("Tropicana Las Vegas")	**18%**	**82%**	**82%**	18%	83%	83%
USI Insurance Services ("USI")[f]	**26%**	**92%**	**100%**	37%	93%	100%
Investments made through Onex, Onex Partners I and Onex Partners III						
Res-Care, Inc. ("ResCare")	**20%**	**98%**	**100%**	20%	98%	100%
Other investments						
ONCAP II Fund ("ONCAP II")	**46%[g]**	**100%**	**100%**	46%[g]	100%	100%
ONCAP III Fund ("ONCAP III")	**29%**	**100%**	**100%**	29%	100%	100%
Onex Credit Partners[h]	**70%**	**70%**	**50%**	70%	70%	50%
Onex Real Estate Partners ("Onex Real Estate")	**88%**	**88%**	**100%**	88%	88%	100%

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

(b) RSI was sold during the first quarter of 2013, as described in note 8(a).

(c) TMS International was sold during the fourth quarter of 2013 and is presented as a discontinued operation, as described in note 3.

(d) In connection with the investment in BBAM, Onex established Meridian Aviation Partners Limited ("Meridian Aviation") in February 2013. Onex' and the Limited Partners' economic interest in Meridian Aviation at December 31, 2013 was 100%, of which Onex' economic ownership was 25%. Onex' voting interest in Meridian Aviation was 100% at December 31, 2013.

(e) The economic ownership and voting interests of JELD-WEN are presented on an as-converted basis as the Company's investment is in convertible preferred shares. The allocation of net earnings and comprehensive earnings attributable to equity holders of Onex Corporation and non-controlling interests is calculated using an as-converted economic ownership of 77% at December 31, 2013 (2012 – 71%) to reflect certain JELD-WEN shares that are recorded as liabilities at fair value. In April 2013, all of the outstanding convertible promissory notes were converted into Series A Convertible Preferred Stock of JELD-WEN, as described in note 12(e).

(f) In March 2013, Onex sold a portion of its original investment in USI to certain limited partners and others, as described in note 2.

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

(h) Represents Onex' share of the Onex Credit Partners asset management platform.

The ownership percentages are before the effect of any potential dilution relating to the Management Investment Plans (the "MIP"), as described in note 31(j). The allocation of net earnings and comprehensive earnings 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.

CHANGES IN ACCOUNTING POLICIES

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IFRS 10 – Consolidated Financial Statements

IFRS 10, *Consolidated Financial Statements*, replaces the guidance on control and consolidation in IAS 27, *Consolidated and Separate Financial Statements*, and SIC-12, *Consolidation – Special Purpose Entities*. IFRS 10 requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The accounting requirements for consolidation have remained largely consistent with IAS 27. The Company determined that the adoption of IFRS 10 on January 1, 2013 did not result in any change in the consolidation status of any of its subsidiaries and investees.

IFRS 11 – Joint Arrangements and IAS 28 – Investments in Associates and Joint Ventures

IFRS 11, *Joint Arrangements*, supersedes IAS 31, *Interests in Joint Ventures*, and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. An investment in a joint venture is accounted for using the equity method as set out in IAS 28, *Investments in Associates and Joint Ventures* (amended in 2011). The other amendments to IAS 28 did not affect the Company. The Company has classified its joint arrangements and concluded that the adoption of IFRS 11 did not result in any changes in the accounting for its joint arrangements.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12, *Disclosure of Interests in Other Entities*, requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interest in other entities and the effects of those interests on its financial position, financial performance and cash flows. The Company adopted IFRS 12 on January 1, 2013 in accordance with the IFRS 12 transition provisions. Enhanced disclosures are included in these consolidated financial statements.

IFRS 13 – Fair Value Measurement

IFRS 13, *Fair Value Measurement*, provides a single framework for measuring fair value and requires enhanced disclosures when fair value is used for measurement. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013. Enhanced disclosures are included in these consolidated financial statements.

IAS 1 – Presentation of Financial Statements

The Company has adopted the amendments to IAS 1, *Presentation of Financial Statements*, effective January 1, 2013. These amendments required the Company to group other comprehensive income items by those that will be reclassified subsequently to earnings or loss and those that will not be reclassified. The Company has reclassified comprehensive income items of the comparative period. These changes did not result in any adjustments to other comprehensive income or total comprehensive income.

IAS 19 – Employee Future Benefits

IAS 19, *Employee Future Benefits* (amended in 2011), requires the net defined benefit liabilities (assets) to be recognized on the balance sheet without any deferral of actuarial gains and losses and past service costs, as previously allowed. Past service costs are recognized in net earnings when incurred. Expected returns on plan assets are no longer included in post-employment benefits expense. Instead, post-employment benefits expense includes the net interest on the net defined benefit liabilities (assets) calculated using a discount rate based on market yields on high quality bonds. Remeasurements consisting of actuarial gains and losses, the actual return on plan assets (excluding the net interest component) and any change in the asset ceiling are recognized in other comprehensive income. The Company continues to immediately recognize in retained earnings all pension adjustments recognized in other comprehensive income. The Company also continues to recognize interest expense (income) on net post-employment benefits liabilities (assets) in the consolidated statements of earnings.

The Company adopted these amendments retroactively and adjusted its opening equity as at January 1, 2012 to recognize previously unrecognized past service costs and adjustments to the asset ceiling for post-employment plans.

The effects on the consolidated financial statements of adopting the amendments to IAS 19 were not significant. Onex Corporation, the ultimate parent company, does not provide pension, other retirement or post-retirement benefits to its employees or to those of any of the operating companies and does not have any obligations and has not made any guarantees with respect to the plans of the operating companies.

IAS 36 – Impairment of Assets

The Company has early adopted the amendments to IAS 36, *Impairment of Assets*, effective January 1, 2013. These amendments clarify and introduce additional disclosures about fair value measurements when there has been an impairment or impairment reversal. The disclosures required by IAS 36 after adoption of the amendments are included in these consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES

Foreign currency translation

The Company's functional currency is the U.S. dollar, as it is the currency of the primary economic environment in which it operates. For such operations, monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the year-end exchange rates. Non-monetary assets and liabilities denominated in foreign currencies are translated at historical rates and revenue and expenses are translated at the average exchange rates prevailing during the month of the transaction. Exchange gains and losses also arise on the settlement of foreign-currency denominated transactions. These exchange gains and losses are recognized in earnings.

Assets and liabilities of foreign operations with non-U.S. dollar functional currencies are translated into U.S. dollars using the year-end exchange rates. Revenue and expenses are translated at the average exchange rates prevailing during the month of the transaction. Gains and losses arising from the translation of these foreign operations are deferred in the currency translation account included in equity.

Cash and cash equivalents

Cash and cash equivalents includes liquid investments such as term deposits, money market instruments and commercial paper with original maturities of less than three months. The investments are carried at cost plus accrued interest, which approximates fair value.

Short-term investments

Short-term investments consist of liquid investments such as money market instruments and commercial paper with original maturities of three months to a year. The investments are carried at fair value.

Accounts receivable

Accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. A provision is recorded for impairment when there is objective evidence (such as significant financial difficulties of the debtor) that the Company will not be able to collect all amounts due according to the original terms of the receivable. A provision expense is recorded as the difference between the carrying value of the receivable and the present value of future cash flows expected from the debtor, with an offsetting amount recorded as an allowance, reducing the carrying value of the receivable. The provision expense is included in operating expenses in the consolidated statements of earnings. When a receivable is considered permanently uncollectible, the receivable is written off against the allowance account.

Operating companies may enter into agreements to sell accounts receivable when considered appropriate, whereby the accounts receivable are transferred to an unrelated third party. The transfers are recorded as sales of accounts receivable, as the operating companies do not retain any financial or legal interest in the sold accounts receivable. The accounts receivable are sold at their face value less a discount as provided in the agreements.

Inventories

Inventories are recorded at the lower of cost or net realizable value. The determination of net realizable value requires significant judgement, including consideration of factors such as shrinkage, the aging of and future demand for inventory and contractual arrangements with customers. To the extent that circumstances have changed subsequently such that the net realizable value has increased, previous writedowns are reversed and recognized in the consolidated statements of earnings in the period the reversal occurs. For inventories in the aerostructures segment, costs are attributed to units delivered under long-term contracts based on the estimated average cost of all units expected to be produced. Certain inventories in the healthcare segment are stated using an average cost method. For substantially all other inventories, cost is determined on a first-in, first-out basis.

Inventories include real estate assets of Flushing Town Center that are available for sale. Real estate assets held-for-sale are recorded at the lower of cost or net realizable value.

Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated amortization and provisions for impairment, if any. Cost consists of expenditures directly attributable to the acquisition of the asset. The costs of construction of qualifying long-term assets include capitalized interest, as applicable.

Land is not amortized. For substantially all remaining property, plant and equipment, amortization is provided for on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	up to 45 years
Machinery and equipment	up to 20 years
Leasehold improvements	over the term of the lease

When components of an asset have a significantly different useful life or residual value than the primary asset, the components are amortized separately. Residual values, useful lives and methods of amortization are reviewed at each fiscal year end and adjusted prospectively.

Investment property

Investment property includes commercial property held to earn rental income and property that is being constructed or developed for future use as investment property. Investment property is included with property, plant and equipment in the consolidated balance sheets and recorded at cost less accumulated amortization and provisions for impairment, if any.

The cost of investment property includes direct development costs, property transfer taxes and borrowing costs directly attributable to the development of the property.

The Company's investment property consists of Flushing Town Center's retail space and parking structures. The fair value of Flushing Town Center's investment property at December 31, 2013 was $398 (2012 – $452), which is collateral for the outstanding long-term debt of Flushing Town Center. The fair value of Flushing Town Center's investment property is a Level 3 measurement in the fair value hierarchy and was calculated primarily by discounting the expected net operating income using a discount and terminal capitalization rate of 6.50%. For the year ended December 31, 2013, property, plant and equipment additions included $5 (2012 – $4) related to Flushing Town Center's investment property.

Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant interest rate on the balance outstanding. The corresponding lease obligations, net of finance charges, are included in the consolidated balance sheets. Property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. When the Company is the lessee, payments made under operating leases (net of any incentives received from the lessor) are recorded in the consolidated statements of earnings on a straight-line basis over the period of the lease. Certain of the operating companies lease out investment property and property, plant and equipment under operating leases. When the Company is the lessor, payments received under operating leases (net of any incentives provided by the operating companies) are recognized in the consolidated statements of earnings on a straight-line basis over the period of the lease.

Intangible assets

Intangible assets, including intellectual property and software, are recorded at their fair value at the date of acquisition of the related operating company or cost if internally generated or purchased. Amortization is provided for intangible assets with limited life. For substantially all limited life intangible assets, amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Trademarks and licenses	1 year to 30 years
Customer relationships	3 years to 30 years
Computer software	1 year to 10 years
Other	1 year to 25 years

Intangible assets with indefinite useful lives are not amortized. The assessment of indefinite life is reviewed annually. Changes in the useful life from indefinite to finite are made on a prospective basis.

Goodwill

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the fair value of any contingent consideration, the amount of any non-controlling interest in the acquired company and, in a business combination achieved in stages, the fair value at the acquisition date of the Company's previously held interest in the acquired company compared to the net fair value of the identifiable assets and liabilities acquired. Substantially all of the goodwill and intangible asset amounts that appear in the consolidated balance sheets are recorded by the operating companies. The recoverability of goodwill is assessed annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Judgement is required in determining whether events or changes in circumstances during the year are indicators that a review for impairment should be conducted prior to the annual assessment. For the purposes of impairment testing, goodwill is allocated to the cash generating units ("CGUs") of the business whose acquisition gave rise to the goodwill. Impairment of goodwill is tested at the level where goodwill is monitored for internal management purposes. Therefore, goodwill may be assessed for impairment at the level of either an individual CGU or a group of CGUs. The determination of CGUs and the level at which goodwill is monitored requires judgement by management. The carrying amount of a CGU or a group of CGUs is compared to its recoverable amount, which is the higher of its value-in-use or fair value less costs to sell, to determine if an impairment exists. Impairment losses for goodwill are not reversed in future periods.

Impairment charges recorded by the operating companies under IFRS may not impact the fair values of the operating companies used in determining the change in carried interest and for calculating the Limited Partners' Interests liability. Fair values of the operating companies are assessed at the enterprise level, while impairment charges are assessed at the level of either an individual CGU or group of CGUs.

Investments in joint ventures and associates

Joint ventures and associates are those entities over which the Company has joint control or significant influence, but not control. Certain investments in joint ventures and associates are designated, upon initial recognition, at fair value through earnings in accordance with IAS 39, *Financial Instruments: Recognition and Measurement*. As a result, the investments are recorded at fair value in the consolidated balance sheets, with changes in fair value recognized in the consolidated statements of earnings.

Impairment of long-lived assets

Property, plant and equipment, investment property and intangible assets are reviewed for impairment annually or whenever events or changes in circumstances suggest that the carrying amount of an asset may not be recoverable. Judgement is required in determining whether events or changes in circumstances during the year are indicators that a review for impairment should be conducted prior to the annual assessment. An impairment loss is recognized when the carrying value of an asset or CGU exceeds the recoverable amount. The recoverable amount of an asset or CGU is the greater of its value-in-use or its fair value less costs to sell.

Impairment losses for long-lived assets are reversed in future periods if the circumstances that led to the impairment no longer exist. The reversal is limited to restoring the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized in prior periods.

Other non-current assets

Acquisition costs relating to the insurance provider segment

Certain costs of the warranty business, principally commissions, underwriting and sales expenses that result directly from, and are essential to, the acquisition of new business, are deferred and amortized as the related premiums and contract fees are earned. The possibility of premium deficiencies and the related recoverability of deferred acquisition costs is evaluated annually. Management considers the effect of anticipated investment income in its evaluation of premium deficiencies and the related recoverability of deferred acquisition costs. Deferred acquisition costs are derecognized when related contracts are either settled or cancelled.

Other current liabilities

Profit-sharing provisions relating to the insurance provider segment

Certain arrangements with producers of warranty contracts include profit-sharing provisions whereby the underwriting profits, after a fixed percentage allowance for the company and an allowance for investment income, are remitted to the producers on a retrospective basis. Unearned premiums and contract fees subject to retrospective commission agreements totalled $400 at December 31, 2013 (2012 – $400).

Financing charges

Financing charges consist of costs incurred by the operating companies relating to the issuance of debt and are amortized over the term of the related debt or as the debt is retired, if earlier. These unamortized financing charges are netted against the carrying value of the long-term debt, as described in note 12.

Losses and loss adjustment expenses reserves

Losses and loss adjustment expenses reserves relate to The Warranty Group and represent the estimated ultimate net cost of all reported and unreported losses incurred and unpaid through December 31, 2013. The Warranty Group does not discount losses and loss adjustment expenses reserves. The reserves for unpaid losses and loss adjustment expenses are estimated using individual case-basis valuations and statistical analyses. Those estimates are subject to the effects of trends in loss severity and frequency and claims reporting patterns of the company's third-party administrators. Although considerable variability is inherent in such estimates, management believes the reserves for losses and loss adjustment expenses are reasonable. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.

Provisions

A provision is a liability of uncertain timing or amount and is generally recognized when the Company has a present obligation as a result of a past event, it is probable that payment will be made to settle the obligation and the payment can be reliably estimated. Judgement is required to determine the extent of an obligation and whether it is probable that a payment will be made. The Company's significant provisions consist of the following:

a) Self-insurance

Self-insurance provisions may be established for automobile, workers' compensation, general liability, professional liability and other claims. Provisions are established for claims based on an assessment of actual claims and claims incurred but not reported. The reserves may be established based on consultation with third-party independent actuaries using actuarial principles and assumptions

that consider a number of factors, including historical claim payment patterns and changes in case reserves, and the assumed rate of inflation in healthcare costs and property damage repairs.

b) Warranty

Certain operating companies offer warranties on the sale of products or services. A provision is recorded to provide for future warranty costs based on management's best estimate of probable claims under these warranties. The provision is based on the terms of the warranty, which vary by customer and product or service and historical experience. The appropriateness of the provision is evaluated at the end of each reporting period. The warranty provisions exclude reserves recognized by The Warranty Group for its warranty contracts.

c) Restructuring

Restructuring provisions are recognized only when a detailed formal plan for the restructuring – including the concerned business or part of the business, the principal locations affected, details regarding the employees affected, the restructuring's timing and the expenditures that will have to be undertaken – has been developed and the restructuring has either commenced or the plan's main features have already been publicly announced to those affected by it.

Note 11 provides further details on provisions recognized by the Company.

Pension and non-pension post-retirement benefits

Onex, the parent company, does not provide pension, other retirement or post-retirement benefits to its employees or to those of any of the operating companies. The operating companies that have pension and non-pension post-retirement benefits accrue their obligations under such employee benefit plans and related costs, net of plan assets. The costs of defined benefit pensions and other post-retirement benefits earned by employees are accrued in the period incurred and are actuarially determined using the projected unit credit method pro-rated on length of service, based on management's judgement and best estimates of assumptions for factors which impact the ultimate cost, including salary escalation, retirement ages of employees, the discount rate used in measuring the liability and expected healthcare costs.

Plan assets are recorded at fair value at each reporting date. Where a plan is in a surplus, the value of the net asset recognized is restricted to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of defined benefit plans recognized in the consolidated statements of earnings comprises the net total of the current service cost, the past service cost, gains or losses from settlements and the net interest expense or income. The current service cost represents the increase in the present value of the plan liabilities expected to arise from employee service in the current period. The past service cost is the change in the benefit obligation in respect of employee service in prior periods and which results from a plan amendment or curtailment. Past service costs (or recoveries) from plan amendments are recognized immediately in earnings, whether vested or unvested.

Remeasurements, consisting of actuarial gains and losses, the actual return on plan assets (excluding the net interest component) and any change in the asset ceiling, are recognized in other comprehensive earnings. Remeasurements recognized in other comprehensive earnings are directly recorded in retained earnings, without recognition to the consolidated statements of earnings.

Defined contribution plan accounting is applied to multiemployer defined benefit plans, for which the operating companies have insufficient information to apply defined benefit accounting.

Note 32 provides further details on pension and non-pension post-retirement benefits.

Limited Partners' Interests

The interests of the Limited Partners and other investors through the Onex Partners and ONCAP Funds are recorded as a financial liability in accordance with IAS 32, *Financial Instruments: Presentation*. The structure of the Onex Partners and ONCAP Funds as defined in the partnership agreements, specifically the limited life of the Funds, requires presentation of the Limited Partners' Interests as a liability. The liability is recorded at fair value and is impacted by the change in fair value of the underlying investments in the Onex Partners and ONCAP Funds, the change in carried interest, as well as any contributions by and distributions to Limited Partners in those Funds. Adjustments to the fair value of the Limited Partners' Interests are reflected through earnings, net of the change in carried interest.

Note 17 provides further details on Limited Partners' Interests.

Income taxes

Income taxes are recorded using the asset and liability method of income tax allocation. Under this method, assets and liabilities are recorded for the future income tax consequences attributable to differences between the financial statement carrying values of assets and liabilities and their respective income tax bases, and on tax loss and tax credit carryforwards. Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences as well as tax loss and tax credit carryforwards can be utilized. These deferred income tax assets and liabilities are recorded using substantively enacted income tax rates. The effect of a change in income tax rates on these deferred income tax assets or liabilities is included in income in the period in which the rate change occurs. Certain of these differences are estimated based on current tax legislation and the Company's interpretation thereof.

Income tax expense or recovery is based on the income earned or loss incurred in each tax jurisdiction and the enacted or substantively enacted tax rate applicable to that income or loss. Tax expense or recovery is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case the tax effect is also recognized in equity.

Deferred tax liabilities for taxable temporary differences associated with investments in subsidiaries, joint ventures and associates are recognized, except when the Company is able to control the timing of the reversal of temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

In the ordinary course of business, there are transactions for which the ultimate tax outcome is uncertain. The final tax outcome of these matters may be different from the judgements and estimates originally made by the Company in determining its income tax provisions. The Company periodically evaluates the positions taken with respect to situations in which applicable tax rules and regulations are subject to interpretation. Provisions related to tax uncertainties are established where appropriate based on the best estimate of the amount that will ultimately be paid to or received from tax authorities. Accrued interest and penalties relating to tax uncertainties are recorded in current income tax expense.

Note 16 provides further details on income taxes.

Revenue recognition

Revenues are recognized net of estimated returns and allowances, trade discounts and volume rebates, where applicable. Where the Company is responsible for shipping and handling to customers, amounts charged for these services are recognized as revenue, and shipping and handling costs incurred are reported as a component of cost of sales in the consolidated statements of earnings.

Electronics Manufacturing Services

Revenue from the electronics manufacturing services segment consists primarily of product sales and services. Revenue is recognized when significant risks and rewards of ownership have been transferred to the customer and receivables are reasonably assured of collection.

For certain customers, warehousing services are provided in connection with manufacturing services. Contracts are assessed to determine whether the manufacturing and warehousing services can be accounted for as separate units of accounting. If the services do not constitute separate units of accounting, or the manufacturing services do not meet all of the revenue recognition requirements, revenue recognition is deferred until the products have been shipped to the customer.

Aerostructures

A significant portion of Spirit AeroSystems' revenues is under long-term volume-based pricing contracts, requiring delivery of products over several years. Revenue from these contracts is recognized under the contract method of accounting in accordance with IAS 11, *Construction Contracts*. Revenues and costs are recognized on each contract by reference to the percentage-of-completion of the contract activity primarily using the units-of-delivery method. The contract method of accounting involves the use of various estimating techniques to project costs at completion and includes estimates of recoveries asserted against customers for changes in specifications. Due to the significant length of time over which these estimates will be developed and applied, the impact to recognized revenues and costs may be significant if the estimates change. These estimates involve various assumptions and projections relative to the outcome of future events, including the quantity and timing of product deliveries based on contractual terms and market projections. Also included are assumptions relative to future labour performance and rates, projections relative to material and overhead costs and expected "learning curve" cost reductions over the terms of the contracts.

Where the outcome of a contract cannot be reliably estimated, all contract-related costs are expensed and revenues are recognized only to the extent that those costs are recoverable. When the outcome of such contracts becomes reliably estimable, revenues are recognized prospectively.

The company periodically re-evaluates its contract estimates and reflects changes in estimates in the current period, and uses the cumulative catch-up method of accounting for revisions to estimates of total revenue, total costs or extent of progress on a contract.

During the year ended December 31, 2013, the company recognized revenues of $5,736 (2012 – $5,178) for contracts accounted for under the contract method of accounting. Contracts in progress at December 31, 2013 had recognized cumulative costs of $33,638 (2012 – $28,071) and recognized cumulative earnings of $3,543 (2012 – $3,675). Additionally, these contracts had received advances of $1,916 (2012 – $1,897) and retentions of nil (2012 – nil). At December 31, 2013, the company was due $2,059 (2012 – $2,389) from customers for contract work and $29 (2012 – $1) was due to customers for contract work.

For revenues not recognized under the contract method of accounting, Spirit AeroSystems recognizes revenues from the sale of products at the point of passage of title, which is generally at the time of shipment. Revenues earned from providing maintenance services, including any contracted research and development, are recognized when the service is complete or other substantive contractual milestones are attained. Milestone payments are recognized as revenue when milestones are deemed to be substantive and are achieved. Milestone payments collected in advance that are subject to significant future performance obligations are presented as advance payments or deferred revenue, and are recognized as revenue when the milestone is achieved.

Healthcare

Revenue in the healthcare segment consists of Skilled Healthcare Group's patient service revenue, Carestream Health's product sales revenue, ResCare's client service revenue and CDI's patient service and healthcare provider management service revenue (up to July 2012). Service revenue is recognized at the time of service if revenues and costs can be reliably measured and economic benefits are expected to be received, and is recorded net of provisions for contractual discounts and estimated uncompensated care. Revenue from product sales is recognized when the following criteria are met: significant risks and rewards of ownership have been transferred; involvement in the capacity as an owner of the goods has ceased; revenue and costs incurred can be reliably measured; and economic benefits are expected to be realized.

Insurance Provider

The insurance provider segment revenue consists of revenue from The Warranty Group's warranty contracts primarily in North America and Europe. The company records revenue and associated unearned revenue on warranty contracts issued by North American obligor companies at the net amount remitted by the selling dealer or at retailer "dealer cost". Cancellations of these contracts are typically processed through the selling dealer or retailer, and the company refunds only the unamortized balance of the dealer cost. However, the company is primarily liable for these contracts and must refund the full amount of customer retail price if the selling dealer or retailer cannot or will not refund its portion. The amount the company has historically been required to pay under such circumstances has been negligible.

The company records revenue and associated unearned revenue at the customer retail price on warranty contracts issued by statutory insurance companies domiciled in Europe. The difference between the customer retail price and dealer cost is recognized as commission and deferred as a component of deferred acquisition costs.

The company has dealer obligor and administrator obligor service contracts with the dealers or retailers to facilitate the sale of extended warranty contracts. Dealer obligor service contracts result in sales of extended warranty contracts in which the dealer/retailer is designated as the obligor. Administrator obligor service contracts result in sales of extended warranty contracts in which the company is designated as the obligor. For both dealer obligor and administrator obligor, premium and/or contract fee revenue is recognized over the contractual exposure period of the contracts or historical claim payment patterns. Unearned premiums and contract fees on single-premium insurance related to warranty agreements are calculated to result in premiums and contract fees being earned over the period at risk. Factors are developed based on historical analyses of claim payment patterns over the duration of the policies in force. All other unearned premiums and contract fees are determined on a pro rata basis.

Reinsurance premiums, commissions, losses and loss adjustment expenses are accounted for on bases consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Premiums ceded to other companies have been reported as a reduction of revenue. Expense reimbursement received in connection with reinsurance ceded has been accounted for as a reduction of the related acquisition costs. Reinsurance receivables and prepaid reinsurance premium amounts are reported as assets.

Customer Care Services

The customer care services segment generates revenue primarily through the provision of a wide array of outsourced customer care management services, including customer service, technical support and customer acquisition, retention and revenue generation services. These services support its clients' customers through phone, e-mail, online chat, interactive voice response and social media channels and are generally charged by the minute or hour, per employee, per subscriber or user, or on a per item basis for each transaction processed. Revenue is recognized to the extent that it is probable that future economic benefits will be received and revenue can be reliably measured. A portion of the revenue is often subject to performance standards. Revenue subject to monthly or longer performance standards is recognized when such performance standards are met.

The company is reimbursed by clients for certain pass-through out-of-pocket expenses, consisting primarily of telecommunication, employee performance incentive, and postage and shipping costs. The reimbursement and related costs are reflected in the accompanying consolidated statements of earnings as revenue and cost of services, respectively.

Building Products

Revenue from the building products segment primarily consists of product sales. Revenue is recognized when significant risks and rewards of ownership have been transferred to the customer; involvement in the capacity as an owner of the goods has ceased; revenue and costs incurred can be reliably measured; and receivables are reasonably assured of collection. Incentive payments to customers are recorded as a reduction of revenue over the periods benefited.

Other

Other segment revenues consist of product sales, services and construction contracts:

- Revenue from product sales is recognized when the following criteria are met: significant risks and rewards of ownership have been transferred; involvement in the capacity as an owner of the goods has ceased; revenue and costs incurred can be reliably measured; and economic benefits are expected to be realized. Where product sales are subject to customer acceptance, revenue is recognized at the earlier of receipt of customer acceptance or expiration of the acceptance period. Where product sales require the Company to install the product at the customer location and such installation is essential to the functionality of the product, revenue is recognized when the product has been delivered to and installed at the customer location.
- Revenue from services is recognized at the time of service, when revenues and costs can be reliably measured and economic benefits are expected to be received by the company. Where services performed are subject to customer acceptance, revenue is recognized at the earlier of receipt of customer acceptance or expiration of the acceptance period.
- Revenues from construction contracts are recognized on each contract by reference to the percentage-of-completion of the contract activity primarily by comparing contract costs incurred to the estimated total contract costs. The contract method of accounting involves the use of various estimating techniques to project costs at completion and includes estimates of ultimate profitability and final contract settlements. Any expected loss from a construction contract is recognized in the period when the estimated total contract costs exceed the estimated total contract revenue. Where the outcome of a construction contract cannot be reliably estimated, all contract-related costs are expensed and revenues are recognized only to the extent that those costs are recoverable. When the outcome of the construction of such contracts becomes reliably estimable, revenues are recognized prospectively.

For arrangements where the Company derives revenues from multiple service or products elements, the recognition of revenues is separated based on the relative fair value of each element separately identified in the arrangements.

Depending on the terms under which the operating companies supply products, they may also be responsible for some or all of the repair or replacement costs of defective products. The companies establish provisions for issues that are probable and estimable in amounts management believes are adequate to cover ultimate projected claim costs. The final amounts determined to be due related to these matters could differ significantly from recorded estimates.

Research and development

Research and development activities can be either (a) contracted or (b) self-initiated:

a) Costs for contracted research and development activities, carried out in the scope of externally financed research and development contracts, are expensed when the related revenues are recorded.

b) Costs for self-initiated research and development activities are assessed as to whether they qualify for recognition as internally generated intangible assets. Apart from complying with the general requirements for initial measurement of an intangible asset, qualification criteria are met only when technical as well as commercial feasibility can be demonstrated and cost can be reliably measured. It must also be probable that the intangible asset will generate future economic benefits, be clearly identifiable and allocable to a specific product. Further to meeting these criteria, only such costs that relate solely to the development phase of a self-initiated project are capitalized. Any costs that are classified as part of the research phase of a self-initiated project are expensed as incurred. If the research phase cannot be clearly distinguished from the development phase, the respective project-related costs are treated as if they were incurred in the research phase only. Capitalized development costs are generally amortized over the estimated number of units produced. In cases where the number of units produced cannot be reliably estimated, capitalized development costs are amortized over the estimated useful life of the internally generated intangible asset. Internally generated intangible assets are reviewed for impairment annually when the asset is not yet in use or when events or changes in circumstances indicate that the carrying amount may not be recoverable and the asset is in use.

During 2013, $212 (2012 – $175) of research and development costs were expensed and $38 of development costs (2012 – $12) were capitalized. Capitalized development costs relating to the aerostructures segment are included in intangible assets.

Stock-based compensation

The Company follows the fair value-based method of accounting, which is applied to all stock-based compensation plans.

There are five types of stock-based compensation plans. The first is the Company's Stock Option Plan (the "Plan"), described in note 18(e), which provides that in certain situations the Company has the right, but not the obligation, to settle any exercisable option under the Plan by the payment of cash to the option holder. The Company has recorded a liability for the potential future settlement of the vested options at the balance sheet date by reference to the fair value of the liability. The liability is adjusted each reporting period for changes in the fair value of the options with the corresponding amount reflected in the consolidated statements of earnings.

The second type of plan is the MIP, which is described in note 31(j). The MIP provides that exercisable investment rights may be settled by issuance of the underlying shares or, in certain situations, by a cash payment for the value of the investment rights. The Company has recorded a liability for the potential future settlement of the vested rights at the balance sheet date by reference to the fair value of the liability. The liability is adjusted each reporting period for changes in the fair value of the rights with the corresponding amount reflected in the consolidated statements of earnings.

The third type of plan is the Director Deferred Share Unit Plan ("Director DSU Plan"). A Deferred Share Unit ("DSU") entitles the holder to receive, upon redemption, a cash payment equivalent to the market value of a Subordinate Voting Share at the redemption date. The Director DSU Plan enables Onex Directors to apply directors' fees earned to acquire DSUs based on the market value of Onex shares at the time. Grants of DSUs may also be made to Onex Directors from time to time. The DSUs vest immediately, are redeemable only when the holder retires and must be redeemed within one year following the year of retirement. Additional units are issued for any cash dividends paid on the Subordinate Voting Shares. The Company has recorded a liability for the future settlement of the DSUs by reference to the value of underlying Subordinate Voting Shares at the balance sheet date. On a quarterly basis, the liability is adjusted for the change in the market value of the underlying shares, with the corresponding amount reflected in the consolidated statements of earnings. To economically hedge a portion of the Company's exposure to changes in the trading price of Onex shares, the Company entered into a forward agreement for a portion of outstanding Director DSUs with a counterparty financial institution. The change in value of the forward agreement will be recorded to partially offset the amounts recorded as stock-based compensation under the Director DSU Plan. Details of the Director DSUs outstanding under the plan and the portion hedged by the Company are provided in note 18(d).

The fourth type of plan is the Management Deferred Share Unit Plan ("Management DSU Plan"). The Management DSU Plan enables Onex management to apply all or a portion of their annual compensation earned to acquire DSUs based on the market value of Onex shares at the time. The DSUs vest immediately and are redeemable only when the holder has ceased to be an officer or employee of the Company or an affiliate for a cash payment equal to the then current market price of Subordinate Voting Shares. Additional units are issued for any cash dividends paid on the Subordinate Voting Shares. The Company has recorded a liability for the future settlement of the DSUs by reference to the value of underlying Subordinate Voting Shares at the balance sheet date. On a quarterly basis, the liability is adjusted for the change in the market value of the underlying shares, with the corresponding amount reflected in the consolidated statements of earnings. To economically hedge the Company's exposure to changes in the trading price of Onex shares associated with the Management DSU Plan, the Company enters into forward agreements with a counterparty financial institution for all grants under the Management DSU Plan. As such, the change in value of the forward agreements will be recorded to offset the amounts recorded as stock-based compensation under the Management DSU Plan. The administrative costs of those arrangements are borne entirely by participants in the plan. Management DSUs are redeemable only for cash and no shares or other securities of the Corporation will be issued on the exercise, redemption or other settlement thereof. Details of the Management DSUs outstanding under the plan are provided in note 18(d).

The fifth type of plan is employee stock option and other stock-based compensation plans in place for employees at various operating companies, under which, on payment of the exercise price, stock of the particular operating company or cash is issued. The Company records a compensation expense for such options based on the fair value over the vesting period.

Carried interest

Onex, as the General Partner of the Onex Partners and ONCAP Funds, is entitled to a portion (20%) of the realized net gains of the limited partners in each Fund. This share of the net gains is referred to as carried interest. Onex is entitled to 40% of the carried interest realized in the Onex Partners Funds. The Onex management team is entitled to the remaining 60% of the carried interest realized in the Onex Partners Funds. The ONCAP management team is entitled to that portion of the carried interest realized in the ONCAP Funds that equates to a 12% carried interest on both limited partners' and Onex capital.

The unrealized carried interest of the Onex Partners and ONCAP Funds is calculated based on the fair values of the underlying investments and the overall unrealized gains in each respective Fund in accordance with the limited partnership agreements. The unrealized carried interest reduces the amount due to the Limited Partners and will eventually be paid through the realization of the Limited Partners' share of the underlying Onex Partners and ONCAP Fund investments. The change in net carried interest attributable to Onex is recognized through the charge for the Limited Partners' Interests. The unrealized carried interest of the Onex Partners and ONCAP Funds attributable to management is recognized as a liability within other non-current liabilities. The charge for the change in net carried interest attributable to management is recorded within other items in the consolidated statements of earnings.

Financial assets and financial liabilities

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. Transaction costs in respect of an asset or liability not recorded at fair value through net earnings are added to the initial carrying amount. Gains and losses for financial instruments recognized through net earnings are primarily recognized in other items in the consolidated statements of earnings. The classification of financial assets and financial liabilities depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition. Financial assets purchased and sold, where the contract requires the asset to be delivered within an established time frame, are recognized on a trade-date basis.

a) Fair value through net earnings

Financial assets and financial liabilities that are purchased and incurred with the intention of generating earnings in the near term are classified as fair value through net earnings. Other instruments may be designated as fair value through net earnings on initial recognition. The long-term debt of the Onex Credit Partners Collateralized Loan Obligations ("OCP CLOs") are designated at fair value through net earnings upon initial recognition to eliminate a measurement inconsistency, as the asset portfolio of the OCP CLOs is recorded at fair value through net earnings.

b) Available-for-sale

Financial assets classified as available-for-sale are carried at fair value, with the changes in fair value recorded in other comprehensive earnings. Securities that are classified as available-for-sale and which do not have a quoted price in an active market are recorded at fair value, unless fair value is not reliably determinable, in which case they are recorded at cost. Available-for-sale securities are written down to fair value through earnings whenever it is necessary to reflect an impairment. Gains and losses realized on disposal of available-for-sale securities, which are calculated on an average cost basis, are recognized in earnings. Impairments are determined based upon all relevant facts and circumstances for each investment and recognized when appropriate. Foreign exchange gains and losses on available-for-sale assets are recognized immediately in earnings.

c) Held-to-maturity investments

Securities that have fixed or determinable payments and a fixed maturity date, which the Company intends and has the ability to hold to maturity, are classified as held-to-maturity and accounted for at amortized cost using the effective interest rate method. Investments classified as held-to-maturity are written down to fair value through earnings whenever it is necessary to reflect an impairment. Impairments are determined based on all relevant facts and circumstances for each investment and recognized when appropriate.

d) Loans and receivables

Financial assets that are non-derivative with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. These instruments are accounted for at amortized cost using the effective interest rate method.

e) Financial liabilities measured at amortized cost

Financial liabilities not classified as fair value through net earnings or loans and receivables are accounted for at amortized cost using the effective interest rate method. Long-term debt has been designated as a financial liability measured at amortized cost with the exception of long-term debt in the OCP CLOs, which have been designated to be recorded at fair value through net earnings.

Derivatives and hedge accounting

At the inception of a hedging relationship, the Company documents the relationship between the hedging instrument and the hedged item, its risk management objectives and its strategy for undertaking the hedge. The Company also requires a documented assessment, both at hedge inception and on an ongoing basis, of whether or not the derivatives that are used in the hedging transactions are highly effective in offsetting the changes attributable to the hedged risks in the fair values or cash flows of the hedged items.

Derivatives that are not designated as effective hedging relationships continue to be accounted for at fair value with changes in fair value being included in other items in the consolidated statements of earnings.

When derivatives are designated as effective hedging relationships, the Company classifies them either as: (a) hedges of the change in fair value of recognized assets or liabilities or firm commitments (fair value hedges); (b) hedges of the variability in highly probable future cash flows attributable to a recognized asset or liability or a forecasted transaction (cash flow hedges); or (c) hedges of net investments in a foreign self-sustaining operation (net investment hedges).

a) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedging instruments are recorded in the consolidated statements of earnings, along with changes in the fair value of the assets, liabilities or group thereof that are attributable to the hedged risk.

b) Cash flow hedges

The Company is exposed to variability in future interest cash flows on non-trading assets and liabilities that bear interest at variable rates or are expected to be reinvested in the future.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive earnings. Any gain or loss in fair value relating to the ineffective portion is recognized immediately in the consolidated statements of earnings in other items.

Amounts accumulated in other comprehensive earnings are reclassified in the consolidated statements of earnings in the period in which the hedged item affects earnings. However, when the forecasted transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in other comprehensive earnings are transferred from other comprehensive earnings and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive earnings at that time remains in other comprehensive earnings until the forecasted transaction is eventually recognized in the consolidated statements of earnings. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive earnings is immediately transferred to the consolidated statements of earnings.

c) Net investment hedges

Hedges of net investments in foreign operations are accounted for in a manner similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive earnings. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statements of earnings in other items. Gains and losses accumulated in other comprehensive earnings are included in the consolidated statements of earnings upon the reduction or disposal of the investment in the foreign operation.

Impairment of financial instruments

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. Where an impairment exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in earnings, is removed from equity and recognized in earnings.

De-recognition of financial instruments

A financial asset is de-recognized if substantially all risks and rewards of ownership and, in certain circumstances, control of the financial asset are transferred. A financial liability is de-recognized when it is extinguished, with any gain or loss on extinguishment to be recognized in other items in the consolidated statements of earnings.

Government assistance

The operating companies may receive government assistance in the form of grants or investment tax credits for the acquisition of capital assets and other expenditures. Government assistance is recognized when there is reasonable assurance that the operating companies will realize the benefits. Government assistance relating to the acquisition of capital assets is deducted from the costs of the related assets and amortization is calculated on the net amount. Other forms of government assistance relating to operating expenditures are recorded as a reduction of the expense at the time the expense is incurred.

Assets held-for-sale and discontinued operations

An asset is classified as held-for-sale if its carrying amount will be recovered by the assets' sale rather than by its continuing use in the business, the asset is available for immediate sale in its present condition, and management is committed to, and has initiated, a plan to sell the asset which, when initiated, is expected to result in a completed sale within 12 months. An extension of the period required to complete the sale does not preclude the asset from being classified as held-for-sale, provided the delay is for reasons beyond the Company's control and management remains committed to its plan to sell the asset. Assets that are classified as held-for-sale are measured at the lower of their carrying amount or fair value less costs to sell and are no longer depreciated. The determination of fair value less costs to sell involves judgement by management to determine the probability and timing of disposition and the amount of recoveries and costs.

A discontinued operation is a component of the Company that has either been disposed of, or satisfies the criteria to be classified as held-for-sale, and represents a separate major line of business or geographic area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations, or is an operating company acquired exclusively with a view to its disposal.

Use of judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, the related disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates and assumptions. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Areas that involve critical judgements, assumptions and estimates and that have a significant influence on the amounts recognized in the consolidated financial statements are further described as follows:

Business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgement and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. Land, buildings and equipment are usually independently appraised while short-term investments are valued at market prices. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied.

In certain circumstances where estimates have been made, the companies may obtain third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of certain purchase prices and accounting adjustments.

Consolidation of structured entities

Onex indirectly controls and consolidates the operations of the collateralized loan obligations ("CLOs") of Onex Credit Partners. The CLOs are structured entities for which voting and similar rights are not the dominant factor in determining control of the CLOs. Onex has used judgement when assessing the many factors to determine control, including its exposure through investments in the most subordinate capital of the CLOs, its role in the formation of the CLOs, the rights of other investors in the CLOs and its joint control of the asset manager of the CLOs. Onex has determined that it is a principal of the CLOs with the power to affect the returns of its investment and, as a result, indirectly controls the CLOs.

During 2013 and 2012, Onex invested capital in the Onex Credit Partners' CLOs and warehouse facilities as described in note 8(c) and 8(e). Onex intends to provide additional financial collateral for the warehouse facility of Onex Credit Partners' fifth CLO, OCP CLO-5. The collateral to be provided for the warehouse facility of OCP CLO-5 is expected to be substantially reinvested in the most subordinate capital of OCP CLO-5 upon closing.

Limited Partners' Interests, carried interest and investments in joint ventures and associates

The measurement of the Limited Partners' Interests, carried interest and investments in joint ventures and associates is significantly impacted by the fair values of the Company's investments held by the Onex Partners and ONCAP Funds. The fair values of these investments are assessed at each reporting date with changes reflected in the measurement of the Limited Partners' Interests, carried interest and investments in joint ventures and associates.

The valuation of the non-public investments held by the Onex Partners and ONCAP Funds requires significant judgement by the Company due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of such assets. Valuation methodologies include observations of the trading multiples of public companies considered comparable to the private companies being valued and discounted cash flows. The valuations take into consideration company-specific items, the lack of liquidity inherent in a non-public investment and the fact that comparable public companies are not identical to the companies being valued. Considerations are necessary because, in the absence of a committed buyer and completion of due diligence similar to that performed in an actual negotiated sale process, there may be company-specific items that are not fully known that may affect value. In addition, a variety of additional factors are reviewed by management, including, but not limited to, financing and sales transactions with third parties, current operating performance and future expectations of the particular investment, changes in market outlook and the third-party financing environment. In determining changes to the valuations, emphasis is placed on current company performance and market conditions. For publicly traded investments, the valuation is based on closing market prices less adjustments, if any, for regulatory and/or contractual sale restrictions.

The Limited Partners' Interests and carried interest are measured with significant unobservable inputs (Level 3 of the fair value hierarchy). Further information is provided in note 17. Investments in joint ventures and associates designated at fair value are measured with significant unobservable inputs (Level 3 of the fair value hierarchy), with the exception of Allison Transmission (beginning March 2012), which is measured with significant other observable inputs (Level 2 of the fair value hierarchy). Further information is provided in notes 8 and 28.

Goodwill impairment tests and recoverability of assets

The Company tests at least annually whether goodwill has suffered any impairment, in accordance with its accounting policies. The determination of the recoverable amount of a CGU (or group of CGUs) to which goodwill is allocated involves the use of estimates by management. The Company generally uses discounted cash flow-based methods to determine these values. These discounted cash flow calculations typically use five-year projections that are based on the operative plans approved by management. Cash flow projections take into account past experience and represent management's best estimate of future developments. Cash flows after the planning period are extrapolated using estimated growth rates. Key assumptions on which management has based its determination of fair value less costs to sell and value-in-use include estimated growth rates, weighted average cost of capital and tax rates. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill impairment. Note 25 provides details on the significant estimates used in the calculation of the recoverable amounts for impairment testing. Likewise, whenever property, plant and equipment and other intangible assets are tested for impairment, the determination of the assets' recoverable amount involves the use of estimates by management and can have a material impact on the respective values and ultimately the amount of any impairment.

Construction contract accounting

Spirit AeroSystems' accounting for construction contracts in the aerostructures segment involves critical assumptions and estimates which have a significant influence on the amounts recognized in the consolidated financial statements. The revenue recognition policy for the aerostructures segment provides a description of the critical assumptions and estimates used by the company. A significant portion of future revenues in the aerostructures segment is expected to be derived from new programs for which the company may be contracted to provide design and engineering services, recurring production, or both. There are several risks inherent in such new programs. In the design and engineering phase, the company may incur costs in excess of our forecasts due to several factors, including cost overruns, customer directed change orders and delays in the overall program. The company may also incur higher than expected recurring production costs, which may be caused by a variety of factors, including the future impact of engineering changes (or other change orders) or an inability to secure contracts with suppliers at projected cost levels. The ability to recover these excess costs from customers will depend on several factors, including the company's rights under its contracts for the new programs. The recognition of earnings and losses under these new contracts requires the company to make significant assumptions regarding its future costs, ability to achieve cost reduction opportunities, as well as the estimated number of units to be manufactured under the contract and other variables.

During 2013, Spirit AeroSystems recognized $1,133 (2012 – $644) of pre-tax forward-loss charges.

Revenue recognition

Revenues for Skilled Healthcare Group and ResCare in the healthcare segment are substantially derived from U.S. federal, state and local government agency programs, including Medicare and Medicaid. Laws and regulations under these programs are complex and subject to interpretation. Management may be required to exercise judgement for the recognition of revenue under these programs. Management of those businesses believes that they are in compliance with all applicable laws and regulations. Compliance with such laws and regulations is subject to ongoing and future government review and interpretation, including the possibility of processing claims at lower amounts upon audit, as well as significant regulatory action including revenue adjustments, fines, penalties and exclusion from programs. Government agencies may condition their contracts upon a sufficient budgetary appropriation. If a government agency does not receive an appropriation sufficient to cover its contractual obligations, it may terminate the contract or defer or reduce reimbursements to be received by the Company. In addition, previously appropriated funds could also be reduced or eliminated through subsequent legislation.

Income taxes

The Company, including the operating companies, operates and earns income in numerous countries and is subject to changing tax laws in multiple jurisdictions within these countries. Significant judgements are necessary in determining worldwide income tax liabilities. Although management believes that it has made reasonable estimates about the final outcome of tax uncertainties, no assurance can be given that the final outcome of these tax matters will be consistent with what is reflected in the historical income tax provisions. Such differences could have an effect on income tax liabilities and deferred tax liabilities in the period in which such determinations are made. At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the exercise of judgement on the part of management with respect to, among other things, benefits that could be realized from available tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income and benefits from available tax strategies are lowered, or if changes in current tax regulations are enacted that impose restrictions on the timing or extent of the Company's ability to utilize future tax benefits.

The Company, including the operating companies, uses significant judgement when determining whether to recognize deferred tax liabilities with respect to taxable temporary differences associated with investments in subsidiaries, joint ventures and associates; in particular, whether the Company is able to control the timing of the reversal of the temporary differences and whether it is probable that the temporary differences will not reverse in the foreseeable future. Judgement includes consideration of the Company's future cash requirements in its numerous tax jurisdictions.

Legal provisions and contingencies

The Company and its operating companies in the normal course of operations become involved in various legal proceedings, as described in note 31(b). While the Company cannot predict the final outcome of such legal proceedings, the outcome of these matters may have a material effect on the Company's consolidated financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses, including the estimate of legal expenses to resolve the matters. Internal and external lawyers are used for these assessments. In making the decision regarding the need for provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim or the disclosure of any such suit or assertion does not automatically indicate that a provision may be appropriate.

Employee benefits

Onex, the parent company, does not provide pension, other retirement or post-retirement benefits to its employees or to those of any of the operating companies. The operating companies that have pension and non-pension post-retirement benefits account for these benefits in accordance with actuarial valuations. These valuations rely on statistical and other factors in order to anticipate future events. These factors include key actuarial assumptions, including the discount rate, expected salary increases and mortality rates. These actuarial assumptions may differ materially from actual developments due to changing market and economic conditions and therefore may result in a significant change in post-retirement employee benefit obligations and the related future expense. Note 32 provides details on the estimates used in accounting for pensions and post-retirement benefits.

Stock-based compensation

The Company's stock-based compensation accounting for its MIP options is completed using an internally developed valuation model. The critical assumptions and estimates used in the valuation model include the fair value of the underlying investments, the time to expected exit from each investment, a risk-free rate and an industry comparable historical volatility for each investment. The fair value of the underlying investments includes critical assumptions and estimates as described above for Limited Partners' Interests, carried interest and investments in joint ventures and associates.

Earnings per share

Basic earnings per share is based on the weighted average number of Subordinate Voting Shares outstanding during the year. Diluted earnings per share is calculated using the treasury stock method.

Dividend distributions

Dividend distributions to the shareholders of Onex Corporation are recognized as a liability in the consolidated balance sheets in the period in which the dividends are declared and authorized by the Board of Directors.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Standards, amendments and interpretations not yet adopted or effective

Investment Entity Amendments

In October 2012, the IASB issued amendments to IFRS 10, *Consolidated Financial Statements*, IFRS 12, *Disclosure of Interests in Other Entities* and IAS 27, *Separate Financial Statements*, to include an exception to the consolidation requirements for investment entities as defined in the amendments issued by the IASB. The amendments are effective for annual periods beginning on or after January 1, 2014, with earlier application permitted. The impact of adopting these amendments is not expected to have a significant effect on Onex' consolidated financial statements.

IFRS 9 – Financial Instruments

In November 2009, the IASB issued IFRS 9, *Financial Instruments*, which represents the first phase of its replacement of IAS 39, *Financial Instruments: Recognition and Measurement*, and introduces new requirements for the classification and measurement of financial assets and removes the need to separately account for certain embedded derivatives.

In December 2013, the IASB issued updates to IFRS 9 to incorporate new hedge accounting requirements that increase the scope of items that can qualify as a hedged item and change the requirements of hedge effectiveness testing that must be met to use hedge accounting.

The effective date for IFRS 9 has been deferred by the IASB. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

IFRIC 21 – Levies

In May 2013, the IASB issued Interpretation 21, *Levies* ("IFRIC 21"), which provides guidance on accounting for levies in accordance with IAS 37, *Provisions*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. IFRIC 21 clarifies that a levy is recognized as a liability when the obligating event that triggers payment, as specified in the legislation, has occurred. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

2. ACQUISITIONS

During 2013 and 2012 several acquisitions, which were accounted for as business combinations, were completed either directly by Onex or through subsidiaries of Onex. Any third-party borrowings in respect of these acquisitions are without recourse to Onex.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition, irrespective of the extent of any non-controlling interests. The fair value is determined using a combination of valuation techniques, including discounted cash flows and projected earnings multiples. The key inputs to the valuation techniques include assumptions related to future customer demand, material and employee-related costs, changes in mix of products and services produced or delivered, and restructuring programs. Any non-controlling interests in the acquired company are measured either at fair value or at the non-controlling interests' proportionate share of the identifiable assets and liabilities of the acquired business. The excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquired company and, in a business combination achieved in stages, the fair value at the acquisition date of the Company's previously held interest in the acquired company compared to the fair value of the identifiable net assets acquired, is recorded as goodwill. Acquisition-related costs are expensed as incurred and related restructuring charges are expensed in the periods after the acquisition date. Costs incurred to issue debt are deferred and recognized as described in note 1. Subsequent changes in the fair value of contingent consideration recorded as a liability at the acquisition date are recognized in earnings or loss.

In certain circumstances where preliminary estimates have been made, the companies may obtain third-party valuations of certain assets, which could result in further refinement of the fair value allocation of certain purchase prices and accounting adjustments. The results of operations for all acquired businesses are included in the consolidated statements of earnings, comprehensive earnings and equity of the Company from their respective dates of acquisition.

2013 ACQUISITIONS

Details of the purchase price allocation for the 2013 acquisitions are as follows:

	Emerald Expositions[(a)]	USI[(b)]	ONCAP[(c)]	Other[(d)]	Total
Cash and cash equivalents	$ 12	$ –	$ 1	$ 1	$ 14
Other current assets	57	16	12	5	90
Intangible assets with limited life	271	35	11	35	352
Intangible assets with indefinite life	191	–	–	2	193
Goodwill	633	33	46	38	750
Property, plant and equipment and other non-current assets	3	2	26	2	33
	1,167	86	96	83	1,432
Current liabilities	(96)	(14)	(3)	(2)	(115)
Non-current liabilities	(721)	(6)	(9)	–	(736)
Interest in net assets acquired	$ 350	$ 66	$ 84	$ 81	$ 581

a) In June 2013, the Company completed the acquisition of Nielsen Expositions from its parent, an affiliate of Nielsen Holdings N.V., for total consideration of $950. The business, now operating as Emerald Expositions, LLC, is a leading operator of large business-to-business tradeshows in the United States across nine end markets. The Company's equity investment of $350, for an initial 100% ownership interest, was made by Onex, Onex Partners III and Onex management. Onex' equity investment in Emerald Expositions was $85, for an initial 24% ownership interest.

b) During 2013, USI completed eight acquisitions located in the United States for total consideration of $66, of which $23 was in the form of certain deferred and/or contingent payments.

c) ONCAP includes acquisitions made by Hopkins Manufacturing Corporation ("Hopkins"), Mister Car Wash, BSN SPORTS Inc. ("BSN SPORTS") (up to the date of disposition in June 2013) and Caliber Collision Centers ("Caliber Collision") (up to the date of disposition in November 2013) for total consideration of $84, of which $8 was non-cash consideration and excludes non-cash bargain purchase gains of $2.

d) Other includes acquisitions made by ResCare, SGS International and The Warranty Group for total consideration of $81, of which $20 was non-cash consideration and excludes a non-cash bargain purchase gain of $1.

Included in the acquisitions above were gross receivables due from customers of $70, of which $1 of contractual cash flows are not expected to be recovered. The fair value of these receivables at the dates of acquisition was determined to be $69.

Net earnings from the date of acquisition for these acquisitions to December 31, 2013 were not significant to the Company's results for the year ended December 31, 2013.

Goodwill arising from the acquisitions is attributable primarily to non-contractual established customer bases of the acquired companies. Goodwill of the acquisitions that is expected to be deductible for tax purposes is $126.

2012 ACQUISITIONS

Details of the purchase price allocation for the 2012 acquisitions are as follows:

	Celestica[a]	SGS International[b]	JELD-WEN[c]	USI[d]	KraussMaffei[e]	ONCAP[f]	Other[g]	Total
Cash and cash equivalents	$ 6	$ 10	$ 3	$ 102	$ 144	$ 10	$ –	$ 275
Other current assets	22	121	31	341	585	165	2	1,267
Intangible assets with limited life	24	449	5	1,329	372	30	18	2,227
Intangible assets with indefinite life	–	99	3	47	135	12	1	297
Goodwill	26	320	–	1,269	240	154	23	2,032
Property, plant and equipment and other non-current assets	15	71	62	26	215	43	–	432
	93	1,070	104	3,114	1,691	414	44	6,530
Current liabilities	(4)	(53)	(12)	(404)	(591)	(75)	(1)	(1,140)
Non-current liabilities	(12)	(714)	(10)	(1,998)	(732)	(164)	(2)	(3,632)
	77	303	82	712	368	175	41	1,758
Non-controlling interests in net assets	–	(14)	–	(48)	–	(7)	–	(69)
Interest in net assets acquired	$ 77	$ 289	$ 82	$ 664	$ 368	$ 168	$ 41	$ 1,689

a) In September 2012, Celestica completed the acquisition of D&H Manufacturing Company. The company is a manufacturer of precision machined components and assemblies, primarily for the semiconductor capital equipment market. The purchase price for this acquisition was $71, net of cash acquired, which was financed by Celestica.

b) In October 2012, the Company acquired a controlling interest in SGS International, Inc. ("SGS International"). SGS International is a global leader in design-to-print graphic services to branded consumer products companies, retailers and the printers that service them. The Company's equity investment of $260, for an initial 95% ownership interest, was made by Onex, Onex Partners III and Onex management. Onex' equity investment in SGS International was $66 for an initial 24% ownership interest.

In addition, SGS International completed the acquisition of Stevenson Color, Inc. for a purchase price of $29, which was financed by SGS International.

c) In October 2012, JELD-WEN completed the acquisition of CraftMaster Manufacturing, Inc. ("CMI"). CMI is a manufacturer and marketer of doors, door facings, and exterior composite trim and panels. This acquisition expands JELD-WEN's manufacturing footprint in the United States and gives JELD-WEN access to new and proprietary technology, and increases its focus on environmentally friendly wood composite exterior products. The purchase price for this acquisition was $77, which excludes a non-cash bargain purchase gain of $4. The purchase price was used to fund the purchase of shares and discharge approximately $67 of CMI debt upon closing of the transaction. In conjunction with this transaction, Onex, Onex Partners III, Onex management, certain limited partners and others invested $50 in JELD-WEN for convertible preferred stock. Onex' share of the investment in convertible preferred stock was $12.

In addition, JELD-WEN completed an acquisition in January 2012 for total consideration of $1.

d) In December 2012, the Company acquired a controlling interest in USI Insurance Services ("USI"). USI is a leader in the insurance brokerage market with a diversified mix of property and casualty, employee benefits and retirement consulting. The Company's total equity investment in USI was $636 for an initial 93% ownership interest, which includes $510 from Onex Partners III and $126 from Onex as a co-investment. Onex' total initial equity investment in USI was $254 for an initial 37% ownership interest.

In addition, USI completed three acquisitions in late December 2012 for total consideration of $28, of which $10 was non-cash consideration.

In March 2013, $84 of the amount originally invested by Onex in USI was sold, at Onex' original cost, to certain limited partners and others as a co-investment. After giving effect to the co-investment sale, Onex' total investment in USI is $170 and is comprised of $128 through Onex Partners III and $42 as a co-investment.

e) In December 2012, the Company acquired a controlling interest in KraussMaffei AG ("KraussMaffei"). KraussMaffei is a global leader in the design and manufacture of machinery and systems for the processing of plastics and rubber used in the injection molding, extrusion and reaction process segments. The Company's initial equity investment of $358, for an initial 97% ownership interest, was made by Onex, Onex Partners III and Onex management. Onex' initial equity investment in KraussMaffei was $90 for an initial 25% ownership interest.

In July 2013, $8 of accounts receivable held by Onex, Onex Partners III and Onex management was converted to additional equity of KraussMaffei. Onex' share of the additional equity was $2.

f) In December 2012, ONCAP III completed the acquisition of Bradshaw International, Inc. ("Bradshaw"), a California, United States headquartered designer, marketer and category manager of branded and private label kitchen, cooking and cleaning products. Onex and ONCAP III have an approximate 92% ownership in Bradshaw, of which Onex' equity ownership is 28%. Onex and ONCAP III's total equity investment in Bradshaw was $80, of which Onex' share was $24.

In addition, ONCAP includes acquisitions made by CiCi's Pizza, Davis-Standard Holdings, Inc. ("Davis-Standard"), Hopkins, Mister Car Wash, BSN SPORTS and Caliber Collision for total consideration of $83, which excludes a non-cash bargain purchase gain of $5.

g) Other includes acquisitions made by Carestream Health, CDI (up to the date of disposition in July 2012), ResCare and Skilled Healthcare Group for total consideration of $41, of which $2 was non-cash consideration.

Included in the acquisitions above were gross receivables due from customers of $323, of which $5 of contractual cash flows are not expected to be recovered. The fair value of these receivables at the dates of acquisition was determined to be $318.

Net earnings from the date of acquisition to December 31, 2012 for these acquisitions were not significant to the Company's results for the year ended December 31, 2012.

The Company estimates it would have reported consolidated revenues of $30,137 and a net loss of $110 for the year ended December 31, 2012 if the acquisitions completed during 2012 had been acquired on January 1, 2012. The estimates do not reflect the impact of operations subsequently classified as discontinued. The estimated net loss reflects the impact of amortization for intangibles established upon acquisition.

Goodwill of the acquisitions was attributable primarily to the acquired workforce, non-contractual established customer bases and technological knowledge of the acquired companies. Goodwill of the acquisitions that was expected to be deductible for tax purposes was $72.

3. DISCONTINUED OPERATIONS

The following table shows revenue, expenses and net after-tax results from discontinued operations, which represents the results of TMS International Corp. ("TMS International"). The sales of CDI in 2012 and BSN SPORTS and Caliber Collision in 2013, as described in note 23, did not represent separate major lines of business, and as a result, have not been presented as discontinued operations.

Year ended December 31	2013	2012
Revenues	**$ 1,828**	$ 2,526
Expenses	**(1,797)**	(2,489)
Earnings before income taxes	**31**	37
Provision for income taxes	**(12)**	(11)
Gain, net of tax	**242**	–
Net earnings for the year	**$ 261**	$ 26

In October 2013, Onex, Onex Partners II and Onex management sold their remaining 23.4 million shares of TMS International, of which Onex' portion was approximately 9.3 million shares. The sale was part of an offer made for all outstanding shares of TMS International. The sale was completed at a price of $17.50 cash per share. Onex' cash cost for these shares was $7.84 per share. Total cash proceeds received from the sale were $410, resulting in a pre-tax gain of $249. Onex recorded a non-cash tax provision of $7

on the gain. Onex' share of the cash proceeds was $172, including carried interest. The gain on the sale 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. Amounts received on account of the carried interest related to this transaction totalled $25. Consistent with market practice and the terms of the Onex Partners agreements, Onex is allocated 40% of the carried interest with 60% allocated to management. Onex' share of the carried interest received was $10 and is included in Onex' share of the cash proceeds. Management's share of the carried interest was $15. No amounts were paid on account of the MIP for this transaction as the required investment hurdle for Onex was not met. The operations of TMS International are presented as discontinued in the consolidated statements of earnings and cash flows and the prior period has been restated to report the results of TMS International as discontinued on a comparative basis.

The following table shows the summarized aggregate assets and liabilities of discontinued operations:

	December 31, 2012	January 1, 2012
Cash and cash equivalents	$ 27	$ 109
Other current assets	350	376
Intangible assets	147	153
Goodwill	240	239
Property, plant and equipment and other non-current assets	225	168
	989	1,045
Current liabilities	(310)	(330)
Non-current liabilities	(377)	(446)
Net assets of discontinued operations	$ 302	$ 269

The following table presents the summarized aggregate cash flows from (used in) discontinued operations.

Year ended December 31	**2013**	2012
Operating activities	**$ 117**	$ 150
Financing activities	**(28)**	(117)
Investing activities	**(115)**	(115)
Decrease in cash and cash equivalents for the year	**(26)**	(82)
Decrease in cash and cash equivalents due to changes in foreign exchange rates	**(1)**	–
Cash and cash equivalents, beginning of the year	**27**	109
Cash and cash equivalents, end of the year	**–**	27
Proceeds from sales of operating companies no longer controlled	**410**	–
	$ 410	$ 27

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following:

As at December 31	**2013**	2012
Cash at bank and on hand	**$ 1,165**	$ 1,212
Bank term deposits	**276**	284
Commercial paper	**1,184**	714
Money market funds	**566**	446
	$ 3,191	$ 2,656

5. INVENTORIES

Inventories comprised the following:

As at December 31	**2013**	2012
Raw materials	**$ 1,150**	$ 1,155
Work in progress	**2,168**	2,625
Finished goods	**539**	608
Real estate held for sale	**15**	131
	$ 3,872	$ 4,519

During the year ended December 31, 2013, $14,873 (2012 – $13,670) of inventory was expensed in cost of sales. Note 11 provides details on inventory provisions recorded by the Company.

6. OTHER CURRENT ASSETS

Other current assets comprised the following:

As at December 31	**2013**	2012
Current portion of ceded claims recoverable held by The Warranty Group (note 14)	**$ 129**	$ 146
Current portion of prepaid premiums of The Warranty Group	**424**	392
Current portion of deferred costs of The Warranty Group (note 9)	**128**	123
Income and value added taxes receivable	**169**	91
Prepaid expenses	**144**	205
Restricted cash	**139**	159
Other	**345**	327
	$ 1,478	$ 1,443

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprised the following:

	Land	Buildings	Machinery and Equipment	Construction in Progress	Total
At January 1, 2012					
Cost	$ 599	$ 2,445	$ 4,223	$ 386	$ 7,653
Accumulated amortization and impairments	(8)	(521)	(2,022)	–	(2,551)
Net book amount	$ 591	$ 1,924	$ 2,201	$ 386	$ 5,102
Year ended December 31, 2012					
Opening net book amount	$ 591	$ 1,924	$ 2,201	$ 386	$ 5,102
Additions	4	75	182	496	757
Disposals	(2)	(19)	(18)	(1)	(40)
Amortization charge	–	(126)	(412)	–	(538)
Amortization charge (discontinued operations)	–	(3)	(54)	–	(57)
Acquisition of subsidiaries	37	85	233	10	365
Disposition of operating companies	–	(8)	(23)	(1)	(32)
Impairment charge[a]	(2)	(18)	(19)	–	(39)
Transfers from construction in progress	–	94	473	(567)	–
Foreign exchange	3	12	6	(4)	17
Other	(14)	(16)	(5)	(5)	(40)
Closing net book amount	$ 617	$ 2,000	$ 2,564	$ 314	$ 5,495
At December 31, 2012					
Cost	$ 627	$ 2,601	$ 4,746	$ 314	$ 8,288
Accumulated amortization and impairments	(10)	(601)	(2,182)	–	(2,793)
Net book amount	$ 617	$ 2,000	$ 2,564	$ 314	$ 5,495
Year ended December 31, 2013					
Opening net book amount	$ 617	$ 2,000	$ 2,564	$ 314	$ 5,495
Additions	1	47	325	493	866
Disposals	(5)	(15)	(191)	(1)	(212)
Amortization charge	–	(138)	(481)	–	(619)
Amortization charge (discontinued operations)	–	(3)	(46)	–	(49)
Acquisition of subsidiaries	3	6	17	3	29
Disposition of operating companies	(1)	(30)	(124)	(59)	(214)
Impairment charge	(4)	(133)	(9)	–	(146)
Transfers from construction in progress	–	99	377	(476)	–
Foreign exchange	(8)	(6)	(1)	(1)	(16)
Other	(7)	(3)	–	(19)	(29)
Closing net book amount	$ 596	$ 1,824	$ 2,431	$ 254	$ 5,105
At December 31, 2013					
Cost	$ 609	$ 2,544	$ 4,732	$ 254	$ 8,139
Accumulated amortization and impairments	(13)	(720)	(2,301)	–	(3,034)
Net book amount	$ 596	$ 1,824	$ 2,431	$ 254	$ 5,105

(a) Property, plant and equipment impairments of $16 related to Celestica have been included in other items (note 24) as part of Celestica's restructuring charges in 2012.

Property, plant and equipment cost and accumulated amortization and impairments have been reduced for components retired during 2012 and 2013. At December 31, 2013, property, plant and equipment includes amounts under finance leases of $126 (2012 – $116) and related accumulated amortization of $59 (2012 – $53). During 2013, borrowing costs of $12 (2012 – $20) were capitalized and are included in the cost of additions.

8. LONG-TERM INVESTMENTS

Long-term investments comprised the following:

	December 31, 2013	December 31, 2012	January 1, 2012
Investments in joint ventures and associates at fair value through earnings:			
Onex Partners[a]	**$ 3,369**	$ 3,234	$ 3,234
Other joint venture and associate investments[a]	**135**	136	128
Long-term investments held by The Warranty Group[b]	**1,550**	1,628	1,501
Onex Credit Partners' investments in corporate loans[c]	**1,810**	790	–
Investment in Onex Credit Partners funds[d]	**469**	441	412
Other[e]	**231**	195	140
	$ 7,564	$ 6,424	$ 5,415

a) Investments in joint ventures and associates

Certain investments in joint ventures and associates, over which the Company has joint control or significant influence, but not control, are designated, upon initial recognition, 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. Details of those investments designated at fair value included in long-term investments are as follows:

	Onex Partners	Other Joint Venture and Associate Investments	Total
Balance – January 1, 2012	$ 3,234	$ 128	$ 3,362
Purchase of investments	165	7	172
Sale of investments	(326)	–	(326)
Distributions received	(676)	(25)	(701)
Increase in fair value of investments, net	837	26	863
Balance – December 31, 2012	$ 3,234	$ 136	$ 3,370
Sale of investments	(908)	–	(908)
Distributions received	(52)	(4)	(56)
Increase in fair value of investments, net	1,095	3	1,098
Balance – December 31, 2013	$ 3,369	$ 135	$ 3,504

Onex Partners includes investments in Allison Transmission, BBAM, RSI (sold in February 2013) and Tomkins. Other joint ventures and associates accounted for at fair value through earnings primarily include investments in certain Onex Real Estate investments. Investments in joint ventures and associates designated at fair value are measured with significant unobservable inputs (Level 3 of the fair value hierarchy), with the exception of Allison Transmission (beginning March 2012), which is measured with significant other observable inputs (Level 2 of the fair value hierarchy). The joint ventures and associates also have financing arrangements that typically restrict their ability to transfer cash and other assets to the Company.

Allison Transmission

In March 2012, Allison Transmission completed an initial public offering of approximately 30.0 million shares of common stock (NYSE: ALSN), including the exercise of the over-allotment option. As part of the offering, Onex, Onex Partners II, Onex management and certain limited partners sold approximately 15.0 million shares, of which Onex' portion was approximately 4.7 million shares. The sale was completed at a price of $23.00 cash per share. The cash cost for these shares was $8.44 per share. Net proceeds of $326 were received by Onex, Onex Partners II, Onex management and certain limited partners. Onex' share of the net proceeds was $102. Onex' investment in Allison Transmission is recorded at fair value in the consolidated balance sheets, with changes in fair value recognized in the consolidated statements of earnings. The realized pre-tax gain on the portion of Allison Transmission sold was $200. The Limited Partners' share of the realized gain was $138, while Onex' share of the realized gain on the sale was $62.

In addition, Onex recorded a non-cash tax provision of $8 on the realized gain. The tax provision was included in provision for income taxes in the consolidated statements of earnings. Onex recognized a recovery of this tax provision during 2013 as part of an evaluation of recent changes in tax law as described in note 16. Carried interest was not received for the portion sold since Onex voluntarily reduced the amount of carried interest received. The carried interest that was voluntarily reduced was received on the realizations in Onex Partners II during 2013. No amounts were paid on account of this transaction related to the MIP as the required performance targets had not been met at that time.

In conjunction with Allison Transmission's initial public offering in March 2012, a fee of $8 was received from Allison Transmission as consideration for the early termination of the services agreement between Allison Transmission and Onex. The fee is included in revenue in the consolidated statements of earnings.

Allison Transmission began paying quarterly dividends beginning in 2012 following its initial public offering. The Company's share of the dividends paid during 2013 was $28 (2012 – $13), of which Onex' share was $8 (2012 – $4).

In August 2013, Allison Transmission completed a secondary offering to the public of 19.1 million shares of common stock and repurchased 4.7 million shares of common stock, for a total sale of 23.8 million shares of common stock. The secondary offering includes the full exercise of the over-allotment option. As part of the offering and share repurchase, Onex, Onex Partners II, Onex management and certain limited partners sold 11.9 million shares of common stock. Onex, Onex Partners II, Onex management and certain limited partners received net proceeds of $252 for their 11.9 million shares of common stock, of which Onex' portion was $84, including carried interest. The realized gain on the portion of Allison Transmission sold by Onex, Onex Partners II, Onex management and certain limited partners was $152, of which Onex' share was $47.

In November and December 2013, Allison Transmission completed secondary offerings to the public for a total of 27.5 million shares of common stock. Onex, Onex Partners II, Onex management and certain limited partners sold 13.75 million shares of common stock for net proceeds of $333, of which Onex' portion was $111, including carried interest. The realized gains on the portion of Allison Transmission sold in November and December 2013 was $217, of which Onex' share was $67.

Amounts received related to the carried interest on the 2013 transactions totalled $31, of which Onex' portion was $12 and management's portion was $19. No amounts were paid on account of these transactions related to the MIP as the required performance targets had not been met at those times.

After completion of the secondary offerings and share repurchases during 2013, Onex, Onex Partners II, Onex management and certain limited partners continue to own 49.7 million shares of common stock, or approximately 27% in the aggregate, of Allison Transmission's outstanding common stock.

BBAM

In December 2012, the Company acquired a 50% economic interest in BBAM Limited Partnership ("BBAM"). BBAM is one of the world's leading managers of commercial jet aircraft. The Company's investment of $165 was made by Onex, Onex Partners III and Onex management. Onex' share of the investment was $42 for a 13% economic interest. The investment in BBAM has been designated at fair value through earnings.

During 2013, BBAM completed distributions of $49. Onex, Onex Partners III and Onex management's share of the distributions was $24, of which Onex' share was $6.

Hawker Beechcraft

The decline in the general aviation industry over the past few years resulted in Hawker Beechcraft, previously a joint venture investment, being unable to meet certain of its financial obligations. In the second quarter of 2012, Hawker Beechcraft filed for bankruptcy protection in the United States. During the first quarter of 2013, Hawker Beechcraft exited bankruptcy protection. As part of the restructuring, Onex has a nominal equity interest in the company.

RSI

In February 2013, Onex, Onex Partners II and Onex management completed the sale of their entire investment in RSI. The sale was completed for proceeds of $323, of which Onex' share was $130, including carried interest. Onex' investment in RSI was recorded at fair value in the consolidated balance sheets, with changes in fair value recognized in the consolidated statements of earnings. The realized pre-tax gain on the sale of RSI, including prior distributions, was $153. The Limited Partners' share of the realized gain was $93, while Onex' share was $60. In addition, Onex initially recorded a non-cash tax provision of $5 on the realized gain. The tax provision was included in provision for income taxes in the consolidated statements of earnings. Onex recognized a recovery of this tax provision during 2013 as part of an evaluation of recent changes in tax law as described in note 16. Amounts received on account of the carried interest related to this transaction totalled $8. Onex' share of the carried interest received was $3 and is included in Onex' share of the cash proceeds. Management's share of the carried interest was $5, which was previously recorded as a liability within other non-current liabilities. No amounts were paid on account of the MIP for this transaction as the required investment return hurdle for Onex was not met.

Tomkins

In December 2012, Tomkins completed a distribution of $1,180 to its shareholders. The Company's share of the distribution was $663, of which Onex' share was $171.

Financial information of significant investments in joint ventures and associates

The tables below present certain balance sheet financial information for the Company's significant investments in joint ventures and associates.

	Allison Transmission[a]		Tomkins	
As at December 31	2013	2012	2013	2012
Current assets	$ 607	$ 490	$ 1,686	$ 1,580
Non-current assets	4,206	4,376	3,260	3,504
	4,813	4,866	4,946	5,084
Current liabilities	387	378	599	590
Non-current liabilities	2,987	3,131	2,315	2,550
	3,374	3,509	2,914	3,140
Net Assets	$ 1,439	$ 1,357	$ 2,032	$ 1,944

Included in the balance sheet financial information above are the following items:

	Allison Transmission[a]		Tomkins	
As at December 31	2013	2012	2013	2012
Cash and cash equivalents included in current assets	$ 185	$ 80	$ 338	$ 431
Current financial liabilities included in current liabilities	302	303	337	339
Non-current financial liabilities included in non-current liabilities	2,684	2,855	1,713	1,843

The tables below present certain statements of earnings financial information for the Company's significant investments in joint ventures and associates.

	Allison Transmission[a]		Tomkins	
Year ended December 31	2013	2012	2013	2012
Revenues	$ 1,927	$ 2,142	$ 2,947	$ 2,923
Total expenses (including recovery of (provision for) income taxes)	(1,762)	(1,628)	(2,811)	(2,939)
Earnings (loss) from continuing operations	165	514	136	(16)
Earnings from discontinued operations (net of tax)	–	–	–	764
Net Earnings	165	514	136	748
Other comprehensive earnings (loss)	23	13	(37)	15
Total Comprehensive Earnings	$ 188	$ 527	$ 99	$ 763

Included in the statements of earnings financial information above are the following items:

	Allison Transmission[a]		Tomkins	
Year ended December 31	2013	2012	2013	2012
Amortization	$ 204	$ 253	$ 215	$ 269
Interest income	1	1	18	6
Interest expense	134	152	143	286
Recovery of (provision for) income taxes	(101)	298	37	25

(a) The financial information of Allison Transmission is prepared in accordance with accounting principles generally accepted in the United States.

b) Long-term investments held by The Warranty Group

The table below presents the fair value of all investments in securities held by The Warranty Group at December 31:

	2013	2012
U.S. government and agencies	**$ 102**	$ 136
States and political subdivisions	**127**	130
Foreign governments	**451**	501
Corporate bonds	**660**	642
Mortgage-backed securities	**351**	360
Other	**77**	80
	$ 1,768	$ 1,849
Current portion[1]	**(218)**	(221)
Non-current portion	**$ 1,550**	$ 1,628

(1) The current portion is included in short-term investments in the consolidated balance sheets.

Fair values generally represent quoted market value prices for securities traded in an active market or estimated using a valuation technique.

Management of The Warranty Group believes that unrealized losses on individual securities that are not recognized as impairments are the result of normal price fluctuations due to market conditions and are not an indication of objective evidence of an impairment loss. Management of The Warranty Group further believes it has the intent and ability to hold these securities until they fully recover in value. These determinations are based upon an in-depth analysis of individual securities.

A portion of The Warranty Group's investments in securities is invested in residential and commercial mortgage-backed securities and other asset-backed securities. At December 31, 2013, the company had $351 invested in mortgage-backed securities and $77 in other asset-backed securities. The mortgage-backed securities are constructed from pools of mortgages and may have cash flow volatility as a result of changes in the rate at which prepayments of principal occur with respect to the underlying loans. Excluding limitations on access to lending and other extraordinary economic conditions, prepayments of principal on the underlying loans can be expected to accelerate with decreases in market interest rates and diminish with increases in interest rates. All of the company's asset-backed securities are widely held and actively traded in liquid markets. The maximum exposure to loss is limited to the current investment.

The fair value of fixed-maturity securities owned by The Warranty Group, by contractual maturity, is shown below:

As at December 31	2013	2012
Years to maturity:		
One or less	**$ 218**	$ 221
After one through five	**705**	744
After five through ten	**338**	340
After ten	**79**	104
Mortgage-backed securities	**351**	360
Other	**77**	80
	$ 1,768	$ 1,849

Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

At December 31, 2013, certificates of deposit, money market funds and available-for-sale fixed-maturity securities with a carrying value of $74 (2012 – $47) were on deposit with various insurance departments and regulators to satisfy various regulatory requirements.

c) Onex Credit Partners' investments in corporate loans

In March 2012, Onex Credit Partners established its first collateralized loan obligation ("CLO"). A CLO is a leveraged structured vehicle that holds a widely diversified collateral asset portfolio and is funded through the issuance of collateralized loan instruments in a series of tranches of secured notes and equity. As of December 31, 2013, Onex Credit Partners had established four CLOs (2012 – two CLOs), which were funded through the issuance of secured notes and/or equity in private placement transactions in an initial aggregate amount of $1,874 (2012 – $848), as described in note 12(g). Onex' total investment at original cost in the Onex Credit Partners CLOs at December 31, 2013 was $122 (2012 – $58) and has been made in the most subordinated capital of each respective CLO as follows:

	Closing Date	As at December 31, 2013	As at December 31, 2012
OCP CLO-1	March 2012	**$ 32**	$ 32
OCP CLO-2	November 2012	**26**	26
OCP CLO-3	March 2013	**24**	–
OCP CLO-4	October 2013	**40**	–
		$ 122	$ 58

During 2013, Onex received distributions from the CLOs of $13 (2012 – $3), excluding investment income earned during the warehouse periods of the CLOs.

The asset portfolio held by the CLOs consists of cash and cash equivalents and corporate loans and has been designated to be recorded at fair value. The asset portfolio of each CLO is pledged as collateral for its respective secured notes and/or equity. The CLOs have reinvestment periods ranging from 3 to 4 years, during which reinvestment can be made in collateral. Onex is required to consolidate the operations and results of the Onex Credit Partners' CLOs, as more fully described in note 1.

At December 31, 2013, the asset portfolio of the Onex Credit Partners CLOs included $1,810 (2012 – $790) of corporate loans as follows:

	As at December 31, 2013	As at December 31, 2012
OCP CLO-1	**$ 323**	$ 320
OCP CLO-2	**499**	470
OCP CLO-3	**495**	–
OCP CLO-4	**493**	–
	$ 1,810	$ 790

d) Investments in Onex Credit Partners funds

The investments in Onex Credit Partners funds are recorded at fair value and classified as fair value through earnings. At December 31, 2013, Onex had $343 (2012 – $328) invested at fair value in a segregated Onex Credit Partners unleveraged senior secured loan strategy fund and $126 (2012 – $113) invested in other Onex Credit Partners funds. Onex' maximum exposure to losses from its investments in the Onex Credit Partners funds is limited to its current investments. During 2013 and 2012, Onex did not provide any financial or other support to the Onex Credit Partners funds and Onex has no contractual obligation to provide such support in the future.

e) Onex Credit Partners CLO warehouse facility

In November 2013, Onex Credit Partners established a warehouse facility in connection with its fifth CLO, OCP CLO-5. Onex purchased $10 of subordinated notes to support the warehouse facility's total return swap ("TRS"). The subordinated notes do not have a stated rate of interest, but will receive any excess available funds from the termination of the TRS. The TRS terminates on the earlier of the closing of OCP CLO-5 and November 13, 2014. Onex consolidates the warehouse facility for OCP CLO-5, and at December 31, 2013, the TRS was recorded at a fair value of $10 with the change in fair value recognized through earnings.

In February 2014, Onex purchased an additional $30 of subordinated notes to increase the size of the TRS for OCP CLO-5.

9. OTHER NON-CURRENT ASSETS

Other non-current assets comprised the following:

As at December 31	**2013**	2012
Deferred income taxes (note 16)	**$ 308**	$ 447
Defined benefit pensions (note 32)	**301**	120
Non-current portion of ceded claims recoverable held by The Warranty Group (note 14)	**241**	300
Non-current portion of prepaid premiums of The Warranty Group	**556**	544
Non-current portion of deferred costs of The Warranty Group[a]	**171**	150
Other	**523**	425
	$ 2,100	$ 1,986

a) Deferred costs of The Warranty Group consist of certain costs of acquiring warranty and credit business including commissions, underwriting and sales expenses that result directly from, and are essential to, the acquisition of new business. These charges are deferred and amortized as the related premiums and contract fees are earned. At December 31, 2013, $299 (2012 – $273) of costs were deferred, of which $128 (2012 – $123) has been recorded as current (note 6).

10. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets comprised the following:

	Goodwill	Trademarks and Licenses	Customer Relationships	Computer Software	Other Intangible Assets with Limited Life	Other Intangible Assets with Indefinite Life	Total Intangible Assets
At January 1, 2012							
Cost	$ 2,611	$ 658	$ 1,772	$ 668	$ 1,189	$ 573	$ 4,860
Accumulated amortization and impairments	(177)	(146)	(830)	(498)	(780)	(7)	(2,261)
Net book amount	$ 2,434	$ 512	$ 942	$ 170	$ 409	$ 566	$ 2,599
Year ended December 31, 2012							
Opening net book amount	$ 2,434	$ 512	$ 942	$ 170	$ 409	$ 566	$ 2,599
Additions	–	–	–	63	12	–	75
Disposals	(1)	–	(1)	–	(1)	–	(2)
Amortization charge	–	(32)	(139)	(60)	(86)	–	(317)
Amortization charge (discontinued operations)	–	–	(9)	(3)	–	–	(12)
Acquisition of subsidiaries	2,032	401	2,032	31	57	3	2,524
Disposition of operating companies	(87)	(3)	–	–	(16)	–	(19)
Impairment charge	(29)	–	(3)	(7)	(3)	–	(13)
Foreign exchange	9	4	2	1	1	1	9
Other	–	9	(2)	4	(9)	(13)	(11)
Closing net book amount	$ 4,358	$ 891	$ 2,822	$ 199	$ 364	$ 557	$ 4,833
At December 31, 2012							
Cost	$ 4,544	$ 1,066	$ 3,804	$ 629	$ 1,196	$ 564	$ 7,259
Accumulated amortization and impairments	(186)	(175)	(982)	(430)	(832)	(7)	(2,426)
Net book amount [(1)]	$ 4,358	$ 891	$ 2,822	$ 199	$ 364	$ 557	$ 4,833
Year ended December 31, 2013							
Opening net book amount	$ 4,358	$ 891	$ 2,822	$ 199	$ 364	$ 557	$ 4,833
Additions	–	2	–	66	22	–	90
Disposals	–	–	–	(5)	(1)	–	(6)
Amortization charge	–	(39)	(328)	(76)	(83)	–	(526)
Amortization charge (discontinued operations)	–	–	(7)	(2)	–	–	(9)
Acquisition of subsidiaries	750	194	341	4	6	–	545
Disposition of operating companies	(457)	(8)	(205)	(18)	(10)	(38)	(279)
Impairment charge	(134)	(24)	(9)	(1)	(3)	(2)	(39)
Foreign exchange	(1)	(8)	4	(2)	–	(1)	(7)
Other	(47)	50	56	3	(8)	(8)	93
Closing net book amount	$ 4,469	$ 1,058	$ 2,674	$ 168	$ 287	$ 508	$ 4,695
At December 31, 2013							
Cost	$ 4,789	$ 1,296	$ 3,891	$ 658	$ 1,171	$ 511	$ 7,527
Accumulated amortization and impairments	(320)	(238)	(1,217)	(490)	(884)	(3)	(2,832)
Net book amount [(1)]	$ 4,469	$ 1,058	$ 2,674	$ 168	$ 287	$ 508	$ 4,695

(1) At December 31, 2013, trademarks and licenses and customer relationships include amounts determined to have indefinite useful lives of $833 and nil (2012 – $536 and $22), respectively.

Additions to goodwill and intangible assets primarily arose through business combinations (note 2). Additions to intangible assets through internal development were $25 (2012 – $16) and those acquired separately were $65 (2012 – $59). Included in the balance of intangible assets at December 31, 2013 were $176 (2012 – $192) of internally generated intangible assets.

Intellectual property primarily represents the costs of certain intellectual property and process know-how obtained in acquisitions. Intangible assets include trademarks, non-competition agreements, customer relationships, software, contract rights and expiration rights obtained in the acquisition of certain facilities. Certain intangible assets are determined to have indefinite useful lives when the Company has determined there is no foreseeable limit to the period over which the intangible assets are expected to generate net cash inflows.

11. PROVISIONS

A summary of provisions presented contra to assets in the consolidated balance sheets detailed by the components of charges and movements is presented below.

	Accounts Receivable Provision[a]	Inventory Provision[b]	Total
Balance – December 31, 2012	$ 81	$ 69	$ 150
Charged (credited) to statement of earnings:			
Additional provisions	51	88	139
Unused amounts reversed during the year	(5)	(16)	(21)
Disposition of operating companies	(5)	(4)	(9)
Amounts used during the year	(33)	(23)	(56)
Other adjustments	–	3	3
Balance – December 31, 2013	$ 89	$ 117	$ 206

a) Accounts receivable provisions are established by the operating companies when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable. When a receivable is considered permanently uncollectible, the receivable is written off against the allowance account.

b) Inventory provisions are established by the operating companies for any excess, obsolete or slow-moving items.

A summary of provisions presented as liabilities in the consolidated balance sheets detailed by the components of charges and movements is presented below.

	Restructuring[c]	Self-Insurance[d]	Warranty[e]	Other[f]	Total
Current portion of provisions	$ 44	$ 71	$ 74	$ 158	$ 347
Non-current portion of provisions	13	110	57	84	264
Balance – December 31, 2012	$ 57	$ 181	$ 131	$ 242	$ 611
Charged (credited) to statement of earnings:					
Additional provisions	95	237	102	173	607
Unused amounts reversed during the year	(3)	(1)	(8)	(30)	(42)
Acquisition of subsidiaries	–	–	–	29	29
Disposition of operating companies	–	(10)	–	(2)	(12)
Amounts used during the year	(101)	(230)	(53)	(68)	(452)
Increase in provisions due to passage of time and changes in discount rates	–	–	–	5	5
Other adjustments	–	(2)	34	(28)	4
Balance – December 31, 2013	$ 48	$ 175	$ 206	$ 321	$ 750
Current portion of provisions	(42)	(85)	(81)	(123)	(331)
Non-current portion of provisions	$ 6	$ 90	$ 125	$ 198	$ 419

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

The operating companies record restructuring provisions relating to employee terminations, contractual lease obligations and other exit costs when the liability is incurred. The recognition of these provisions requires management to make certain judgements regarding the nature, timing and amounts associated with the planned restructuring activities, including estimating sublease income and the net recovery from equipment to be disposed of. At the end of each reporting period, the operating companies evaluate the appropriateness of the remaining accrued balances. The restructuring plans are expected to result in cash outflows for the operating companies between 2014 and 2018.

The closing balance of restructuring provisions consisted of the following:

As at December 31	2013	2012
Employee termination costs	$ 23	$ 27
Lease and other contractual obligations	22	28
Facility exit costs and other	3	2
	$ 48	$ 57

d) Self-insurance provisions are established by the operating companies for automobile, workers' compensation, general liability, professional liability and other claims. Provisions are established for claims based upon an assessment of actual claims and claims incurred but not reported. The reserves may be established based on consultation with third-party independent actuaries using actuarial principles and assumptions that consider a number of factors, including historical claim payment patterns and changes in case reserves, and the assumed rate of inflation in healthcare costs and property damage repairs.

e) Warranty provisions are established by the operating companies for warranties offered on the sale of products or services. Warranty provisions are established to provide for future warranty costs based on management's best estimate of probable claims under these warranties. The warranty provisions exclude reserves recognized by The Warranty Group for its warranty contracts.

f) Other includes contingent consideration, legal, transition and integration, asset retirement and other provisions. Transition and integration provisions are typically to provide for the costs of transitioning the activities of an operating company from a prior parent company upon acquisition and to integrate new acquisitions at the operating companies.

12. LONG-TERM DEBT OF OPERATING COMPANIES, WITHOUT RECOURSE TO ONEX CORPORATION

Long-term debt of operating companies, without recourse to Onex Corporation, is as follows:

As at December 31		2013	2012
Carestream Health[a]	Revolving credit facility and term loans due 2018 and 2019	**$ 2,270**	$ –
	Revolving facility and term loan due 2016 and 2017	**–**	1,742
	Redeemable preferred shares	**–**	142
		2,270	1,884
Celestica[b]	Revolving credit facility due 2015	**–**	55
Emerald Expositions[c]	Revolving credit facility and term loan due 2018 and 2020	**424**	–
	Senior notes due 2021	**200**	–
		624	–
Flushing Town Center[d]	Senior construction loan due 2014	**407**	533
	Mezzanine loan due 2014	**44**	39
		451	572
JELD-WEN[e]	Senior secured notes due 2017	**452**	450
	Senior secured revolving credit facility and term loan due 2016	**169**	60
	Convertible promissory notes due 2013	**–**	128
	Other	**59**	58
		680	696
KraussMaffei[f]	Senior secured notes due 2020	**448**	429
	Other	**2**	–
		450	429
Onex Credit Partners CLOs[g]	Secured notes due 2023 to 2025	**1,723**	801
ResCare[h]	Senior secured revolving credit facility and term loan due 2017	**158**	171
	Senior subordinated notes due 2019	**200**	200
	Other	**2**	2
		360	373
SGS International[i]	Senior secured revolving credit facility and term loan due 2017 and 2019	**385**	400
	Senior notes due 2020	**210**	210
		595	610
Sitel Worldwide[j]	Revolving credit facility and term loan due 2016 and 2017	**246**	245
	Senior unsecured notes due 2018	**290**	288
	Senior secured notes due 2017	**191**	190
	Mandatorily redeemable preferred shares	**128**	113
		855	836
Skilled Healthcare Group[k]	Revolving credit facility and term loan due 2015 and 2016	**261**	444
	Insured loans due 2043 and 2048	**87**	–
	Mortgage-backed revolving credit facility and term loan due 2016	**67**	–
	Other	**4**	5
		419	449
Spirit AeroSystems[l]	Revolving credit facility and term loan due 2017 and 2019	**538**	543
	Senior subordinated notes due 2017	**296**	296
	Senior subordinated notes due 2020	**300**	300
	Other	**18**	21
		1,152	1,160
The Warranty Group[m]	Revolving credit facility and term loan due 2016	**246**	249
	Redeemable preferred shares	**380**	410
		626	659
TMS International[n]	Revolving borrowings and senior secured term loan	**–**	295
	Other	**–**	21
		–	316
Tropicana Las Vegas[o]	Revolving credit facility due 2018	**59**	40
USI[p]	Senior secured revolving credit facility and term loan due 2017 and 2019	**1,010**	1,040
	Senior notes due 2021	**630**	630
	Other	**16**	15
		1,656	1,685
ONCAP companies[q]	Revolving credit facility and term loans due 2015 to 2018	**772**	879
	Subordinated notes due 2014 to 2021	**311**	303
	Other	**8**	63
		1,091	1,245
Other		**45**	5
Less: long-term debt held by the Company		**(873)**	(1,120)
Long-term debt, December 31		**12,183**	10,695
Less: financing charges		**(213)**	(225)
		11,970	10,470
Current portion of long-term debt of operating companies, without recourse to Onex Corporation		**(651)**	(286)
Consolidated long-term debt of operating companies, without recourse to Onex Corporation		**$ 11,319**	$ 10,184

Onex Corporation does not guarantee the debt of its operating companies, nor are there any cross-guarantees between operating companies.

The financing arrangements for each operating company typically contain certain restrictive covenants, which may include limitations or prohibitions on additional indebtedness, payment of cash dividends, redemption of capital, capital spending, making of investments and acquisitions and sales of assets. The financing arrangements may also require the redemption of indebtedness in the event of a change of control of an operating company. In addition, certain financial covenants must be met by those operating companies that have outstanding debt.

Future changes in business conditions of an operating company may result in non-compliance with certain covenants by that company. No adjustments to the carrying amount or classification of assets or liabilities of any operating company have been made in the consolidated financial statements with respect to any possible non-compliance.

a) Carestream Health

In June 2013, Carestream Health entered into a new credit facility. The credit facility consists of a $1,850 first-lien term loan, a $500 second-lien term loan and a $150 revolving facility. The first-lien term loan bears interest at LIBOR (subject to a floor of 1.00%) plus a margin of 4.00% and matures in June 2019. The offering price was 98.50% of par to yield 5.40% to maturity. The second-lien term loan bears interest at LIBOR (subject to a floor of 1.00%) plus a margin of 8.50% and matures in December 2019. The offering price was 98.00% of par to yield 10.00% to maturity. The first- and second-lien term loans include optional redemption provisions at a range of redemption prices plus accrued and unpaid interest. The revolving facility bears interest at LIBOR (subject to a floor of 1.00%) plus a margin of 4.00% and matures in June 2018. Substantially all of Carestream Health's assets are pledged as collateral under the new credit facility.

The proceeds from the new credit facility, along with cash on hand, were used to fully repay existing debt facilities, fund a $750 distribution to shareholders and pay fees and expenses associated with the transaction. The Company's share of the distribution was $695, of which Onex' share was $303, including carried interest of $50 and after deducting distributions on account of the MIP. Onex initially recorded a non-cash tax provision of $38 on the distribution. Onex recognized a recovery of this tax provision during 2013 as part of an evaluation of recent changes in tax law as described in note 16.

Amounts received on account of the carried interest related to this transaction totalled $121, of which Onex' share was $50. Management's share of the carried interest was $71. In addition, amounts on account of the MIP totalled $21 for this transaction.

In connection with the new credit facility, Carestream Health entered into a series of interest rate swap agreements that swap the variable rate portion for fixed rates through December 2017. The agreements have an initial notional amount of $1,150, reducing to $920 during the term of the agreements.

At December 31, 2013, the first-lien term loan with $1,804 outstanding was recorded net of the unamortized discount of $25. At December 31, 2013, the second-lien term loan with $500 outstanding was recorded net of the unamortized discount of $9. At December 31, 2013, no amounts were outstanding under the revolving facility.

As a result of the refinancing, Carestream Health recognized debt prepayment charges of $16 in the second quarter of 2013, which are included in interest expense in the consolidated statements of earnings.

In February 2011, Carestream Health had entered into a credit facility. The credit facility consisted of a $1,850 term loan and a $150 revolving facility. The term loan and revolving facility bore interest at LIBOR (subject to a floor of 1.50%) plus a margin of 3.50% or a base rate plus a margin of 2.50%.

At December 31, 2012, $1,748 and nil were outstanding under the term loan and revolving facility, respectively. The term loan was recorded net of the unamortized discount of $6.

Included in long-term debt at December 31, 2012 was $142 of redeemable preferred shares, including accumulated and unpaid dividends, of which $139 was held by the Company. The redeemable preferred shares accrued annual dividends at a rate of 10%. During 2013, Carestream Health redeemed a total of $148 (2012 – $127) for all of its remaining redeemable preferred shares, including $7 (2012 – $41) of accumulated and unpaid dividends. The redemption of redeemable preferred shares during 2013 formed part of Carestream Health's $750 distribution to its shareholders as described above.

b) Celestica

Celestica has a $400 revolving credit facility that matures in January 2015. At December 31, 2013, Celestica had no amounts outstanding (2012 – $55) under its revolving credit facility. In addition, Celestica issued $30 (2012 – $31) of letters of credit under its revolving credit facility at December 31, 2013.

The facility has restrictive covenants relating to debt incurrence, the sales of assets and a change of control and also contains financial covenants that require Celestica to maintain certain financial ratios. Celestica has pledged certain assets as security for borrowings under its revolving credit facility. Celestica also has uncommitted bank overdraft facilities available for intraday and overnight operating requirements that totalled $70 (2012 – $70) at December 31, 2013.

c) Emerald Expositions

In June 2013, Emerald Expositions entered into a credit facility consisting of a $430 term loan and a $90 revolving facility. The offering price of the term loan was 99.00% of par to yield 5.75% to maturity. Borrowings under the term loan bear interest at LIBOR (subject to a floor of 1.25%) plus a margin of 4.25%. The term loan requires quarterly repayments, but can be repaid in whole or in part without premium or penalty any time before maturity in June 2020. The revolving facility bears interest at LIBOR plus a margin of 4.25% and matures in June 2018. Substantially all of Emerald Expositions' assets are pledged as collateral under the credit facility. At December 31, 2013, the term loan with $428 outstanding was recorded net of the unamortized discount of $4 and no amounts were outstanding under the revolving facility.

In January 2014, Emerald Expositions amended its credit facility to increase its term loan by $200 to partially fund an acquisition, as described in note 33. The addition to the term loan continues to bear interest at the same rate as the existing term loan and requires quarterly repayments until maturity in June 2020.

In June 2013, Emerald Expositions issued $200 in aggregate principal amount of 9.00% senior notes due in June 2021. Interest is payable semi-annually beginning in December 2013. The senior notes may be redeemed by the company at any time at various premiums above face value. At December 31, 2013, senior notes of $200 were outstanding.

d) Flushing Town Center

In December 2010, Flushing Town Center amended and restated its senior construction loan and mezzanine loan, increasing the total amount available under the senior construction loan to $642, including $25 of letters of credit, and extending the maturity to December 2013. The loans had two one-year extension options. The loans bear interest at LIBOR plus a margin that ranges between 1.55% and 3.65%. In conjunction with these amendments, the Company purchased $56 and $38 of the senior construction loan and mezzanine loan, respectively, from third-party lenders.

In November 2011, Flushing Town Center amended its senior construction loan agreement whereby the Company contributed an additional $14 in equity, of which $7 was in cash and $7 was in the form of a letter of credit that can be drawn upon to fund project costs. In addition, the initial maturity of the loans was extended to June 2014 and the second extension option was reduced from one year to six months. As at December 31, 2013, no amount (2012 – $1) was available under the letter of credit.

Flushing Town Center is in discussions with its lenders to refinance its loans prior to maturity in June 2014.

As at December 31, 2013, $409 and $46 (2012 – $541 and $45) of principal plus accrued interest were outstanding under the senior construction and mezzanine loans, respectively, of which a total of $90 (2012 – $105) was held by the Company. The senior construction and mezzanine loans are recorded net of unamortized debt extinguishment gains of $2 and $2 (2012 – $8 and $6), respectively. In addition, letters of credit of $5 (2012 – $5) were outstanding, which partially reduce the amount available to be drawn under the senior construction loan.

Substantially all of Flushing Town Center's assets are pledged as collateral under the senior construction and mezzanine loans.

e) JELD-WEN

In October 2011, JELD-WEN completed an offering of $460 in aggregate principal amount of 12.25% senior secured notes due in 2017. JELD-WEN received net proceeds of $448 after original issue discounts. Interest on the senior secured notes is payable semi-annually. The senior secured notes may be redeemed prior to maturity at various premiums above face value. The senior secured notes are secured by a second priority lien on the collateral securing the senior secured revolving credit facility, as described below. At December 31, 2013, the senior secured notes with $460 (2012 – $460) outstanding were recorded net of the unamortized discount of $8 (2012 – $10).

In October 2011, JELD-WEN entered into a senior secured credit agreement that initially consisted of a $300 revolving credit facility maturing in April 2016. The facility contains a $75 sublimit for the issuance of letters of credit and a $100 sublimit for borrowings by a European subsidiary of JELD-WEN. Borrowings under the facility bear interest at either the Eurodollar rate or a base rate determined as the highest of the overnight Federal Funds rate plus 0.50%, the Eurodollar rate plus 1.00% or the prime rate. A margin is added to the Eurodollar and base rate that varies based on JELD-WEN's consolidated leverage ratio; base rate loan margins range from 1.50% to 3.00% and Eurodollar-based loan margins range from 2.50% to 4.00%. In addition, JELD-WEN pays a commitment fee ranging from 0.45% to 0.75% on the unused portion of the facility and a letter of credit fee ranging from 2.50% to 4.00% on the face amount of outstanding letters of credit.

In October 2012, JELD-WEN amended its senior secured credit agreement to add a $30 term loan, which matures in April 2016. In June 2013, JELD-WEN further amended its senior secured credit agreement to increase its term loan to $100 from $30. The term loan bears interest at either the Eurodollar rate plus a margin of up to 3.50% or a base rate plus a margin of up to 2.50% and requires quarterly amortization payments beginning in December 2013. Proceeds from the addition to the term loan were primarily used to repay a portion of the outstanding balance under the revolving credit facility.

Borrowings under the senior secured credit agreement are secured by first priority liens on substantially all of the present and future assets of JELD-WEN and its subsidiary guarantors.

At December 31, 2013, $70 (2012 – $30) was outstanding under the revolving credit facility and $99 (2012 – $30) was outstanding under the term loan. The amount available under the revolving credit facility was reduced by $38 (2012 – $39) of letters of credit outstanding at December 31, 2013.

JELD-WEN is required under the terms of the senior secured credit agreement to maintain certain financial ratios. The agreement and the indenture governing the senior secured notes also contain certain additional requirements, including limitations or prohibitions on certain investments, payments, asset sales and additional indebtedness.

In October 2011, JELD-WEN issued convertible promissory notes in the amount of $171, all of which were held by the Company. The notes bore interest at a rate of 10% compounded annually. At December 31, 2012, $128 was outstanding under the convertible promissory notes, including accrued interest, all of which was held by the Company. During 2013, JELD-WEN paid $60 (2012 – $17), including accrued interest, to repurchase a portion of the notes, all of which was paid to the Company. Onex' share of the note repurchase, including accrued interest, was $15.

In April 2013, the remaining convertible promissory notes and accrued interest of $72, all of which were held by the Company, were converted into additional Series A Convertible Preferred Stock of JELD-WEN in accordance with the terms of the purchase agreement, of which Onex' share was $18.

f) KraussMaffei

In December 2012, KraussMaffei issued senior secured notes in the aggregate principal amount of €325. The senior secured notes are due in December 2020 and bear interest at a fixed annual rate of 8.75%. The senior secured notes may be redeemed by the company on or after December 2015 at various premiums above face value. At December 31, 2013, $448 (€325) (2012 – $429 (€325)) was outstanding under the senior secured notes.

In December 2012, KraussMaffei established a €75 revolving credit facility that matures in December 2017. The revolving credit facility may be used for revolving loans of up to €25 as well as for letters of credit. Revolving loans drawn on the facility bear interest at LIBOR plus a margin of 5.00% or a base rate plus a margin of 4.00%. Letters of credit drawn on the facility bear interest at a fixed rate of 5.125%. In addition, KraussMaffei pays a commitment fee of 0.50% on the unused portion of the revolving credit facility and certain fees for letters of credit issued.

During 2013, KraussMaffei increased the revolving credit facility capacity by €25 to a total capacity of €100.

No amounts were drawn under the revolving credit facility at December 31, 2013 and 2012. The amount available under the revolving credit facility was reduced by $70 (€51) (2012 – $59 (€45)) of letters of credit outstanding at December 31, 2013.

Substantially all of KraussMaffei's assets are pledged as collateral under its senior secured notes and revolving credit facility.

g) Onex Credit Partners' CLOs

In March 2012, Onex Credit Partners established its first collateralized loan obligation ("CLO"). A CLO is a leveraged structured vehicle that holds a widely diversified collateral asset portfolio and is funded through the issuance of collateralized loan instruments in a series of tranches of secured notes and equity. As of December 31, 2013, Onex Credit Partners had established four CLOs (2012 – two CLOs) which had secured notes and equity outstanding in the aggregate amount of $1,870 (2012 – $848) as follows:

As at December 31		2013	2012
	Closing date		
OCP CLO-1	March 2012	**$ 327**	$ 327
OCP CLO-2	November 2012	**517**	521
OCP CLO-3	March 2013	**512**	–
OCP CLO-4	October 2013	**514**	–
		1,870	848
Onex' investment		**(122)**	(58)
		$ 1,748	$ 790

The secured notes bear interest at a rate of LIBOR plus a margin and mature between March 2023 and October 2025. The notes and equity of the Onex Credit Partners CLOs are designated at fair value through net earnings upon initial recognition. At December 31, 2013, the fair value of the notes and equity held by investors other than Onex was $1,723 (2012 – $801).

The notes of Onex Credit Partners CLOs are secured by, and only have recourse to, the assets of each respective CLO. The notes are subject to redemption provisions, including mandatory redemption if certain coverage tests are not met by each respective CLO. Optional redemption of the notes is available at certain periods and optional repricing of the notes is available subject to certain customary terms and conditions being met by each respective CLO.

h) ResCare

In December 2010, ResCare issued $200 of senior subordinated notes. The senior subordinated notes bear interest at a rate of 10.75% and are repayable at maturity in January 2019. At December 31, 2013, $200 (2012 – $200) was outstanding under the senior subordinated notes.

In April 2012, ResCare entered into a new $375 senior secured credit facility, which is available through to April 2017. The senior secured credit facility consists of a $200 revolving credit facility and a $175 term loan. The senior secured credit facility bears interest at LIBOR plus a margin of 2.75%. The term loan requires quarterly principal repayments of $2. The required quarterly principal repayments increase throughout the term until they reach $7 in 2015. Substantially all of ResCare's assets are pledged as collateral under the senior secured credit facility.

The proceeds from the new senior secured credit facility were used to repay ResCare's former senior secured term loan, retire the former senior secured revolving credit facility and pay fees and expenses associated with the transaction. At December 31, 2013, nil and $158 (2012 – nil and $171) were outstanding under the revolving credit facility and term loan, respectively.

As a result of the 2012 refinancing, ResCare recognized a charge of $10 during the second quarter of 2012, which was included in interest expense in the consolidated statements of earnings.

i) SGS International

In October 2012, SGS International entered into a credit agreement that consisted of a $400 senior secured term loan and a $75 senior secured revolving credit facility. The senior secured term loan matures in October 2019 and the senior secured revolving credit facility matures in October 2017. Borrowings under the credit agreement bear interest at LIBOR (subject to a floor of 1.25%) plus a margin of up to 3.75% or a base rate plus a margin of up to 2.75%, depending on the company's leverage ratio. In November 2013, SGS International amended its credit agreement to reduce the rate at which borrowings under its senior secured term loan bear interest to LIBOR (subject to a floor of 1.00%) plus a margin of up to 3.25% or a base rate plus a margin of up to 2.25%, depending on the company's leverage ratio. In addition, SGS International pays a commitment fee of 0.50% on the unused portion of the senior secured revolving credit facility and certain fees for letters of credit issued. The credit agreement requires mandatory prepayment of certain excess cash flows and cash proceeds.

Substantially all of SGS International's assets are pledged as collateral under the credit agreement.

In connection with the credit agreement, SGS International entered into an interest rate swap agreement that swapped the variable rate portion for a fixed rate of 1.45% through December 2017. The agreement had an initial notional amount of $261, reducing to $74 during the term of the agreement. In November 2013, SGS International settled its previous interest rate swap agreement and entered into a new agreement that swapped the variable rate portion for a fixed rate of 1.37% through December 2017. The new interest rate swap agreement has an initial notional amount of $230, reducing to $74 during the term of the agreement.

At December 31, 2013, $385 and nil (2012 – $400 and nil) were outstanding under the senior secured term loan and senior secured revolving credit facility, respectively.

In October 2012, SGS International issued $210 in aggregate principal amount of 8.375% senior notes due in October 2020. Interest is payable semi-annually beginning in April 2013. The 2020 senior notes may be redeemed by the company at any time at various premiums above face value. At December 31, 2013, senior notes of $210 (2012 – $210) were outstanding.

j) Sitel Worldwide

Sitel Worldwide's credit facility initially consisted of a $675 term loan maturing in January 2014 and an $85 revolving credit facility maturing in January 2013. As a result of repayments and repurchases made in 2007 and 2008, no quarterly payments are due under the term loan until maturity. The term loan and revolving credit facility bore interest at a rate of LIBOR plus a margin of up to 5.5% or prime plus a margin of 4.5%.

In May and June 2011, Sitel Worldwide amended its credit facility that governs its term loan and revolving credit facility. The amendments included extending the maturity date on $228, or 64%, of its term loan from January 2014 to January 2017 and extending the maturity on $31, or 36%, of commitments for its revolving credit facility from January 2013 to January 2016. In the second quarter of 2012, Sitel Worldwide extended the maturity date on $30, or 35%, of commitments for its revolving credit facility from January 2013 to January 2016. Borrowings under the extended term loan and revolving credit facility bear interest at a rate of LIBOR plus a margin of up to 6.75% or prime plus a margin of 5.75%. In addition, the credit agreement was amended to lessen restrictions with respect to certain covenant levels.

Borrowings under the credit facility are secured by substantially all of Sitel Worldwide's assets.

At December 31, 2013, $228 and $18 (2012 – $226 and $19) were outstanding under the term loan and revolving credit facility, respectively.

Sitel Worldwide is required under the terms of the facility to maintain certain financial ratio covenants. The facility also contains certain additional requirements, including limitations or prohibitions on additional indebtedness, payment of cash dividends, redemption of stock, capital spending, investments, acquisitions and asset sales.

In March 2010, Sitel Worldwide completed an offering of $300 in aggregate principal amount of senior unsecured notes due in 2018. The notes bear interest at an annual rate of 11.50% with no principal payments due until maturity. Proceeds from the offering were used to repay a portion of the indebtedness outstanding under the existing term loan and all of the outstanding balance under the revolving credit facility at that time. In conjunction with this repayment, the debt covenants of the credit facility were amended to reduce the minimum adjusted EBITDA to interest ratio requirement and to change the total debt to adjusted EBITDA covenant to a senior secured debt to adjusted EBITDA covenant. At December 31, 2013 and 2012, the 2018 senior unsecured notes with $300 outstanding were recorded net of the unamortized discount of $5 (2012 – $6) and embedded derivative of $5 (2012 – $6) associated with the senior unsecured notes.

In April 2012, Sitel Worldwide completed an offering of $200 in aggregate principal amount of 11.00% senior secured notes due in 2017. The offering price was 96.00% of par to yield 12.00%

to maturity. The senior secured notes include certain optional and mandatory redemption provisions at a range of redemption prices plus accrued and unpaid interest. The net proceeds were used to repay all of the indebtedness outstanding under the non-extended term loan due in 2014 and all of the outstanding balance under its revolving credit facility. At December 31, 2013 and 2012, the 2017 senior secured notes with $200 outstanding were recorded net of the unamortized discount of $6 (2012 – $7) and embedded derivative of $3 (2012 – $3) associated with the senior secured notes.

Included in long-term debt at December 31, 2013 was $67 (2012 – $60) of mandatorily redeemable Class B preferred shares, of which $53 (2012 – $48) was held by Onex. The mandatorily redeemable Class B preferred shares accrue annual dividends at a rate of 12.00% and are redeemable at the option of the company on or before July 2018. Also included in long-term debt at December 31, 2013 was $61 (2012 – $53) of mandatorily redeemable Class C preferred shares, of which $48 (2012 – $42) was held by Onex. The mandatorily redeemable Class C preferred shares accrue annual dividends at a rate of 16.00% and are redeemable at the option of the company on or before July 2018. Outstanding amounts related to preferred shares at December 31, 2013 and 2012 include accrued dividends.

k) Skilled Healthcare Group

In April 2010, Skilled Healthcare Group completed the financing of a credit facility comprised of a $330 term loan and a $100 revolving credit facility. The term loan was increased by an additional $30 to fund acquisitions completed in the second quarter of 2010. The term loan bore interest at LIBOR (subject to a floor of 1.50%) plus a margin of 3.75%, and required quarterly principal repayments of $1 until maturity in 2016. The revolving credit facility bore interest at LIBOR (subject to a floor of 1.50%) plus a margin of 3.75%, and was repayable at maturity in 2015. In April 2012, Skilled Healthcare Group amended its credit facility agreement to increase the term loan by an additional $100. The incremental term loan bears interest at LIBOR (subject to a floor of 1.50%) plus a margin of 5.25%. As part of the refinancing, the interest rate on the existing term loan was amended to match the interest rate of the incremental term loan. The amended term loan requires quarterly principal repayments of $2 until maturity in 2016. The interest rate on the existing revolving credit facility was also amended to LIBOR plus a margin of up to 4.50% or a base rate plus a margin of up to 3.50%, depending on the company's leverage ratio. There is no longer a LIBOR floor on the revolving credit facility. Substantially all of Skilled Healthcare Group's assets are pledged as collateral under the term loan and revolving credit facility.

At December 31, 2013, $244 and $18 (2012 – $412 and $35) were outstanding under the term loan and revolving credit facility, respectively. The term loan was recorded net of the unamortized discount of $1 (2012 – $3).

As a result of the amendment to its credit facility agreement in 2012, Skilled Healthcare Group recognized a charge of $2 during the second quarter of 2012, which was included in interest expense in the consolidated statements of earnings.

In June 2010, Skilled Healthcare Group entered into an interest rate cap agreement (which expired in December 2011) and an interest rate swap agreement. The interest rate swap agreement was for a notional amount of $70 and swapped the variable rate portion for a fixed rate of 2.3% from January 2012 to June 2013.

During 2013, Skilled Healthcare Group entered into a credit facility in connection with insured loans from a department of the U.S. federal government. The loans, in the amount of $88, bear interest at rates ranging from 3.39% to 4.55%, amortize over 30 to 35 years and are secured by 10 of the company's nursing facilities. At December 31, 2013, $87 was outstanding under the insured loans.

In December 2013, Skilled Healthcare Group entered into a new credit facility. The new credit facility consists of a $62 mortgage-backed term loan and a $5 asset-based revolving credit facility. Borrowings under the new credit facility bear interest at LIBOR (subject to a floor of 0.75%) plus a margin of 5.95%, mature in December 2016 and are secured by 10 of the company's skilled nursing facilities. At December 31, 2013, $62 and $5 were outstanding under the mortgage-backed term loan and revolving credit facility, respectively.

The proceeds from the insured loans and new credit facility were used to repay a portion of the term loan under the existing credit facility and pay fees and expenses associated with the transactions.

l) Spirit AeroSystems

In April 2012, Spirit AeroSystems entered into a new credit agreement that consists of a $550 term loan and a $650 revolving credit facility. The term loan bears interest at LIBOR (subject to a floor of 0.75%) plus a margin of 3.00%. The margin over LIBOR may be decreased to 2.75% in 2013 if certain performance targets are met. The term loan is due in 2019 and replaced the existing senior secured term loan. The revolving credit facility bears interest at LIBOR plus a margin of up to 2.50% depending on the company's leverage ratio. The revolving credit facility is due in 2017 and replaced the existing senior secured revolving credit facility. Substantially all of Spirit AeroSystems' assets are pledged as collateral under the new credit agreement.

The proceeds from the new term loan, along with approximately $9 of cash, were used to repay Spirit AeroSystems' existing senior secured term loan and to pay accrued interest, fees, closing costs and other third-party expenses. At December 31, 2013, nil and $540 (2012 – nil and $546) was outstanding under the revolving credit facility and the term loan, respectively. The term loan was recorded net of the unamortized discount of $2 (2012 – $3).

As a result of the 2012 refinancing, Spirit AeroSystems recognized a charge of $10 during the second quarter of 2012, which was included in interest expense in the consolidated statements of earnings.

In October 2012, Spirit AeroSystems amended its new credit agreement to revise its debt covenant ratios such that it did not have an event of default from the forward-loss charges recognized during the third quarter of 2012 under the company's long-term volume-based pricing contracts. No other amendments were made to Spirit AeroSystems' credit agreement.

In August 2013, Spirit AeroSystems amended its credit agreement to suspend its existing debt covenant ratios until December 2014, such that it did not have an event of default from the forward-loss charges recognized during the second quarter of 2013 under the company's long-term volume-based pricing contracts. The amendment requires the company to meet certain minimum liquidity and borrowing base covenants while the existing debt covenant ratios are suspended. No other amendments were made to Spirit AeroSystems' credit agreement.

In September 2009, Spirit AeroSystems completed an offering of $300 in aggregate principal amount of 7.50% senior subordinated notes due in 2017. The offering price was 97.804% of par to yield 7.875% to maturity. The net proceeds were used to repay $200 in borrowings under its revolving credit facility existing at that time without any reduction of the lenders' commitment, with the remainder used for general corporate purposes. Interest is payable semi-annually beginning in April 2010. The 2017 senior subordinated notes may be redeemed prior to maturity at various premiums above face value. At December 31, 2013 and 2012, the 2017 senior subordinated notes with $300 outstanding were recorded net of the unamortized discount of $4 (2012 – $4).

In November 2010, Spirit AeroSystems completed an offering of $300 in aggregate principal amount of 6.75% senior subordinated notes due in 2020. The net proceeds were used to repay $150 in borrowings under its revolving credit facility existing at that time, with the remainder to be used for general corporate purposes. Interest is payable semi-annually beginning in June 2011. The 2020 senior subordinated notes may be redeemed prior to maturity at various premiums above face value. At December 31, 2013 and 2012, $300 of senior subordinated notes due in 2020 were outstanding.

If a change in control of Spirit AeroSystems occurs, the holders of the 2017 and 2020 senior subordinated notes have the right to require Spirit AeroSystems to repurchase the senior subordinated notes at a price of 101% plus accrued and unpaid interest. The 2017 and 2020 senior subordinated notes rank equal in right of payment and are subordinate to the credit facility.

m) The Warranty Group

In June 2012, The Warranty Group entered into a new credit facility that consists of a $250 term loan and a $25 revolving credit facility, which are available through to June 2016. The term loan and revolving credit facility bear interest at LIBOR plus a margin of up to 2.75% based on The Warranty Group's credit rating. At December 31, 2013, the term loan and revolving credit facility bore interest at LIBOR plus a margin of 1.625% (2012 – 1.75%). The term loan will amortize in equal quarterly instalments in an amount equal to 1% per annum, with the balance payable on maturity. Substantially all of The Warranty Group's assets are pledged as collateral under the credit facility. At December 31, 2013, $246 and nil (2012 – $249 and nil) were outstanding under the term loan and revolving credit facility, respectively.

The proceeds from the new credit facility were used primarily to repay the existing term loan, to pay accrued dividends on The Warranty Group's redeemable preferred shares and for partial redemption of the redeemable preferred shares outstanding. In June 2012, The Warranty Group redeemed $85 of its redeemable preferred shares, including $21 of accumulated and unpaid dividends. The Company's share of the redemption, including accrued and unpaid dividends, was $83, of which Onex' share was $26.

In December 2013 and 2012, The Warranty Group redeemed $65 (2012 – $50) of its redeemable preferred shares, including $34 (2012 – $18) of accumulated and unpaid dividends. The Company's share of the redemption, including accrued and unpaid dividends, was $63 (2012 – $49), of which Onex' share was $20 (2012 – $15).

Included in long-term debt at December 31, 2013 is $380 (2012 – $410) of redeemable preferred shares, of which $369 (2012 – $399) was held by the Company. The redeemable preferred shares accrue annual dividends at a rate of 8% and are automatically converted into common shares of The Warranty Group for the initial liquidation amount plus accumulated and unpaid dividends upon a liquidation or other triggering event.

n) TMS International

In December 2011, TMS International entered into a senior secured asset-based revolving credit facility with an aggregate principal amount of up to $350. As at December 31, 2012, nil was outstanding under the revolving credit facility. In addition, there were $17 of letters of credit outstanding secured by the revolving credit facility.

In March 2012, TMS International entered into a senior secured term loan for an aggregate principal amount of $300. At December 31, 2012, the senior secured term loan with $298 outstanding was recorded net of the unamortized discount of $3.

In October 2013, the Company sold its remaining interests in TMS International, as described in note 3, and as a result, the company has been presented as a discontinued operation.

o) Tropicana Las Vegas

In March 2010, Tropicana Las Vegas entered into a credit agreement that consisted of a $50 revolving credit facility and a delayed draw $10 term loan. The revolving credit facility and term loan bore interest at a fixed annual rate of 4.00% and 6.00%, respectively, and were scheduled to mature in March 2014. The term loan required repayment of the principal balance in equal monthly instalments beginning in January 2013.

In July 2012, Tropicana Las Vegas amended its credit agreement to establish an additional $5 revolving credit facility and modify certain financial and non-financial covenants. Borrowings under the additional revolving credit facility bear interest at a fixed annual rate of 5.00% and were scheduled to mature in March 2014.

In December 2012, Tropicana Las Vegas further amended and restated its credit agreement to transfer its $10 term loan to its revolving credit facility, maintaining the current borrowing base of $65. The term loan transferred to the revolving credit facility bears interest at a fixed annual rate of 6.00%. In addition, the amendment and restatement provides for an increase in interest reserves, adjustments to financial covenants and the extension of all revolving credit facility borrowings to April 2018.

At December 31, 2013, $59 (2012 – $40) was outstanding under the revolving credit facilities.

Substantially all of Tropicana Las Vegas' assets are pledged as collateral under the agreement.

p) USI

In December 2012, USI entered into a senior secured credit facility that consists of a $1,025 senior secured term loan and a $150 senior secured revolving credit facility. The senior secured revolving credit facility includes sublimits for letters of credit and swing line loans. The senior secured term loan matures in December 2019 and the senior secured revolving credit facility matures in December 2017.

Borrowings under the senior secured credit facility bear interest at LIBOR plus a margin of up to 4.00% or a base rate plus a margin of up to 3.00%, depending on the company's leverage ratio. Borrowings under the senior secured term loan were subject to a LIBOR floor of 1.25%. In December 2013, USI amended its credit agreement to reduce the rate at which borrowings under the senior secured term loan bear interest to LIBOR plus a margin of 3.25% or a base rate plus a margin of 2.25%. In addition, the LIBOR floor was reduced to 1.00% for borrowings under the senior secured term loan. In addition, USI pays a quarterly commitment fee of up to 0.50% per annum, depending on the company's leverage ratio, on the unused portion of the senior secured revolving credit facility and certain fees for letters of credit issued. The senior secured term loan requires quarterly instalments of $3.

Substantially all of USI's assets are pledged as collateral under the senior secured credit facility. The senior secured credit facility contains certain affirmative and negative covenants. The amounts outstanding under the senior secured credit facility are subject to mandatory prepayment under specified circumstances, including with excess cash flows and certain cash proceeds.

At December 31, 2013, $1,015 and nil (2012 – $1,025 and $20) were outstanding under the senior secured term loan and senior secured revolving credit facility, respectively. The senior secured term loan is recorded net of the unamortized discount of $5 (2012 – $5). In addition, USI had $1 (2012 – $1) of letters of credit outstanding that were issued under its senior secured revolving credit facility at December 31, 2013.

In January 2013, in connection with the credit agreement, USI entered into interest rate swap agreements that swapped the variable rate portion for a fixed rate of 1.30% on a notional amount of $200 through December 2013 and swaps the variable rate portion for a fixed rate of 1.715% on a notional amount of $525 through December 2017.

In December 2012, USI issued $630 in aggregate principal amount of 7.75% senior notes due in January 2021. The 2021 senior notes may be redeemed by the company prior to January 2016 at 100% of the principal amount plus a make whole premium and accrued interest, and may be redeemed on or after January 2016 at various redemption prices above face value plus accrued interest. At December 31, 2013 and 2012, senior notes of $630 were outstanding.

q) ONCAP operating companies

ONCAP's operating companies consist of Bradshaw, CiCi's Pizza, Davis-Standard, EnGlobe, Hopkins, Mister Car Wash, Pinnacle Renewable Energy Group, PURE Canadian Gaming, previously named Casino ABS, BSN SPORTS (up to the date of disposition in June 2013) and Caliber Collision (up to the date of disposition in November 2013). Each has debt that is included in the Company's consolidated financial statements. There are separate arrangements for each operating company with no cross-guarantees between the operating companies, ONCAP or Onex Corporation.

Under the terms of the various credit agreements, combined term borrowings of $636 are outstanding and combined revolving credit facilities of $136 are outstanding. The available facilities bear interest at various rates based on a base floating rate plus a margin. At December 31, 2013, effective interest rates ranged from 2.60% to 6.25% on borrowings under the revolving credit and term loan facilities. The term loans typically require quarterly repayments and are due between 2015 and 2018. The companies also have subordinated notes of $311 due between 2014 and 2021 that bear interest at rates ranging from 11.0% to 18.0%, of which the Company owns $269.

During 2013, PURE Canadian Gaming amended its credit facility to increase the amount of its term loan by $70 (C$71). The net proceeds from the amended credit facility were used to repay $54 (C$55) of subordinated debt that bore interest at 8.50% and to repurchase $14 (C$15) of subordinate notes held primarily by the Company. Onex' share of the repurchase of subordinate notes was $6 (C$6).

Certain ONCAP operating companies have entered into interest rate swap agreements to fix a portion of their interest expense. The total notional amount of these swap agreements at December 31, 2013 was $227, with portions expiring through to 2016.

Senior debt is generally secured by substantially all of the assets of the respective operating company.

In December 2011, ONCAP III entered into a C$75 credit facility that consists of a C$50 line of credit and a C$25 deemed credit risk facility. The line of credit is available to finance ONCAP III capital calls, bridge finance investments in ONCAP III operating companies, support foreign exchange hedging of ONCAP III and finance other uses permitted by ONCAP III's limited partnership agreement. The deemed credit risk facility is available to ONCAP III and its operating companies for foreign exchange transactions, including foreign exchange options, forwards and swaps. Borrowings drawn on the line of credit bear interest at a base rate plus a margin of 2.50% or bankers' acceptance rate (LIBOR for U.S. dollar borrowings) plus a margin of 5.25%. Borrowings under the credit facility are due and payable upon demand; however, ONCAP III shall have 15 business days to complete a capital call to the limited partners of ONCAP III to fund the demand. Onex Corporation, the ultimate parent company, is only obligated to fund borrowings under the credit facility based on its proportionate share as a limited partner in ONCAP III. At December 31, 2013 and 2012, the amount available under the deemed risk facility was C$25. No amounts were outstanding on the line of credit at December 31, 2013 and 2012.

The annual minimum repayment requirements for the next five years on consolidated long-term debt are as follows:

2014	$ 651
2015	329
2016	1,566
2017	1,106
2018	1,111
Thereafter	7,420
	$ 12,183

13. LEASES

a) The Company as lessee

Future minimum lease payments are as follows:

	Finance Leases	Operating Leases
For the year:		
2014	$ 24	$ 347
2015	19	280
2016	11	213
2017	6	163
2018	3	121
Thereafter	19	569
Total future minimum lease payments	$ 82	$ 1,693
Less: imputed interest	(17)	
Balance of obligations under finance leases, without recourse to Onex Corporation	65	
Less: current portion	(19)	
Non-current obligations under finance leases, without recourse to Onex Corporation	$ 46	

Substantially all of the lease commitments relate to the operating companies. Obligations under finance leases, without recourse to Onex Corporation, are included in other current and non-current liabilities. Operating leases primarily relate to premises.

b) The Company as lessor

Certain of the operating companies lease out their investment properties, machinery and/or equipment under operating leases.

Future minimum lease payments receivable from lessees under non-cancellable operating leases are as follows:

For the year:	
2014	$ 53
2015	42
2016	31
2017	25
2018	22
Thereafter	127
	$ 300

Contingent rents recognized as an expense for lessees and as income for lessors were not significant to the Company's results for the years ended December 31, 2013 and 2012.

14. WARRANTY RESERVES AND UNEARNED PREMIUMS

The following describes the reserves and unearned premiums liabilities of The Warranty Group.

Reserves

The following table provides a reconciliation of The Warranty Group's beginning and ending reserves for losses and loss adjustment expenses ("LAE"), net of ceded claims recoverable for the year ended December 31, 2013:

	Property and Casualty[a]	Warranty[b]	Total Reserves
Current portion of reserves, December 31, 2012	$ 85	$ 202	$ 287
Non-current portion of reserves, December 31, 2012	298	31	329
Gross reserves for losses and LAE, December 31, 2012[1]	$ 383	$ 233	$ 616
Less current portion of ceded claims recoverable[2] (note 6)	(85)	(61)	(146)
Less non-current portion of ceded claims recoverable[2] (note 9)	(298)	(2)	(300)
Net reserves for losses and LAE, December 31, 2012	–	170	170
Benefits to policy holders incurred, net of reinsured amounts	$ –	$ 558	$ 558
Payments for benefits to policy holders, net of reinsured amounts	–	(567)	(567)
Other, including changes due to foreign exchange	–	(1)	(1)
Net reserves for losses and LAE, December 31, 2013	$ –	$ 160	$ 160
Add current portion of ceded claims recoverable[2] (note 6)	70	59	129
Add non-current portion of ceded claims recoverable[2] (note 9)	240	1	241
Gross reserves for losses and LAE, December 31, 2013[1]	310	220	530
Current portion of reserves, December 31, 2013	(70)	(184)	(254)
Non-current portion of reserves, December 31, 2013	$ 240	$ 36	$ 276

(1) Reserves for losses and LAE represent the estimated ultimate net cost of all reported and unreported losses incurred and unpaid through December 31, 2013 and 2012, as described in note 1.

(2) Ceded claims recoverable represent the portion of reserves ceded to third-party reinsurers.

a) Property and casualty reserves represent estimated future losses on property and casualty policies. The property and casualty reserves and the corresponding ceded claims recoverable were acquired on the acquisition of The Warranty Group. The property and casualty business is being run off and new business is not being booked. The reserves are 100% ceded to third-party reinsurers.

b) Warranty reserves represent estimated ultimate net cost of warranty policies written by The Warranty Group. Due to the nature of the warranty reserves, substantially all of the ceded claims recoverable and warranty reserves are of a current nature.

Unearned Premiums

The following table provides details of the unearned premiums:

As at December 31	2013	2012
Unearned premiums	**$ 2,599**	$ 2,524
Current portion of unearned premiums	**(1,096)**	(1,079)
Non-current portion of unearned premiums	**$ 1,503**	$ 1,445

15. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities comprised the following:

As at December 31	2013	2012
Spirit AeroSystems advance payments[a]	$ 723	$ 834
Deferred revenue and other deferred items	300	284
Unrealized carried interest due to Onex and ONCAP management[b]	343	251
Defined benefit pensions and non-pension post-retirement benefits (note 32)	448	577
Stock-based compensation[c]	284	429
JELD-WEN employee stock ownership plan[d]	87	111
Other[e]	341	366
	$ 2,526	$ 2,852

a) Spirit AeroSystems receives advance payments from third parties in contemplation of the future performance of services, receipt of goods, incurrence of expenditures, or for other assets to be provided under its contracts and which are repayable if such obligations are not satisfied. Advance payments primarily relate to Spirit AeroSystems' 787 aircraft long-term supply agreement with The Boeing Company ("Boeing"). As at December 31, 2013, $1,148 (2012 – $1,138) of advance payments had been made, of which $554 has been recognized as revenue and $594 will be settled against future sales of Spirit AeroSystems' 787 aircraft units to Boeing. Of the payments, $82 has been recorded as a current liability.

b) Unrealized carried interest due to management of Onex and ONCAP through the Onex Partners and ONCAP Funds is recognized as a non-current liability and reduces the Limited Partners' Interests liability, as described in note 17. The unrealized carried interest is calculated based on current fair values of the Funds' investments and the overall unrealized gains in each respective Fund in accordance with the limited partnership agreements. The liability will be increased or decreased based upon changes in the fair values and realizations of the underlying investments in the Onex Partners and ONCAP Funds. The liability will ultimately be settled upon the realization of the Limited Partners' share of the underlying Onex Partners and ONCAP Fund investments. During 2013, the unrealized carried interest liability increased for a charge for the change in carried interest of $262, as described in note 24, partially offset by carried interest paid on the distributions received from Carestream Health (note 12), the sales of RSI (note 8(a)), TMS International (note 3), BSN SPORTS and Caliber Collision (note 23) and the partial dispositions of Allison Transmission (note 8(a)). During 2012, the unrealized carried interest liability was increased for the change in carried interest of $91 (note 24), partially offset by the carried interest paid on the sale of CDI (note 23).

c) At December 31, 2013, the stock-based compensation liability consisted of $280 (2012 – $391) for the stock-based compensation plans at the parent company and $4 (2012 – $38) for stock option and other share-based compensation plans in place at the operating companies. Included in long-term investments (note 8) is $39 (2012 – $30) related to forward agreements to economically hedge the Company's exposure to changes in the trading price of Onex shares associated with the Management DSU Plan and a portion of the Director DSU Plan.

d) JELD-WEN's employee stock ownership plan ("ESOP") was established to allow its employees to share in the success of the company through the ESOP's ownership of JELD-WEN stock. The company may make discretionary contributions of cash or JELD-WEN shares to the ESOP on behalf of the employees. JELD-WEN consolidates the trust established to maintain the ESOP and therefore reports the liability for the value of JELD-WEN stock and miscellaneous other net assets held by the ESOP for the benefit of the employees. The company will periodically repurchase JELD-WEN shares owned by the ESOP to fund distributions to ESOP participants. During 2013, JELD-WEN repurchased stock from the ESOP for a cash cost of $16 (2012 – $25).

e) Other includes amounts for liabilities arising from indemnifications, unearned insurance contract fees, embedded derivatives on long-term debt, mark-to-market valuations of hedge contracts and the non-current portion of obligations under finance leases, without recourse to Onex Corporation (note 13).

16. INCOME TAXES

The reconciliation of statutory income tax rates to the Company's effective tax rate is as follows:

Year ended December 31	2013	2012
Income tax provision (recovery) at statutory rates	**$ (329)**	$ 17
Changes related to:		
Income tax rate differential of operating companies	**468**	(52)
Book to tax differences on property, plant and equipment and intangibles	**36**	12
Non-taxable gains	**(459)**	(217)
Unbenefited tax losses	**410**	42
Realized gains not expected to be taxable in the foreseeable future	**(480)**	–
Foreign exchange	**(29)**	20
Limited Partners' Interests	**84**	270
Other, including permanent differences	**(34)**	(16)
Recovery of (provision for) income taxes	**$ (333)**	$ 76
Classified as:		
Current	**$ 172**	$ 305
Deferred	**(505)**	(229)
Recovery of (provision for) income taxes	**$ (333)**	$ 76

During 2013, as a result of evaluating recent changes in tax law for the treatment of surplus and upstream loans, Onex determined that its previously recognized deferred tax provisions on gains realized from the disposition of foreign operating companies are temporary differences which are probable to not reverse in the foreseeable future, consistent with the principles outlined in IAS 12, *Income Taxes*. As a result, Onex recorded a $526 recovery of deferred income taxes, of which $480 was included in the Company's deferred income tax liability at December 31, 2012 and $46 represented tax provisions established and reversed during 2013.

The Company's deferred income tax assets and liabilities, as presented in the consolidated balance sheets and in other non-current assets (note 9), are presented after taking into consideration the offsetting of balances within the same tax jurisdiction. Deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, comprised the following:

Deferred Tax Assets	Scientific Research and Development	Provisions	Deferred Revenue	Tax Losses	Property, Plant and Equipment, and Intangibles	Other	Total
Balance – January 1, 2012	$ 1	$ 191	$ 151	$ 190	$ 38	$ 162	$ 733
Credited (charged) to net earnings	(2)	(7)	180	49	6	25	251
Credited (charged) directly to equity	–	(2)	–	1	–	(2)	(3)
Recognition of previously unrecognized benefits	–	–	–	–	2	–	2
Exchange differences	–	–	7	(2)	–	(1)	4
Acquisition of subsidiaries	–	32	–	44	2	86	164
Disposition of operating companies	–	–	–	–	–	(3)	(3)
Other adjustments	1	13	7	41	11	12	85
Balance – December 31, 2012	$ –	$ 227	$ 345	$ 323	$ 59	$ 279	$ 1,233
Credited (charged) to net earnings	–	(34)	(213)	(14)	18	(75)	(318)
Credited (charged) directly to equity	–	2	–	–	–	(1)	1
Exchange differences	–	1	(3)	–	2	(7)	(7)
Acquisition of subsidiaries	–	–	(3)	40	–	3	40
Disposition of operating companies	–	(24)	–	(2)	(4)	(5)	(35)
Other adjustments	–	4	–	(9)	(11)	(4)	(20)
Balance – December 31, 2013	$ –	$ 176	$ 126	$ 338	$ 64	$ 190	$ 894

Deferred Tax Liabilities	Gains on Sales of Operating Companies	Pension and Non-Pension Post-Retirement Benefits	Property, Plant and Equipment, and Intangibles	Foreign Exchange	Other	Total
Balance – January 1, 2012	$ 523	$ 22	$ 745	$ 142	$ 97	$ 1,529
Charged (credited) to net earnings	(2)	6	21	(18)	32	39
Charged (credited) directly to equity	(1)	(21)	–	–	9	(13)
Exchange differences	–	–	1	–	12	13
Acquisition of subsidiaries	–	2	758	–	80	840
Disposition of operating companies	–	–	(10)	–	–	(10)
Other adjustments	–	–	47	3	21	71
Balance – December 31, 2012	$ 520	$ 9	$ 1,562	$ 127	$ 251	$ 2,469
Credited to net earnings	(490)	(82)	(211)	(11)	(29)	(823)
Charged (credited) directly to equity	1	82	–	–	(17)	66
Exchange differences	–	–	6	(10)	–	(4)
Acquisition of subsidiaries	–	–	160	–	–	160
Disposition of operating companies	–	–	(123)	–	10	(113)
Other adjustments	7	–	31	–	18	56
Balance – December 31, 2013	$ 38	$ 9	$ 1,425	$ 106	$ 233	$ 1,811

At December 31, 2013, Onex and its investment holding companies had $903 of non-capital loss carryforwards and $73 of capital loss carryforwards.

Deferred income tax assets are recognized for tax loss carryforwards to the extent that the realization of the related tax benefit through future taxable income is probable. At December 31, 2013, deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset has been recognized were $6,723, of which $3,174 had no expiry, $304 was available to reduce future income taxes between 2014 and 2020, inclusive, and $3,245 was available with expiration dates of 2021 through 2033.

At December 31, 2013, the aggregate amount of taxable temporary differences not recognized in association with investments in subsidiaries, joint ventures and associates was $6,092.

17. LIMITED PARTNERS' INTERESTS

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

	Limited Partners' Interests
Balance – January 1, 2012	$ 4,980
Limited Partners' Interests charge[a]	929
Contributions by Limited Partners[b]	1,311
Distributions paid to Limited Partners[c]	(977)
Balance – December 31, 2012[d]	$ 6,243
Limited Partners' Interests charge[a]	1,855
Contributions by Limited Partners[b]	401
Distributions paid to Limited Partners[c]	(1,540)
Balance – December 31, 2013	$ 6,959

a) The Limited Partners' Interests charge was reduced for the change in carried interest of $395 for the year ended December 31, 2013 (2012 – $132). Onex' share of the change in carried interest was $137 for the year ended December 31, 2013 (2012 – $47).

b) Management fees received from the Limited Partners were $45 for the year ended December 31, 2013 (2012 – $74). Management fees received during 2013 were reduced by the deferral of a capital call for management fees from Onex Partners III until early 2014. As a result of the expiration of the initial fee period for Onex Partners III in December 2013 the management fees to be received for Onex Partners III in early 2014 will be $10. Contributions by Limited Partners during 2013 consisted primarily of $58 for the

USI co-investment sale and $265 for Onex Partners III's investment in Emerald Expositions (note 2). Contributions by the Limited Partners during 2012 were primarily for the acquisitions of KraussMaffei, SGS International and USI by Onex Partners III, the investment in BBAM by Onex Partners III and the acquisition of Bradshaw by ONCAP III.

c) Distributions paid to Limited Partners during 2013 consisted primarily of the proceeds on the realization of RSI (note 8(a)), the sales of TMS International (note 3), BSN SPORTS and Caliber Collision (note 23), the partial dispositions of Allison Transmission (note 8(a)) and distributions received from Allison Transmission, Carestream Health, JELD-WEN, PURE Canadian Gaming and The Warranty Group. Distributions paid to the Limited Partners during 2012 consisted primarily of the proceeds on the realized sale of CDI (note 23), partial disposition of Allison Transmission (note 8), distributions received from Allison Transmission, Carestream Health, Tomkins, The Warranty Group and JELD-WEN, and the repurchase of subordinate notes by Mister Car Wash (note 12(q)).

d) At December 31, 2012, the current portion of the Limited Partners' Interest was $35 and was included in accounts payable and accrued liabilities in the consolidated balance sheet. The current portion at December 31, 2012 included $26 for the Limited Partners of Onex Partners III's share of the repayment by JELD-WEN, in late December 2012, of a portion of its convertible promissory notes, including accrued interest, and excess capital called for acquisitions completed in late December 2012. In addition, the current portion at December 31, 2012 included $9 for the Limited Partners of ONCAP III's share of the gains on the settlement of foreign exchange contracts in late December 2012 and excess capital called for an acquisition completed in late December 2012. The restricted cash for these distributions was included in other current assets in the consolidated balance sheets at December 31, 2012.

18. SHARE CAPITAL

a) The authorized share capital of the Company consists of:

i) 100,000 Multiple Voting Shares, which entitle their holders to elect 60% of the Company's Directors and carry such number of votes in the aggregate as represents 60% of the aggregate votes attached to all shares of the Company carrying voting rights. The Multiple Voting Shares have no entitlement to a distribution on winding up or dissolution other than the payment of their nominal paid-in value.

ii) An unlimited number of Subordinate Voting Shares, which carry one vote per share and as a class are entitled to 40% of the aggregate votes attached to all shares of the Company carrying voting rights, to elect 40% of the Company's Directors, and to appoint the auditors. These shares are entitled, subject to the prior rights of other classes, to distributions of the residual assets on winding up and to any declared but unpaid cash dividends. The shares are entitled to receive cash dividends, dividends in kind and stock dividends as and when declared by the Board of Directors.

The Multiple Voting Shares and Subordinate Voting Shares are subject to provisions whereby, if an event of change occurs (such as Mr. Schwartz, Chairman and CEO, ceasing to hold, directly or indirectly, more than 5,000,000 Subordinate Voting Shares or related events), the Multiple Voting Shares will thereupon be entitled to elect only 20% of the Company's Directors and otherwise will cease to have any general voting rights. The Subordinate Voting Shares would then carry 100% of the general voting rights and be entitled to elect 80% of the Company's Directors.

iii) An unlimited number of Senior and Junior Preferred Shares issuable in series. The Company's Directors are empowered to fix the rights to be attached to each series.

b) At December 31, 2013, the issued and outstanding share capital consisted of 100,000 Multiple Voting Shares (2012 – 100,000) and 111,444,100 Subordinate Voting Shares (2012 – 114,496,438). The Multiple Voting Shares have a nominal paid-in value in these consolidated financial statements.

There were no issued and outstanding Senior and Junior Preferred shares at December 31, 2013 or 2012.

c) During 2013, under the Dividend Reinvestment Plan, the Company issued 8,062 Subordinate Voting Shares (2012 – 6,183) at an average cost of C$48.33 per share (2012 – C$37.94). In 2013 and 2012, no Subordinate Voting Shares were issued upon the exercise of stock options.

Onex renewed its Normal Course Issuer Bid in April 2013 for one year, permitting the Company to purchase on the Toronto Stock Exchange up to 10% of the public float of its Subordinate Voting Shares. The 10% limit represents approximately 8.9 million shares.

During 2013, the Company repurchased and cancelled under its Normal Course Issuer Bid 2,060,400 of its Subordinate Voting Shares at a cash cost of $100 (C$102). In addition, the Company repurchased 1,000,000 of its Subordinate Voting Shares in a private transaction for a cash cost of $53 (C$57). The excess of the purchase cost of these shares over the average paid-in amount was $141 (C$146), which was charged to retained earnings. As at December 31, 2013, the Company has the capacity under the current Normal Course Issuer Bid to purchase approximately 7.8 million shares.

During 2012, the Company repurchased and cancelled under its Normal Course Issuer Bids 627,061 of its Subordinate Voting Shares at a cash cost of $24 (C$24). The excess of the purchase cost of these shares over the average paid-in amount was $22 (C$22), which was charged to retained earnings.

d) The Company has a Director DSU Plan and a Management DSU Plan, as described in note 1.

Details of DSUs outstanding under the plans are as follows:

	Director DSU Plan		Management DSU Plan	
	Number of DSUs	Weighted Average Price	Number of DSUs	Weighted Average Price
Outstanding at January 1, 2012	446,388		443,139	
Granted	40,000	C$ 38.53	–	–
Exercised	–	–	(113,534)	C$ 40.11
Additional units issued in lieu of compensation and cash dividends	14,366	C$ 39.08	136,399	C$ 37.83
Outstanding at December 31, 2012	**500,754**		**466,004**	
Granted	**30,537**	**C$ 49.94**	**–**	**–**
Additional units issued in lieu of compensation and cash dividends	**11,969**	**C$ 51.66**	**1,226**	**C$ 49.48**
Outstanding at December 31, 2013	**543,260**		**467,230**	
Hedged with a counterparty financial institution at December 31, 2013	**(250,829)**		**(467,230)**	
Outstanding at December 31, 2013 – Unhedged	**292,431**		**–**	

e) The Company has a Stock Option Plan (the "Plan") under which options and/or share appreciation rights for a term not exceeding 10 years may be granted to Directors, officers and employees for the acquisition of Subordinate Voting Shares of the Company at a price not less than the market value of the shares on the business day preceding the day of the grant. Under the Plan, no options or share appreciation rights may be exercised unless the average market price of the Subordinate Voting Shares for the five prior business days exceeds the exercise price of the options or the share appreciation rights by at least 25% (the "hurdle price"). At December 31, 2013, 15,612,000 Subordinate Voting Shares (2012 – 15,612,000) were reserved for issuance under the Plan, against which options representing 7,867,175 shares (2012 – 13,294,552) were outstanding, of which 2,907,441 options were vested. The Plan provides that the number of options issued to certain individuals in aggregate may not exceed 10% of the shares outstanding at the time the options are issued.

Options granted vest at a rate of 20% per year from the date of grant with the exception of 2,750,000 of the 3,402,000 options granted in December 2013, which vest at a rate of 15% per year during the first four years and 40% in the fifth year. When an option is exercised, the employee has the right to request that the Company repurchase the option for an amount equal to the difference between the fair value of the stock under the option and its exercise price. Upon receipt of such request, the Company has the right to settle its obligation to the employee by the payment of cash, the issuance of shares or a combination of cash and shares.

	Number of Options	Weighted Average Exercise Price
Outstanding at January 1, 2012	14,036,498	C$ 19.47
Granted	1,025,000	C$ 40.26
Surrendered	(1,488,620)	C$ 18.32
Expired	(278,326)	C$ 30.87
Outstanding at December 31, 2012	**13,294,552**	**C$ 20.96**
Granted	**3,402,000**	**C$ 56.92**
Surrendered	**(8,660,526)**	**C$ 16.34**
Expired	**(168,851)**	**C$ 33.51**
Outstanding at December 31, 2013	**7,867,175**	**C$ 41.34**

During 2013 and 2012, the total cash consideration paid on options surrendered was $292 (C$299) and $30 (C$30), respectively. This amount represents the difference between the market value of the Subordinate Voting Shares at the time of surrender and the exercise price, both as determined under the Plan. The weighted average share price at the date of exercise was C$50.81 (2012 – C$38.32) per share.

Options outstanding at December 31, 2013 consisted of the following:

Month and Year of Grant	Number of Options Outstanding	Exercise Price	Number of Options Exercisable	Hurdle Price	Remaining Life (years)
November 2004	342,250	C$ 18.18	342,250	C$ 22.73	0.9
January 2006	115,000	C$ 19.25	115,000	C$ 24.07	2.1
December 2006	240,000	C$ 29.22	226,000	C$ 36.53	2.9
December 2007	583,165	C$ 35.20	549,831	C$ 44.00	3.9
December 2008	543,370	C$ 15.95	511,370	C$ 19.94	4.9
December 2009	601,240	C$ 23.35	447,540	C$ 29.19	5.9
December 2010	480,600	C$ 29.29	286,400	C$ 36.62	6.9
July 2011	60,000	C$ 37.37	24,000	C$ 46.72	7.5
December 2011	531,750	C$ 33.11	211,650	C$ 41.39	7.9
September 2012	50,000	C$ 38.50	10,000	C$ 48.13	8.7
December 2012	917,800	C$ 40.35	183,400	C$ 50.44	8.9
December 2013	3,402,000	C$ 56.92	–	C$ 71.15	9.9
	7,867,175		2,907,441		

In January 2014, the Company issued 3,950,000 options to acquire Subordinate Voting Shares with an exercise price of C$57.45 per share. The options vest at a rate of 15% per year during the first four years and 40% in the fifth year.

19. NON-CONTROLLING INTERESTS

The Company's material non-controlling interests are associated with Celestica and Spirit AeroSystems. There were no dividends paid by Celestica or Spirit AeroSystems during 2013 or 2012. Summarized balance sheet information based on those amounts included in these consolidated financial statements for Celestica and Spirit AeroSystems are as follows:

	Celestica		Spirit AeroSystems	
As at December 31	**2013**	2012	**2013**	2012
Non-controlling interest	**89%**	90%	**84%**	84%
Current assets	**$ 2,121**	$ 2,111	**$ 3,030**	$ 3,329
Non-current assets	**518**	548	**2,125**	2,042
	2,639	2,659	**5,155**	5,371
Current liabilities	**$ 1,109**	1,199	**$ 1,342**	1,045
Non-current liabilities	**128**	137	**2,147**	2,221
	1,237	1,336	**3,489**	3,266
Net assets	**$ 1,402**	$ 1,323	**$ 1,666**	$ 2,105
Accumulated non-controlling interests	**$ 1,250**	$ 1,182	**$ 1,409**	$ 1,776

Financial information on the statements of earnings for Celestica (electronics manufacturing services segment) and Spirit AeroSystems (aerostructures segment) are presented in note 34. Summarized cash flows for Celestica and Spirit AeroSystems are as follows:

	Celestica		Spirit AeroSystems	
Year ended December 31	**2013**	2012	**2013**	2012
Cash flows from operating activities	**$ 153**	$ 312	**$ 319**	$ 611
Cash flows used for financing activities	**(107)**	(253)	**(79)**	(109)
Cash flows used for investing activities	**(52)**	(168)	**(262)**	(241)

20. EXPENSES BY NATURE

The nature of expenses in cost of sales and operating expenses, which excludes amortization of property, plant and equipment, intangible assets and deferred charges, consisted of the following:

Year ended December 31	2013	2012
Cost of inventory, raw materials and consumables used	**$ 14,831**	$ 13,567
Employee benefit expense[1]	**6,822**	5,746
Repairs, maintenance and utilities	**784**	636
Benefits and claims incurred by The Warranty Group on warranty agreements	**600**	621
Operating lease payments	**389**	328
Amortization charges	**157**	173
Professional fees	**547**	443
Provisions	**251**	144
Transportation	**566**	440
Other expenses	**1,093**	1,086
	$ 26,040	$ 23,184

(1) Employee benefit expense excludes employee costs capitalized into inventory and internally generated capital assets. Stock-based compensation is disclosed separately in the consolidated statements of earnings.

21. INTEREST EXPENSE OF OPERATING COMPANIES

Year ended December 31	2013	2012
Interest on long-term debt of operating companies	**$ 731**	$ 443
Interest on obligations under finance leases of operating companies	**3**	3
Other interest expense of operating companies[1]	**79**	68
	$ 813	$ 514

(1) Other includes debt prepayment expense of $19 (2012 – $22).

22. STOCK-BASED COMPENSATION EXPENSE

Year ended December 31	2013	2012
Parent company[a]	**$ 215**	$ 139
Caliber Collision	**50**	15
Celestica	**29**	36
Spirit AeroSystems	**22**	16
USI	**21**	–
JELD-WEN	**(7)**	17
Other	**19**	16
	$ 349	$ 239

a) Parent company stock-based compensation primarily relates to Onex' stock option plan (as described in note 18(e)) and the MIP (as described in note 31(j)). The expense is determined based on the fair value of the liability at the end of each reporting period.

The fair value for Onex' stock option plan is determined using an option valuation model. The significant inputs into the model were the share price at December 31, 2013 of C$57.35 (2012 – C$41.87), exercise price of the options, remaining life of each option issuance, volatility of each option issuance ranging from 15.78% to 15.98%, an average dividend yield of 0.26% and an average risk-free rate of 2.41%. The volatility is measured as the historical volatility based on the remaining life of each respective option issuance.

The fair values for the MIP options are determined using an internally developed valuation model. The significant inputs into the model are the fair value of the underlying investments, the time to expected exit from each investment, a risk-free rate of 1.95% and an industry comparable historical volatility for each investment.

23. OTHER GAINS

Year ended December 31	2013	2012
Sale of Caliber Collision[a]	$ 386	$ –
Sale of BSN SPORTS[b]	175	–
Sale of CDI[c]	–	59
	$ 561	$ 59

a) Caliber Collision

In November 2013, ONCAP II sold its interests in Caliber Collision for net proceeds of $437, of which Onex' share was $193. Included in the net proceeds amount is $4 held in escrow and for working capital adjustments, which are expected to be settled during 2014. Onex' share of the amounts held in escrow and for working capital adjustments is $2. The Company recorded a gain of $386 on the transaction, of which Onex' gain was $171. The gain on the sale is entirely attributable to the equity holders of Onex Corporation, as the interest of the Limited Partners was recorded as a financial liability at fair value. Caliber Collision did not represent a separate major line of business, and as a result operating results up to the date of disposition have not been presented as a discontinued operation. The cash proceeds recorded in the consolidated statement of cash flows for the sale of Caliber Collision were reduced for Caliber Collision's cash and cash equivalents of $7 at the date of sale.

Under the terms of the MIP, management members participated in the realizations the Company achieved on the sale of Caliber Collision. Amounts paid on account of this transaction related to the MIP totalled $12. In addition, management of ONCAP received $42 in carried interest, which included a net payment of $8 of carried interest by Onex and management of Onex.

b) BSN SPORTS

In June 2013, ONCAP II sold its interests in BSN SPORTS for net proceeds of $236, of which Onex' share was $114. Included in the net proceeds amount is $16 held in escrow and for working capital adjustments, which are expected to be settled by June 2015. Onex' share of the amounts held in escrow and for working capital adjustments is $8. During the fourth quarter of 2013, $1 of the additional amounts held in escrow was received, of which Onex' share was less than $1. The Company recorded a pre-tax gain of $170 on the transaction, of which Onex' pre-tax gain was $82. In addition, Onex initially recorded a non-cash tax provision of $7 on the gain. Onex recognized a recovery of this tax provision during 2013 as part of an evaluation of recent changes in tax law as described in note 16. The gain on the sale is entirely attributable to the equity holders of Onex Corporation, as the interest of the Limited Partners was recorded as a financial liability at fair value. BSN SPORTS did not represent a separate major line of business, and as a result operating results up to the date of disposition have not been presented as a discontinued operation. The cash proceeds recorded in the consolidated statement of cash flows for the sale of BSN SPORTS were reduced for BSN SPORTS' cash and cash equivalents of $3 at the date of sale.

During the fourth quarter of 2013, $6 of additional proceeds were received by ONCAP II, of which Onex' share was $3. These additional proceeds were recognized as a gain during the fourth quarter of 2013, net of a $1 reduction in the escrow receivable. At December 31, 2013, $15 remains receivable for escrow and working capital adjustments, of which Onex' share was $7.

Under the terms of the MIP, management members participated in the realizations the Company achieved on the sale of BSN SPORTS. Amounts paid on account of this transaction related to the MIP totalled $6. In addition, management of ONCAP received $18 in carried interest, which included a net payment of $7 of carried interest by Onex and management of Onex.

c) CDI

In July 2012, Onex, Onex Partners I and Onex management completed the sale of their entire investment in CDI. The sale was completed for net proceeds of $91, of which Onex' share was $24, including carried interest. Included in the net proceeds amount was $9 held in escrow and for working capital adjustments, which is expected to be settled during 2014. Onex' share of the amounts held in escrow and for working capital adjustments is $2, excluding carried interest. The Company recorded a pre-tax gain of $59 in the third quarter of 2012 on the transaction. In addition, Onex recorded a non-cash tax provision of $2 on the gain. Onex recognized a recovery of this tax provision during 2013 as part of an evaluation of recent changes in tax law as described in note 16. The gain on the sale is entirely attributable to the equity holders of Onex Corporation as the interest of the Limited Partners was recorded as a financial liability at fair value. The cash proceeds recorded in the consolidated statement of cash flows for the sale of CDI were reduced for CDI's cash and cash equivalents of $11 at the date of sale.

At December 31, 2013, $9 remains receivable for escrow and working capital adjustments, of which Onex' share was $2.

Amounts received on account of the carried interest related to this transaction totalled $8. Consistent with market practice and the terms of the Onex Partners agreements, Onex is allocated 40% of the carried interest with 60% allocated to management. Onex' share of the carried interest received was $3 and is included in Onex' share of the cash proceeds. Management's share of the carried interest was $5, which was previously recorded as a liability within other non-current liabilities. No amounts were paid on account of the MIP for this transaction as the required investment return hurdle for Onex was not met.

24. OTHER ITEMS

Year ended December 31	2013	2012
Restructuring[a]	$ 93	$ 103
Transition, integration and other[b]	73	27
Transaction costs[c]	23	46
Carried interest due to Onex and ONCAP management[d]	262	91
Change in fair value of contingent consideration[e]	104	(2)
Spirit AeroSystems severe weather event[f]	30	(146)
Meridian Aviation[g]	(32)	–
Foreign exchange loss (gain)	18	(7)
Other[h]	(122)	(66)
	$ 449	$ 46

a) Restructuring charges recorded at the operating companies were:

Year ended December 31	2013	2012
JELD-WEN[i]	$ 31	$ 35
Celestica[ii]	28	44
Sitel Worldwide[iii]	14	15
Carestream Health[iv]	10	6
Other	10	3
	$ 93	$ 103

i) JELD-WEN's restructuring charge for 2013 was primarily related to the closure of facilities. JELD-WEN's restructuring charge for 2012 was primarily due to the realignment of administrative and sales departments to reduce general and administrative costs and the termination of certain contracts.

ii) During the second quarter of 2012, Celestica announced that it would wind down its manufacturing services for a significant customer by the end of 2012. As a result, Celestica incurred restructuring charges of $28 during 2013 (2012 – $44, which included $16 of property, plant and equipment impairments). Celestica's restructuring plans primarily consist of actions to consolidate facilities and reduce its workforce.

iii) Sitel Worldwide's restructuring plans are to rationalize facility and labour costs, realign operations and resources to support growth plans and shift the geographic mix of certain resources.

iv) Carestream Health's restructuring charges for 2013 related primarily to the reorganization of its European sales and service functions and the relocation and closure of a film finishing plant. Carestream Health's 2012 restructuring plans were primarily related to the sale of a portion of its Molecular Imaging business.

b) Transition, integration and other expenses are typically to provide for the costs of transitioning the activities of an operating company from a prior parent company upon acquisition and to integrate new acquisitions at the operating companies.

c) 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 2013 were primarily due to the acquisition of Emerald Expositions (note 2) and acquisitions completed by the operating companies. Transaction costs for 2012 were primarily due to the acquisitions of SGS International, USI, KraussMaffei and Bradshaw (note 2).

d) Carried interest 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 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 in other non-current liabilities and reduces the amount due to the Limited Partners, as described in note 17. The liability will ultimately be settled upon the realization of the Limited Partners' share of the underlying investments in each respective Onex Partners and ONCAP Fund.

e) During the year ended December 31, 2013, a net charge of $104 (2012 – net recovery of $2) was recognized in relation to the estimated change in fair value of contingent consideration related to acquisitions completed by the Company. The fair value of contingent consideration liabilities is typically based on the estimated future financial performance of the acquired business. Financial targets used in the estimation process include certain defined financial targets and realized internal rates of return. The total estimated fair value of contingent consideration liabilities at December 31, 2013 was $200 (December 31, 2012 – $83).

f) On April 14, 2012, Spirit AeroSystems' Wichita, Kansas facility was hit by a tornado, which caused significant damage to several buildings and disruption of utilities and resulted in a complete suspension of production for eight days. Spirit AeroSystems' production equipment and work-in-process generally remained intact and the company resumed production on April 23, 2012, although some inefficiencies continued thereafter as a result of the damage and repair efforts.

In October 2012, Spirit AeroSystems agreed to a settlement of $235 with its insurers for all claims related to the tornado for property damage, clean-up, recovery costs and business interruption expenses, net of any deductibles. The settlement resolves all contingencies surrounding the storm damage proceeds and, as a result of the settlement, Spirit AeroSystems recorded a net gain of $146 during 2012. This gain is net of costs incurred during 2012. Future costs will be recorded as they are incurred. Spirit AeroSystems' current estimates of the future charges will likely change as the various repair and build-back options are evaluated. While Spirit AeroSystems believes that most past and future costs relating to the tornado will be covered by the insurance settlement, there can be no assurance that the insurance proceeds will completely cover all costs that may be incurred. Under the terms of the settlement agreement, Spirit AeroSystems assumes all risk related to the effects of the tornado on the company; however, the risk is believed to be minimal as full production resumed on April 23, 2012 with some logistical inefficiency.

During 2013, Spirit AeroSystems incurred $30 of additional costs related to the April 2012 tornado that hit its Wichita, Kansas facility.

g) In February 2013, Onex and Onex Partners III established Meridian Aviation Partners Limited ("Meridian Aviation"), an aircraft investment company based in Ireland. Aircraft purchased by Meridian Aviation will be leased to commercial airlines and managed by BBAM, one of the world's largest managers of commercial jet aircraft and an Onex and Onex Partners III investment. Meridian Aviation executed a purchase agreement in February 2013 for six commercial passenger aircraft for delivery between April 2013 and May 2015, with a list price value of more than $1,400. Meridian Aviation executed leases in February 2013 with a major international commercial airline in respect of these six aircraft. An Onex Partners III affiliate has guaranteed certain payment obligations arising on each aircraft delivery date.

In February and July 2013, Onex, Onex Partners III and Onex management invested a total of $32 and $25, respectively, in Meridian Aviation. Onex' share of the investments in Meridian Aviation was $8 and $6, respectively. These investments are primarily for deposits, fees and other expenses associated with the purchase of the six commercial passenger aircraft.

In April 2013, the first commercial passenger aircraft was delivered by Meridian Aviation to the lessee. Debt financing was obtained by Meridian Aviation to finance the purchase of the aircraft.

During the fourth quarter of 2013, Meridian Aviation executed sale agreements for three of the six commercial passenger aircraft under its existing purchase agreement, including the novation of the associated leases to the purchaser. The sale agreements were for two aircraft delivered in 2013 and one aircraft scheduled for delivery in 2014. Meridian Aviation recorded a net gain of $32 comprised of the sale of the two aircraft delivered in 2013 and a fair value adjustment covering the remaining four aircraft scheduled for delivery to the company. The debt financing undertaken by Meridian Aviation with the delivery of the first commercial aircraft was fully repaid upon completion of the sale transaction.

h) Other for the years ended December 31, 2013 and 2012 includes: (i) net realized and unrealized gains of $24 (2012 – $25) recorded on investments in securities held by the operating companies; (ii) gains of $9 (2012 – $16) on the sale of tax losses (as described in note 31(o)); (iii) $15 of gains from JELD-WEN on the sale of non-core assets; (iv) $14 of other income from equity-accounted investments; and (v) non-cash bargain purchase gains of $3 (2012 – $9) related to acquisitions (as described in note 2). During 2013, in connection with the settlement of class action lawsuits, Celestica recorded other income of $24 for the receipt of damages related to certain purchases made by the company in prior periods. In addition, other for the year ended December 31, 2012 includes a gain of $15 on the repurchase of preferred shares by Sitel Worldwide.

25. IMPAIRMENT OF GOODWILL, INTANGIBLE ASSETS AND LONG-LIVED ASSETS, NET

Year ended December 31	2013	2012
Skilled Healthcare Group[a]	$ 95	$ 12
Tropicana Las Vegas[b]	91	–
CiCi's Pizza[c]	57	16
Flushing Town Center[d]	43	–
Celestica[e]	–	18
Other, net[f]	33	19
	$ 319	$ 65

a) During 2013, Skilled Healthcare Group recorded non-cash goodwill impairments of $93 and a non-cash intangible asset impairment of $2 due to the expected future revenue growth impacts on its long-term care facilities from the ongoing shift of seniors from Medicare to Medicare Advantage, which pays a lower per diem rate than Medicare, and future decreases in home health care reimbursement rates. The impairments were calculated on a value-in-use basis using discount rates ranging from 9.0% to 12.0%. The recoverable amounts calculated for the long-term care and home health care groups of CGUs were $77 and nil, respectively. The recoverable amounts were Level 3 measurements in the fair value hierarchy as a result of significant other unobservable inputs used in determining the recoverable amounts.

During 2012, Skilled Healthcare Group recorded a non-cash impairment charge of $12 to impair certain of its property, plant and equipment. The recoverable amount was a Level 3 measurement in the fair value hierarchy as a result of significant other unobservable inputs used in determining the recoverable amount.

b) Due to a decline in the recoverable amount of Tropicana Las Vegas, measured in accordance with IAS 36, *Impairment of Assets*, Tropicana Las Vegas recorded non-cash long-lived asset impairments of $91 during 2013. The impairments were calculated on a fair value less costs to sell basis using market comparable transactions. The recoverable amount calculated was $245 and was a Level 3 measurement in the fair value hierarchy as a result of significant other unobservable inputs used determining the recoverable amount.

c) During the fourth quarters of 2013 and 2012, CiCi's Pizza recorded non-cash goodwill and intangible asset impairment charges of $33 (2012 – $16) and $24 (2012 – nil), respectively. The impairments were primarily due to a decrease in projected future earnings and a reduction in the exit multiple due to market risks.

d) During 2013, Flushing Town Center recorded non-cash impairments of $43 associated with its retail space and parking structures.

e) In the fourth quarter of 2012, Celestica recorded non-cash impairments of $18 as a result of its annual impairment testing of goodwill, intangible assets and property, plant and equipment.

f) Other in 2013 includes net impairments of $33 related to EnGlobe, JELD-WEN, Sitel Worldwide, The Warranty Group and USI. Other in 2012 includes impairments of $19 related to Carestream Health, JELD-WEN, Spirit AeroSystems, The Warranty Group and BSN SPORTS.

Substantially all of the Company's goodwill and intangible assets with indefinite useful lives use the value-in-use method to measure the recoverable amount. The carrying value of goodwill and intangible assets with indefinite useful lives is allocated on a segmented basis in note 34.

In measuring the recoverable amounts for goodwill and intangible assets at December 31, 2013, significant estimates include the growth rate and discount rate, which ranged from 0.0% to 10.3% and 8.4% to 20.0% (2012 – 0% to 8.1% and 8.8% to 18.0%), respectively.

26. NET EARNINGS PER SUBORDINATE VOTING SHARE

The weighted average number of Subordinate Voting Shares for the purpose of the earnings per share calculations was as follows:

Year ended December 31	2013	2012
Weighted average number of shares outstanding *(in millions)*:		
Basic	113	115
Diluted	113	115

27. FINANCIAL INSTRUMENTS

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

	Fair Value through Net Earnings						
	Recognized	Designated	Available-for-Sale	Held-to-Maturity	Loans and Receivables	Derivatives Used for Hedging	Total
December 31, 2013							
Assets as per balance sheet							
Cash and cash equivalents	$ –	$ 3,191	$ –	$ –	$ –	$ –	$ 3,191
Short-term investments	361	68	325	–	–	–	754
Accounts receivable	–	–	–	–	3,619	–	3,619
Other current assets	1	146	–	–	136	7	290
Long-term investments	4,030	1,814	1,550	32	–	49	7,475
Other non-current assets	53	69	1	–	130	2	255
Total	$ 4,445	$ 5,288	$ 1,876	$ 32[a]	$ 3,885[b]	$ 58	$ 15,584

	Fair Value through Net Earnings						
	Recognized	Designated	Available-for-Sale	Held-to-Maturity	Loans and Receivables	Derivatives Used for Hedging	Total
December 31, 2012							
Assets as per balance sheet							
Cash and cash equivalents	$ –	$ 2,656	$ –	$ –	$ –	$ –	$ 2,656
Short-term investments	349	78	303	–	–	–	730
Accounts receivable	–	–	–	–	3,838	–	3,838
Other current assets	–	160	–	1	130	17	308
Long-term investments	3,855	793	1,628	22	–	30	6,328
Other non-current assets	–	31	1	–	153	–	185
Total	$ 4,204	$ 3,718	$ 1,932	$ 23[a]	$ 4,121[b]	$ 47	$ 14,045

(a) Fair value of held-to-maturity assets, which are measured at amortized cost at December 31, 2013, was $32 (2012 – $23).

(b) 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				
	Recognized	Designated	Financial Liabilities at Amortized Cost	Derivatives Used for Hedging	Total
December 31, 2013					
Liabilities as per balance sheet					
Accounts payable and accrued liabilities	$ –	$ –	$ 4,014	$ 19	$ 4,033
Provisions	187	–	30	–	217
Other current liabilities	21	–	349	14	384
Long-term debt[a]	–	1,723	10,460	–	12,183
Obligations under finance leases	–	–	65	–	65
Other non-current liabilities	451	4	86	32	573
Limited Partners' Interests	–	6,959	–	–	6,959
Total	$ 659	$ 8,686	$ 15,004	$ 65	$ 24,414

(a) 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, 2012					
Liabilities as per balance sheet					
Accounts payable and accrued liabilities	$ –	$ –	$ 4,352	$ 2	$ 4,354
Provisions	–	–	37	–	37
Other current liabilities	32	9	281	10	332
Long-term debt[a]	–	801	9,894	–	10,695
Obligations under finance leases	–	–	67	–	67
Other non-current liabilities	393	3	69	11	476
Limited Partners' Interests	–	6,243	–	–	6,243
Total	$ 425	$ 7,056	$ 14,700	$ 23	$ 22,204

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

Long-term debt recorded at fair value through net earnings at December 31, 2013 of $1,723 (2012 – $801) has contractual amounts due on maturity of $1,748 (2012 – $816).

The gains (losses) recognized by the Company related to financial assets and liabilities were as follows:

Year ended December 31	**2013**		2012	
	Earnings (Loss)	**Comprehensive Earnings[1]**	Earnings (Loss)	Comprehensive Earnings (Loss)[1]
Fair Value through Net Earnings	**$ (976)[a]**	**n/a**	$ (95)[a]	n/a
Available-for-Sale				
Fair value adjustments	**n/a**	**$ (43)**	n/a	$ 23
Interest income	**75**	**n/a**	84	n/a
Impairments	**(1)**	**n/a**	–	n/a
Held-to-Maturity				
Interest income	**1**	**n/a**	1	n/a
Interest expense and other	**–**	**n/a**	–	n/a
Loans and Receivables				
Provisions and other	**(12)**	**n/a**	(11)	n/a
Financial Liabilities at Amortized Cost				
Interest expense of operating companies	**(813)**	**n/a**	(514)	n/a
Derivatives Used for Hedging	**(31)**	**(23)**	4	23
Total gains (losses) recognized	**$ (1,757)**	**$ (66)**	$ (531)	$ 46

(1) Amounts recognized in comprehensive earnings (loss) are presented gross of the income tax effect.

a) Primarily consists of Limited Partners' Interests charge of $1,855 (2012 – $929), carried interest charge of $262 (2012 – $91) and increase in value of investments in joint ventures and associates at fair value of $1,098 (2012 – $863).

28. FAIR VALUE MEASUREMENTS

Fair values of financial instruments

The estimated fair values of financial instruments as at December 31, 2013 and 2012 are based on relevant market prices and information available at those dates. The carrying values of cash and cash equivalents, short-term investments, 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 December 31, 2013 was $12,478 (2012 – $10,905). The fair value of consolidated long-term debt measured at amortized cost is 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 credit risk, resulting in a Level 3 measurement in the fair value hierarchy.

Financial instruments measured at fair value are allocated within the fair value hierarchy based upon 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 2013 and 2012. 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 December 31, 2013 was as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through earnings				
Investments in debt	**$ –**	**$ 2,335**	**$ –**	**$ 2,335**
Investments in equities	**23**	**38**	**–**	**61**
Investments in joint ventures and associates	**–**	**1,262**	**2,242**	**3,504**
Other	**520**	**122**	**–**	**642**
Available-for-sale financial assets				
Investments in debt	**–**	**1,769**	**–**	**1,769**
Investments in equities	**107**	**–**	**–**	**107**
Total financial assets at fair value	**$ 650**	**$ 5,526**	**$ 2,242**	**$ 8,418**

The allocation of financial assets in the fair value hierarchy, excluding cash and cash equivalents, at December 31, 2012 was as follows:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through earnings				
Investments in debt	$ –	$ 1,254	$ –	$ 1,254
Investments in equities	15	33	–	48
Investments in joint ventures and associates	–	1,447	1,923	3,370
Other	516	78	–	594
Available-for-sale financial assets				
Investments in debt	–	1,739	–	1,739
Investments in equities	82	–	–	82
Other	–	111	–	111
Total financial assets at fair value	$ 613	$ 4,662	$ 1,923	$ 7,198

The allocation of financial liabilities in the fair value hierarchy at December 31, 2013 was as follows:

	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through net earnings				
Limited Partners' Interests	**$ –**	**$ –**	**$ 6,959**	**$ 6,959**
Unrealized carried interest due to Onex and ONCAP management	**–**	**–**	**343**	**343**
Onex Credit Partners' long-term debt	**–**	**–**	**1,723**	**1,723**
Other	**9**	**9**	**302**	**320**
Total financial liabilities at fair value	**$ 9**	**$ 9**	**$ 9,327**	**$ 9,345**

The allocation of financial liabilities in the fair value hierarchy at December 31, 2012 was as follows:

	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through net earnings				
Limited Partners' Interests	$ –	$ –	$ 6,243	$ 6,243
Unrealized carried interest due to Onex and ONCAP management	–	–	251	251
Onex Credit Partners' long-term debt	–	–	801	801
Other	3	18	165	186
Total financial liabilities at fair value	$ 3	$ 18	$ 7,460	$ 7,481

Details of financial assets and liabilities measured at fair value with significant unobservable inputs (Level 3), excluding investments in joint ventures and associates designated at fair value through earnings (note 8(a)) and Limited Partners' Interests designated at fair value (note 17), are as follows:

	Financial Liabilities at Fair Value through Net Earnings
Balance – January 1, 2012	$ 388
Total losses in net earnings	102
Transfer out of Level 3	(54)
Additions	809
Settlements	(28)
Balance – December 31, 2012	**$ 1,217**
Total losses in net earnings	**339**
Transfer out of Level 3	**(7)**
Additions	**1,002**
Acquisition of subsidiaries	**29**
Settlements	**(215)**
Other	**3**
Balance – December 31, 2013	**$ 2,368**
Unrealized losses in net earnings (loss) for liabilities held at the end of the reporting period	**$ 339**

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

The valuation of investments in joint ventures and associates measured at fair value with significant other observable inputs (Level 2) of the fair value hierarchy are substantially based on the quoted market price for the underlying security, less a discount to reflect restrictions on a market participant's ability to freely trade the security. 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 reassessed quarterly utilizing available market data to determine if the fair value should be adjusted. The valuation of investments in the Onex Partners and ONCAP Funds is reviewed and approved by the General Partner of the respective Funds each quarter. The General Partners of the Onex Partners and ONCAP Funds are indirectly controlled by Onex Corporation.

The fair value measurements for investments in joint ventures and associates, Limited Partners' Interests 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 (as described in note 1) 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, resulting 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 would be recorded for the change in unrealized carried interest due to Onex and ONCAP management on the other items line in the consolidated statements of earnings with a corresponding increase to other 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, resulting in a charge being recorded on the stock-based compensation line in the consolidated statements of earnings and a corresponding increase to other 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 at December 31, 2013.

Valuation Technique	Significant Unobservable Inputs	Inputs
Market comparable companies	EBITDA multiple	**6.0x–12.5x**
Discounted cash flow	Weighted average cost of capital	**11.6%–18.0%**
	Exit multiple	**4.6x–9.1x**

In addition, the Company has one investment that is valued based on a multiple of book value.

Generally, EBITDA represents maintainable operating earnings, which considers adjustments including those for the deduction of financing costs, taxes, non-cash amortization, non-recurring items and the impact of any discontinued activities. EBITDA is a measurement that is not defined under IFRS.

The long-term debt recorded at fair value in the OCP CLOs is recognized at fair value using third-party pricing information without adjustment 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 OCP CLOs. During 2013, the Company recorded a loss of $5 (2012 – $7 gain) attributable to changes in the credit risk of the long-term debt in the OCP CLOs.

29. FINANCIAL INSTRUMENT RISKS AND CAPITAL DISCLOSURES

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to perform its obligation and cause the Company to incur a loss.

Substantially all of the cash, cash equivalents and short-term investments consist of investments in debt securities. In addition, the long-term investments of The Warranty Group and OCP CLOs included in the long-term investments line in the consolidated balance sheets consist primarily of investments in debt securities. The investments in debt securities are subject to credit risk. A description of the investments held by The Warranty Group and OCP CLOs is included in note 8.

At December 31, 2013, Onex Corporation, the ultimate parent company, held approximately $1,400 of cash and cash equivalents in short-term high-rated money market instruments. In addition, Celestica had approximately $545 of cash and cash equivalents. Celestica's current portfolio consists of bank deposits and certain money market funds that hold primarily U.S. government securities. The majority of Celestica's and Onex Corporation's, the ultimate parent company's, cash and cash equivalents is held with financial institutions, each of which has a current Standard & Poor's rating of A-1 or above.

Accounts receivable are also subject to credit risk. At December 31, 2013, the aging of consolidated accounts receivable was as follows:

	Accounts Receivable
Current	**$ 2,806**
1–30 days past due	**373**
31–60 days past due	**89**
>60 days past due	**371**
	$ 3,639

Liquidity risk

Liquidity risk is the risk that Onex and its operating companies will have insufficient funds on hand to meet their respective obligations as they come due. The operating companies operate autonomously and generally have restrictions on cash distributions to shareholders under their financing agreements. Onex needs to be in a position to support its operating companies when and if it is appropriate and reasonable for Onex as an equity owner with paramount duties to act in the best interests of Onex shareholders. Maintaining sufficient liquidity at Onex is important because Onex, as a holding company, generally does not have guaranteed sources of meaningful cash flow.

In completing acquisitions, it is generally Onex' policy to finance a significant portion of the purchase price with debt provided by third-party lenders. This debt, sourced exclusively on the strength of the acquired companies' financial condition and prospects, is assumed by the acquired company at closing and is without recourse to Onex Corporation, the ultimate parent company, or to its other operating companies or partnerships. The foremost consideration, however, in developing a financing structure for an acquisition is identifying the appropriate amount of equity to invest. In Onex' view, this should be the amount of equity that maximizes the risk/reward equation for both shareholders and the acquired company.

Accounts payable for the operating companies are primarily due within 90 days. The repayment schedules for long-term debt and finance leases of the operating companies have been disclosed in notes 12 and 13. Onex Corporation, the ultimate parent company, has no debt and does not guarantee the debt of the operating companies.

Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices. The Company is primarily exposed to fluctuations in the foreign currency exchange rate between the Canadian and U.S. dollars and fluctuations in LIBOR and the U.S. prime interest rate.

Foreign currency exchange rates

Onex' operating companies operate autonomously as self-sustaining companies. The functional currency of substantially all of Onex' operating companies is the U.S. dollar. However, certain operating companies conduct business outside the United States and as a result are exposed to currency risk on the portion of business that is not based on the U.S. dollar. To manage foreign currency risk, certain operating companies use forward contracts to hedge all or a portion of forecasted revenues and/or costs outside of their functional currencies. The Company's exposure on financial instruments to the Canadian/U.S. dollar foreign currency exchange rate is primarily at the parent company, through the holding of Canadian-dollar-denominated cash and cash equivalents. A 5% strengthening (5% weakening) of the Canadian dollar against the U.S. dollar at December 31, 2013 would result in a $2 increase ($2 decrease) in net earnings. As all of the Canadian-dollar-denominated cash and cash equivalents at the parent company are designated as fair value through net earnings, there would be no effect on other comprehensive earnings.

In addition, Celestica has exposure to the U.S. dollar/Canadian dollar foreign currency exchange rate. A 5% strengthening (5% weakening) of the Canadian dollar against the U.S. dollar at December 31, 2013 would result in a $5 increase ($4 decrease) in other comprehensive earnings of Celestica and a $3 increase ($3 decrease) in net earnings.

Interest rates

The Company is exposed to changes in future cash flows as a result of changes in the interest rate environment. The parent company is exposed to interest rate changes primarily through its cash and cash equivalents, which are held in short-term term deposits and commercial paper. Assuming no significant changes in cash balances held by the parent company from those at December 31, 2013, a 0.25% increase (0.25% decrease) in the interest rate (including the Canadian and U.S. prime rates) would result in a minimal impact on annual interest income. As all of the Canadian dollar cash and cash equivalents at the parent company are designated as fair value through net earnings, there would be no effect on other comprehensive earnings.

The operating companies' results are also affected by changes in interest rates. A change in the interest rate (including the LIBOR and U.S. prime interest rate) would result in a change in interest expense being recorded due to the variable-rate portion of the long-term debt of the operating companies. At December 31, 2013, approximately 50% (2012 – 38%) of the operating companies' long-term debt had a fixed interest rate or the interest rate was effectively fixed by interest rate swap contracts. The long-term debt of the operating companies is without recourse to Onex Corporation, the ultimate parent company.

In addition, The Warranty Group holds substantially all of its investments in interest-bearing securities, as described in note 8(b). A 0.25% increase in the interest rate would decrease the fair value of the investments held by $13 and result in a corresponding decrease to other comprehensive earnings of The Warranty Group. However, as the investments are reinvested, a 0.25% increase in the interest rate would increase the annual interest income recorded by The Warranty Group by $5.

Commodity risk

Certain of Onex' operating companies have exposure to commodities. In particular, aluminum, titanium and raw materials such as carbon fibre used to manufacture composites are the principal raw materials for Spirit AeroSystems' manufacturing operations. To limit its exposure to rising raw materials prices, Spirit AeroSystems has entered into long-term supply contracts directly with its key suppliers of raw materials and collective raw materials sourcing contracts arranged through certain of its customers.

In addition, silver is a significant commodity used in Carestream Health's manufacturing of x-ray film. The company's management continually monitors movements and trends in the silver market and enters into collar and forward agreements when considered appropriate to mitigate some of the risk of future price fluctuations, generally for periods of up to a year.

Regulatory risk

Certain of Onex' operating companies and investment advisor affiliates may be subject to extensive governmental regulations and oversight with respect to their business activities. The failure to comply with applicable regulations, obtain applicable regulatory approvals or maintain those approvals so obtained may subject the applicable operating company to civil penalties, suspension or withdrawal of any regulatory approval obtained, injunctions, operating restrictions and criminal prosecutions and penalties, which could, individually or in the aggregate, have a material adverse effect on Onex' consolidated financial position.

Capital disclosures

Onex considers the capital it manages to be the amounts it has in cash, cash equivalents and short-term investments, the investments made by it in the operating companies, Onex Real Estate and Onex Credit Partners. Onex also manages the capital of other investors in the Onex Partners, ONCAP and Onex Credit Partners Funds.

Onex' objectives in managing capital are to:

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

At December 31, 2013, Onex, the parent company, had $1,400 of cash and cash equivalents on hand and $343 of near-cash items in a segregated unleveraged fund managed by Onex Credit Partners. Onex, the parent company, has a conservative cash management policy that limits its cash investments to short-term high-rated money market products.

At December 31, 2013, Onex had access to $3,023 of uncalled committed limited partner capital for acquisitions through the Onex Partners and ONCAP Funds, including $1,936 of capital commitments raised for Onex Partners IV during 2013.

The strategy for risk management of capital has not changed significantly since December 31, 2012.

30. SIGNIFICANT CUSTOMERS OF OPERATING COMPANIES AND CONCENTRATION OF CREDIT RISK

A number of operating companies, by the nature of their businesses, individually serve major customers that account for a large portion of their revenues. During 2013 and 2012, one customer in the aerostructures segment represented approximately 18% (2012 – 18%) of the Company's consolidated revenues. Accounts receivable from the significant customer at December 31, 2013 totalled $146 (2012 – $119).

31. COMMITMENTS, CONTINGENCIES AND RELATED PARTY TRANSACTIONS

a) Contingent liabilities in the form of letters of credit, letters of guarantee and surety and performance bonds are primarily provided by certain operating companies to various third parties and include certain bank guarantees. At December 31, 2013, the amounts potentially payable in respect of these guarantees totalled $337. In addition, an Onex Partners III affiliate has guaranteed certain payment obligations arising on each aircraft delivery date for Meridian Aviation, as described in note 24(g).

The Company, which includes the operating companies, has total commitments as at December 31, 2013 of approximately $335 with respect to corporate investments.

The Company, which includes the operating companies, has also provided certain indemnifications, including those related to businesses that have been sold. The maximum amounts from many of these indemnifications cannot be reasonably estimated at this time. However, in certain circumstances, the Company and its operating companies have recourse against other parties to mitigate the risk of loss from these indemnifications.

The Company, which includes the operating companies, has commitments with respect to real estate operating leases, which are disclosed in note 13.

The aggregate commitments for capital assets at December 31, 2013 amounted to $725 with the majority expected to be incurred between 2014 and 2016.

b) Onex and its operating companies are or may become parties to legal, product liability and warranty claims arising from the ordinary course of business. Certain operating companies, as conditions of acquisition agreements, have agreed to accept certain pre-acquisition liability claims against the acquired companies. The operating companies have recorded provisions based on their consideration and analysis of their exposure in respect of such claims. Such provisions are reflected, as appropriate, in Onex' consolidated financial statements (refer to note 11). Onex Corporation, the ultimate parent company, has not currently recorded any further provision and does not believe that the resolution of known claims would reasonably be expected to have a material adverse impact on Onex' consolidated financial position. However, the final outcome with respect to outstanding, pending or future actions cannot be predicted with certainty, and therefore there can be no assurance that their resolution will not have an adverse effect on Onex' consolidated financial position.

c) The operating companies are subject to laws and regulations concerning the environment and to the risk of environmental liability inherent in activities relating to their past and present operations. As conditions of acquisition agreements, certain operating companies have agreed to accept certain pre-acquisition liability claims on the acquired companies after obtaining indemnification from prior owners.

The Company and its operating companies also have insurance to cover costs incurred for certain environmental matters. Although the effect on operating results and liquidity, if any, cannot be reasonably estimated, management of Onex and the operating companies believe, based on current information, that these environmental matters should not have a material adverse effect on the Company's consolidated financial condition.

d) In February 2004, Onex completed the closing of Onex Partners I with funding commitments totalling $1,655. Onex Partners I provided committed capital for Onex-sponsored acquisitions not related to Onex' operating companies at December 31, 2003 or to ONCAP. As at December 31, 2013, $1,475 (2012 – $1,475) has been invested of the $1,655 of total capital committed. Onex has invested $346 (2012 – $346) of its $400 commitment. Onex controls the General Partner and Manager of Onex Partners I. The total amount invested in Onex Partners I's remaining investments by Onex management and Directors at December 31, 2013 was $20 (2012 – $20). There were no additional amounts invested by Onex management and Directors in Onex Partners I investments during 2013 and 2012.

Prior to November 2006, Onex received annual management fees based on 2% of the capital committed to Onex Partners I by investors other than Onex and Onex management. The annual management fee was reduced to 1% of the net funded commitments at the end of the initial fee period in November 2006, when Onex established a successor fund, Onex Partners II. Carried interest is received on the overall gains achieved by Onex Partners I investors, other than Onex and Onex management, to the extent of 20% of the gains, provided that those investors have achieved a minimum 8% return on their investment in Onex Partners I over the life of Onex Partners I. The investment by Onex Partners I investors for this purpose takes into consideration management fees and other amounts paid by Onex Partners I investors.

Consistent with market practice, Onex, as sponsor of Onex Partners I, is allocated 40% of the carried interest with 60% allocated to Onex management. Carried interest received from Onex Partners I has fully vested for Onex management. For the year ended December 31, 2013, no amounts were received as carried interest related to Onex Partners I. During 2012, $3 was received by Onex as carried interest while Onex management received $5 with respect to the carried interest.

e) In August 2006, Onex completed the closing of Onex Partners II with funding commitments totalling $3,450. Onex Partners II provided committed capital for Onex-sponsored acquisitions not related to Onex' operating companies at December 31, 2003 or to ONCAP or Onex Partners I. As at December 31, 2013, $2,944 (2012 – $2,944) has been invested of the $3,450 of total capital committed. Onex has funded $1,164 (2012 – $1,164) of its $1,407 commitment. Onex controls the General Partner and Manager of Onex Partners II. The total amount invested in Onex Partners II's remaining investments by Onex management and Directors at December 31, 2013 was $51 (2012 – $72). There were no additional amounts invested by Onex management and Directors in Onex Partners II investments during 2013 and 2012.

Prior to November 2008, Onex received annual management fees based on 2% of the capital committed to Onex Partners II by investors other than Onex and Onex management. The annual management fee was reduced to 1% of the net funded commitments at the end of the initial fee period in November 2008, when Onex established a successor fund, Onex Partners III. Carried interest is received on the overall gains achieved by Onex Partners II investors, other than Onex and Onex management, to the extent of 20% of the gains, provided that those investors have achieved a minimum 8% return on their investment in Onex Partners II over the life of Onex Partners II. The investment by Onex Partners II investors for this purpose takes into consideration management fees and other amounts paid by Onex Partners II investors.

The returns to Onex Partners II investors, other than Onex and Onex management, are based upon all investments made through Onex Partners II, with the result that the initial carried interest achieved by Onex on gains could be recovered from Onex if subsequent Onex Partners II investments do not exceed the overall target return level of 8%. Consistent with market practice and Onex Partners I, Onex, as sponsor of Onex Partners II, is allocated 40% of the carried interest with 60% allocated to Onex management. Carried interest received from Onex Partners II has fully vested for Onex management. For the year ended December 31, 2013, $75 (2012 – nil) has been received by Onex as carried interest while Onex management received $110 (2012 – nil) with respect to the carried interest.

f) In December 2009, Onex completed the closing of Onex Partners III with funding commitments totalling approximately $4,300. Onex Partners III provides committed capital for Onex-sponsored acquisitions not related to Onex' operating companies at December 31, 2003 or to ONCAP, Onex Partners I or Onex Partners II. As at December 31, 2013, approximately $3,596 (2012 – $3,189) has been invested, of which Onex' share was $783 (2012 – $684). Onex had a $1,000 commitment for the period from January 1, 2009 to June 30, 2009. On December 31, 2008, Onex gave notice to the investors of Onex Partners III that Onex' commitment would be decreasing to $500 effective July 1, 2009. In December 2009, Onex notified the investors of Onex Partners III that it would be increasing its commitment to $800 effective June 16, 2010. In November 2011, Onex notified the investors of Onex Partners III that it would be increasing its commitment to $1,200 effective May 15, 2012. Onex controls the General Partner and Manager of Onex Partners III. Onex management has committed, as a group, to invest a minimum of 1% of Onex Partners III, which may be adjusted annually up to a maximum of 6%. At December 31, 2013, Onex management and Directors had committed 6% (2012 – 5%). The total amount invested in Onex Partners III's investments by Onex management and Directors at December 31, 2013 was $140 (2012 – $119), of which $21 (2012 – $60) was invested in the year ended December 31, 2013.

Prior to December 2013, Onex received annual management fees based on 1.75% of the capital committed to Onex Partners III by investors other than Onex and Onex management. The annual management fee was reduced to 1% of the net funded commitments at the end of the initial fee period in December 2013. Onex has obtained approval for an extension of the commitment period for Onex Partners III into 2014 to enable further amounts to be invested through the Fund. Carried interest is received on the overall gains achieved by Onex Partners III investors, other than Onex and Onex management, to the extent of 20% of the gains, provided that those investors have achieved a minimum 8% return on their investment in Onex Partners III over the life of Onex Partners III. The investment by Onex Partners III investors for this purpose takes into consideration management fees and other amounts paid by Onex Partners III investors.

The returns to Onex Partners III investors, other than Onex and Onex management, are based upon all investments made through Onex Partners III, with the result that the initial carried interest achieved by Onex on gains could be recovered from Onex if subsequent Onex Partners III investments do not exceed the overall target return level of 8%. Consistent with market practice and Onex Partners I and Onex Partners II, Onex, as sponsor of Onex Partners III, will be allocated 40% of the carried interest with 60% allocated to Onex management. Carried interest received from Onex Partners III will be fully vested for Onex management in December 2014. As at December 31, 2013, no amount had been received as carried interest related to Onex Partners III.

g) During the fourth quarter of 2013, Onex completed certain closings of Onex Partners IV with funding commitments totalling approximately $3,136 at December 31, 2013, including Onex' commitment of $1,200. Onex Partners IV is to provide committed capital for future Onex-sponsored acquisitions not related to Onex' operating companies at December 31, 2003, or to ONCAP, Onex Partners I, Onex Partners II or Onex Partners III. As at December 31, 2013, no amounts had been funded. Onex controls the General Partner and Manager of Onex Partners IV. Onex management has committed, as a group, to invest a minimum of 2% of Onex Partners IV, which may be adjusted annually up to a maximum of 8%. At December 31, 2013, Onex management and Directors had committed 8%.

During the initial fee period of Onex Partners IV, Onex will receive annual management fees based upon 1.75% of up to $3,000 on capital committed to Onex Partners IV by investors other than Onex and Onex management and 1.5% on capital committed to Onex Partners IV by investors other than Onex and Onex management in excess of $3,000. At December 31, 2013, no management fees had been called from Onex Partners IV. The annual management fee is reduced to 1% of the net funded commitments at the earlier of the end of the commitment period or if Onex establishes a successor fund. Carried interest is received on the overall gains achieved by Onex Partners IV investors, other than Onex and Onex management, to the extent of 20% of the gains, provided that those investors have achieved a minimum 8% return on their investment in Onex Partners IV over the life of Onex Partners IV. The investment by Onex Partners IV investors for this purpose takes into consideration management fees and other amounts paid by Onex Partners IV investors.

The returns to Onex Partners IV investors, other than Onex and Onex management, are based upon all investments made through Onex Partners IV, with the result that the initial carried interest achieved by Onex on gains could be recovered from Onex if subsequent Onex Partners IV investments do not exceed the overall target return level of 8%. Consistent with market practice and Onex Partners I, Onex Partners II and Onex Partners III, Onex, as sponsor of Onex Partners IV, will be allocated 40% of the carried interest with 60% allocated to Onex management. Carried interest received from Onex Partners IV will vest equally over 6 years from the effective date of Onex Partners IV, which will be 6 years from the due date of the first capital call for Onex Partners IV. As at December 31, 2013, no amount had been received as carried interest related to Onex Partners IV.

h) In May 2006, ONCAP completed the closing of ONCAP II with funding commitments totalling C$574. ONCAP II provided committed capital for ONCAP-sponsored acquisitions of small and medium-sized businesses requiring between C$20 and C$75 of initial equity capital. As at December 31, 2013, C$483 (2012 – C$470) has been invested of the approximately C$574 of total capital committed. Onex has invested C$221 (2012 – C$215) of its C$252 commitment. Onex controls the General Partner and Manager of ONCAP II. The total amount invested in ONCAP II's remaining investments by management of Onex and ONCAP and Directors at December 31, 2013 was C$29 (2012 – C$39), of which $1 (2012 – nil) was invested in the year ended December 31, 2013.

Prior to July 2011, ONCAP received annual management fees based on 2% of the capital committed to ONCAP II by investors other than Onex and management of Onex and ONCAP. The annual management fee was reduced to 2% of the investment amount at the end of the initial fee period in July 2011, when ONCAP established a successor fund, ONCAP III. Carried interest is received on the overall gains achieved by ONCAP II investors other than management of ONCAP, to the extent of 20% of the gains, provided that those investors have achieved a minimum 8% return on their investment in ONCAP II over the life of ONCAP II. The investment by ONCAP II investors for this purpose takes into consideration management fees and other amounts paid by ONCAP II investors.

The returns to ONCAP II investors, other than management of Onex and ONCAP, are based upon all investments made through ONCAP II, with the result that the initial carried interests achieved by ONCAP on gains could be recovered if subsequent ONCAP II investments do not exceed the overall target return level of 8%. The ONCAP management team is entitled to that portion of the carried interest realized in the ONCAP Funds that equates to a 12 percent carried interest on both limited partners' and Onex capital. Carried interest received from ONCAP II has fully vested for ONCAP management. For the year ended December 31, 2013, ONCAP management received $60 (C$63) with respect to the carried interest. No amounts of carried interest were received by ONCAP management for the year ended December 31, 2012.

i) In September 2011, ONCAP completed the closing of ONCAP III with funding commitments totalling C$800, excluding commitments from management of Onex and ONCAP. ONCAP III provides committed capital for ONCAP-sponsored acquisitions of small and medium-sized businesses requiring less than $125 of initial equity capital. As at December 31, 2013, C$253 (2012 – C$253) has been invested of the approximately C$800 of total capital committed. Onex has invested C$74 (2012 – C$74) of its C$252 commitment. Onex controls the General Partner and Manager of ONCAP III. ONCAP management has committed, as a group, to invest a minimum of 1% of ONCAP III. The commitment from management of Onex and ONCAP and Directors may be increased by an additional 5% of ONCAP III. At December 31, 2013, management of ONCAP and Onex and Directors had committed to 6% (2012 – 6%). The total amount invested in ONCAP III's remaining investments by management of Onex and ONCAP and Directors at December 31, 2013 was C$24 (2012 – C$24), of which nil (2012 – C$7) was invested in the year ended December 31, 2013.

ONCAP receives annual management fees based on 2% of the capital committed to ONCAP III by investors other than Onex and management of Onex and ONCAP. The annual management fee is reduced to 1.5% of the net funded commitments at the earlier of the end of the commitment period or if ONCAP establishes a successor fund. Carried interest is received on the overall gains achieved by ONCAP III investors, other than management of ONCAP, to the extent of 20% of the gains, provided that those investors have achieved a minimum 8% return on their investment in ONCAP III over the life of ONCAP III. The investment by ONCAP III investors for this purpose takes into consideration management fees and other amounts paid by ONCAP III investors.

The returns to ONCAP III investors, other than management of Onex and ONCAP, are based upon all investments made through ONCAP III, with the result that the initial carried interests achieved by ONCAP on gains could be recovered if subsequent ONCAP III investments do not exceed the overall target return level of 8%. The ONCAP management team is entitled to that portion of the carried interest that equates to a 12% carried interest on both limited partners and Onex capital. Carried interest received from ONCAP III will vest equally over 5 years ending in July 2016 for ONCAP management. As at December 31, 2013, no amount had been received as carried interest related to ONCAP III.

j) Under the terms of the MIP, management members of the Company invest in all of the operating entities acquired or invested in by the Company.

The aggregate investment by management members under the MIP is limited to 9% of Onex' interest in each acquisition. The form of the investment is a cash purchase for 1⁄6th (1.5%) of the MIP's share of the aggregate investment, and investment rights for the remaining 5⁄6ths (7.5%) of the MIP's share at the same price. Amounts invested under the minimum investment requirement in Onex Partners' transactions are allocated to meet the 1.5% Onex investment requirement under the MIP. The investment rights to acquire the remaining 5⁄6ths vest equally over six years with the investment rights vesting in full if the Company disposes of all of an investment before the seventh year.

Under the MIP, the investment rights related to a particular acquisition are exercisable only if the Company realizes in cash the full return of its investment and earns a minimum 15% per annum compound rate of return for that investment after giving effect to the investment rights.

Under the terms of the MIP, the total amount paid by management members in 2013, including amounts invested under the minimum investment requirements of the Onex Partners and ONCAP Funds to meet the 1.5% MIP requirement, was $4 (2012 – $13). Investment rights exercisable at the same price for 7.5% of the Company's interest in acquisitions were issued at the same time. Realizations under the MIP distributed in 2013 were $39 (2012 – less than $1).

k) Members of management and the Board of Directors of the Company invested $2 in 2013 (2012 – $1) in Onex' investments made outside of Onex Partners and ONCAP at the same cost as Onex and other outside investors. Those investments by management and the Directors are subject to voting control by Onex.

l) Each member of Onex management is required to reinvest 25% of the proceeds received related to their share of the MIP investment rights and carried interest to acquire Onex shares in the market until the management member owns one million Onex Subordinate Voting Shares and/or management DSUs. During 2013, Onex management reinvested C$18 (2012 – less than C$1) to acquire Onex shares.

m) Certain operating companies have made loans to certain directors or officers of the individual operating companies, typically for the purpose of acquiring shares in those operating companies. The total value of the loans outstanding as at December 31, 2013 was $37 (2012 – $36).

n) Onex Corporation, the ultimate parent company, receives fees from certain operating companies for services provided. The fees from consolidated operating companies are eliminated in these consolidated financial statements. During 2013, fees of $2 (2012 – $2) were received from non-consolidated operating companies and included with revenues in these consolidated financial statements. In addition, during 2012 a fee of $8 was received from Allison Transmission as consideration for the early termination of the services agreement between Allison Transmission and Onex, as discussed in note 8(a).

o) During 2013 and 2012, Onex entered into the sale of entities, the sole assets of which were certain tax losses, to companies controlled by Mr. Gerald W. Schwartz, who is Onex' controlling shareholder. Onex has significant non-capital and capital losses available; however. Onex does not expect to generate sufficient taxable income to fully utilize these losses in the foreseeable future. As such, no benefit has been recognized in the consolidated financial statements for these losses. In connection with these transactions, Deloitte & Touche LLP, an independent accounting firm retained by Onex' Audit and Corporate Governance Committee, provided opinions that the values received by Onex for the tax losses were fair. Onex' Audit and Corporate Governance Committee, all the members of which are independent Directors, unanimously approved the transactions. The following transactions were completed during 2013 and 2012:

- In 2013, Onex received $9 in cash for tax losses of $89. The entire $9 was recorded as a gain and included in other items in the consolidated statements of earnings.
- In 2012, Onex received $16 in cash for tax losses of $166. The entire $16 was recorded as a gain and included in other items in the consolidated statements of earnings.

p) In November 2013, Onex repurchased in a private transaction 1,000,000 of its Subordinate Voting Shares that were held indirectly by Mr. Gerald W. Schwartz, who is Onex' controlling shareholder. The private transaction was approved by the Board of Directors of the Company. The shares were repurchased at a cash cost of C$56.50 per Subordinate Voting Share or $53 (C$57), which represents a slight discount to the trading price of Onex shares at that date.

q) The Company's key management consists of the senior executives of Onex, ONCAP and its significant operating companies. Also included are the Directors of Onex Corporation. Aggregate payments to the Company's key management were as follows:

Year ended December 31	2013	2012
Short-term employee benefits and costs	$ 154	$ 115
Post-employment benefits	1	2
Other long-term benefits	1	–
Termination benefits	3	6
Share-based payments[i]	441	66
	$ 600	$ 189

(i) Share-based payments include $288 paid on the exercise of Onex stock options (note 18), $88 of carried interest paid to Onex management (note 31(e)) and $32 of amounts paid under the MIP to management of Onex (note 31(j)). During 2013, Onex, the parent company, received carried interest of $75 (note 31(e)).

32. PENSION AND NON-PENSION POST-RETIREMENT BENEFITS

The operating companies have a number of defined benefit and defined contribution plans providing pension, other retirement and post-employment benefits to certain of their employees. The non-pension post-retirement benefits include retirement and termination benefits, health, dental and group life. The plans at the operating companies are independent and surpluses within certain plans cannot be used to offset deficits in other plans. The benefit payments from the plans are typically made from trustee-administered funds; however, there are certain unfunded plans primarily related to non-pension post-retirement benefits that are funded as the benefit payment obligations are required. Onex Corporation, the ultimate parent company, does not provide pension, other retirement or post-retirement benefits to its employees and does not have any obligations and has not made any guarantees with respect to the plans of the operating companies.

The plans are exposed to market risks, such as changes in interest rates, inflation and fluctuations in investment values. The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if the plan assets fail to achieve this yield, this will create or further a plan deficit. A decrease in corporate bond yields would have the effect of increasing the benefit obligations; however this would be partially offset by a fair value increase in the value of debt securities held in the plans' assets. For certain plans, the benefit obligations are linked to inflation, and higher inflation will result in a greater benefit obligation.

The plans are also exposed to non-financial risks such as the membership's mortality and demographic changes, as well as regulatory changes. An increase in the life expectancy will result in an increase in the benefit obligations.

The total costs during 2013 for defined contribution pension plans and multi-employer plans were $132 (2012 – $114).

Accrued benefit obligations and the fair value of the plan assets for accounting purposes are measured at December 31 of each year. The most recent actuarial valuations of the largest pension plans for funding purposes was in 2013, and the next required valuations will be as of 2014. The Company estimates that in 2014 the minimum funding requirement for the defined benefit pension plans will be $37.

In 2013, total cash payments for employee future benefits, consisting of cash contributed by the operating companies to their funded pension plans, cash payments directly to beneficiaries for their unfunded other benefit plans and cash contributed to their defined contribution plans, were $264 (2012 – $196). Included in the total was $35 (2012 – $28) contributed to multi-employer plans.

For the defined benefit pension plans and non-pension post-retirement plans, the estimated present value of accrued benefit obligations and the estimated market value of the net assets available to provide these benefits were as follows:

	Pension Plans in which Assets Exceed Accumulated Benefits		Pension Plans in which Accumulated Benefits Exceed Assets		Non-Pension Post-Retirement Benefits	
As at December 31	**2013**	2012	**2013**	2012	**2013**	2012
Accrued benefit obligations:						
Opening benefit obligations	**$ 1,590**	$ 1,351	**$ 876**	$ 601	**$ 173**	$ 179
Current service cost	**13**	9	**13**	11	**5**	7
Interest cost	**66**	64	**26**	25	**6**	8
Contributions by plan participants	**3**	–	**–**	–	**–**	–
Benefits paid	**(50)**	(27)	**(22)**	(23)	**(8)**	(19)
Actuarial (gain) loss from demographic assumptions	**–**	22	**1**	(3)	**(2)**	(34)
Actuarial (gain) loss from financial assumptions	**(154)**	134	**(74)**	77	**(16)**	15
Foreign currency exchange rate changes	**(6)**	17	**4**	5	**(5)**	2
Acquisitions	**–**	–	**–**	210	**–**	–
Dispositions	**–**	–	**(28)**	–	**(6)**	–
Plan amendments	**(13)**	–	**(2)**	(7)	**2**	16
Settlements/curtailments	**–**	–	**–**	–	**–**	(1)
Reclassification of plans	**124**	19	**(124)**	(19)	**–**	–
Other	**–**	1	**7**	(1)	**(7)**	–
Closing benefit obligations	**$ 1,573**	$ 1,590	**$ 677**	$ 876	**$ 142**	$ 173
Plan assets:						
Opening plan assets	**$ 1,710**	$ 1,510	**$ 443**	$ 311	**$ –**	$ –
Interest income	**72**	72	**11**	11	**–**	–
Actual return on plan assets in excess of interest income	**10**	97	**23**	23	**–**	–
Contributions by employer	**18**	26	**32**	35	**12**	19
Contributions by plan participants	**3**	–	**–**	–	**–**	–
Benefits paid	**(50)**	(27)	**(22)**	(23)	**(8)**	(19)
Foreign currency exchange rate changes	**(10)**	19	**(1)**	2	**–**	–
Acquisitions	**–**	1	**–**	108	**–**	–
Dispositions	**–**	–	**(20)**	–	**–**	–
Settlements/curtailments	**–**	–	**(1)**	(7)	**(4)**	–
Reclassification of plans	**119**	15	**(119)**	(15)	**–**	–
Other	**2**	(3)	**(3)**	(2)	**1**	–
Closing plan assets	**$ 1,874**	$ 1,710	**$ 343**	$ 443	**$ 1**	$ –

	Percentage of Plan Assets	
Asset Category	**2013**	2012
Quoted Market Prices:		
Equity investment funds	**7%**	8%
Debt investment funds	**16%**	19%
Other investment funds	**1%**	–
Equity securities	**8%**	8%
Debt securities	**6%**	2%
Non-Quoted Market Prices:		
Equity investment funds	**–**	1%
Other investment funds	**1%**	1%
Equity securities	**20%**	20%
Debt securities	**36%**	36%
Real estate	**2%**	2%
Other	**3%**	3%
	100%	100%

Equity securities do not include direct investments in the shares of the Company or its subsidiaries, but may be invested indirectly as a result of the inclusion of the Company's and its subsidiaries' shares in certain market investment funds.

The funded status of the plans of the operating companies was as follows:

	Pension Plans in which Assets Exceed Accumulated Benefits		Pension Plans in which Accumulated Benefits Exceed Assets		Non-Pension Post-Retirement Benefits	
As at December 31	**2013**	2012	**2013**	2012	**2013**	2012
Deferred benefit amount:						
Plan assets, at fair value	**$ 1,874**	$ 1,710	**$ 343**	$ 443	**$ 1**	$ –
Accrued benefit obligation	**(1,573)**	(1,590)	**(677)**	(876)	**(142)**	(173)
Deferred benefit amount – asset (liability)	**$ 301**	$ 120	**$ (334)**	$ (433)	**$ (141)**	$ (173)

The deferred benefit asset of $301 (2012 – $120) is included in the Company's consolidated balance sheets within other non-current assets (note 9). The total deferred benefit liabilities of $475 (2012 – $606) are included in the Company's consolidated balance sheets within other non-current liabilities (note 15) and other current liabilities. Of the total deferred benefit liabilities, $27 (2012 – $29) was recorded as a current liability.

The following assumptions were used to account for the plans:

	Pension Benefits		Non-Pension Post-Retirement Benefits	
Year ended December 31	**2013**	2012	**2013**	2012
Accrued benefit obligation				
Weighted average discount rate[a]	**2.1%–4.9%**	2.4%–4.6%	**1.3%–4.9%**	1.2%–4.4%
Weighted average rate of compensation increase	**0.3%–4.1%**	0.3%–6.6%	**0.0%–4.6%**	0.0%–4.4%

(a) Weighted average discount rate includes inflation, where applicable to a benefit plan.

Assumed healthcare cost trend rates	**2013**	2012
Initial healthcare cost rate	**6.7%–8.5%**	6.9%–9.0%
Cost trend rate declines to	**4.5%**	4.5%–5.0%
Year that the rate reaches the rate it is assumed to remain at	**2030**	Between 2020 and 2030

The assumptions underlying the discount rates, rates of compensation increase and healthcare cost trend rates have a significant effect on the amounts reported for the pension and post-retirement benefit plans. A 1% change in these assumed rates would increase (decrease) the benefit obligations at December 31, 2013 as follows:

	Pension Plans in which Assets Exceed Accumulated Benefits		Pension Plans in which Accumulated Benefits Exceed Assets		Non-Pension Post-Retirement Benefits	
As at December 31, 2013	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	**$ (245)**	$ 297	**$ (84)**	$ 102	**$ (13)**	$ 16
Rate of compensation increase	**$ 3**	$ (5)	**$ 19**	$ (17)	**$ 1**	$ (1)
Healthcare cost trend rate	**n/a**	n/a	**n/a**	n/a	**$ 14**	$ (12)

The sensitivity analysis above is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in certain assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to changes in significant actuarial assumptions, the same method used for calculating the benefit obligation liabilities in the consolidated financial statements has been applied.

33. SUBSEQUENT EVENTS

Onex and certain operating companies have entered into agreements to acquire or make investments in other businesses. These transactions are typically subject to a number of conditions, many of which are beyond the control of Onex or the operating companies. The effect of these planned transactions, if completed, may be significant to the consolidated financial position of Onex.

a) Emerald Expositions

In January 2014, Emerald Expositions completed the acquisition of George Little Management, LLC ("GLM") for $335 in cash consideration. GLM is an operator of business-to-business tradeshows in the United States. In conjunction with the transaction, Onex, Onex Partners III and Onex management invested $140 in Emerald Expositions, of which Onex' share was $34. The remainder of the purchase price and transaction costs were funded by Emerald Expositions through an amendment to its credit facility, as described in note 12.

b) Onex Partners IV

In February 2014, Onex completed an additional closing of Onex Partners IV with funding commitments totalling approximately $600. After completion of this closing and including the closings of Onex Partners IV completed during 2013, the total funding commitments for Onex Partners IV were approximately $3,700, which includes Onex' commitment of $1,200.

34. INFORMATION BY INDUSTRY AND GEOGRAPHIC SEGMENT

Onex' reportable segments operate through autonomous companies and strategic partnerships. Reportable segments have been determined based on the industries and different products and services offered.

The Company had seven reportable segments in 2013 and 2012: electronics manufacturing services; aerostructures; healthcare; insurance provider; customer care services; building products; and other. The electronics manufacturing services segment consists of Celestica, which provides supply chain solutions, including manufacturing services to electronics original equipment manufacturers and service providers. The aerostructures segment consists of Spirit AeroSystems, which is an aircraft parts designer and manufacturer of commercial aerostructures. The healthcare segment consists of Carestream Health, a leading global provider of medical imaging and healthcare information technology solutions; CDI (sold in July 2012); ResCare, a leading U.S. provider of residential training, education and support services for people with disabilities and special needs; and Skilled Healthcare Group, which operates skilled nursing and assisted living facilities in the United States. The insurance provider segment consists of The Warranty Group, which underwrites and administers extended warranties on a variety of consumer goods and also provides consumer credit and other specialty insurance products. The customer care services segment consists of Sitel Worldwide, which provides customer care outsourcing services for a broad range of industry end markets. The building products segment consists of JELD-WEN, one of the world's largest manufacturers of interior and exterior doors, windows and related products for use primarily in the residential and light commercial new construction and remodelling markets. Other includes Allison Transmission, a leading designer and manufacturer of fully-automatic transmissions for on-highway trucks and buses, off-highway equipment and defence vehicles worldwide; BBAM (acquired in December 2012), a manager of commercial jet aircraft; Emerald Expositions (acquired in June 2013), a leading operator of business-to-business tradeshows in the United States; KraussMaffei (acquired in December 2012), a global leader in the design and manufacture of machinery and systems for the processing of plastics and rubber; Meridian Aviation Partners Limited (established in February 2013), an aircraft investment company established by Onex Partners III; RSI (sold in February 2013); SGS International (acquired in October 2012), a global leader in design-to-print graphic services to the consumer products packaging industry; Tomkins, a global manufacturer of belts and hoses for the industrial and automotive markets; Tropicana Las Vegas, one of the most storied casinos in Las Vegas; USI (acquired in December 2012), a leading U.S. provider of insurance brokerage services; as well as Onex Real Estate, the operating companies of ONCAP II (BSN SPORTS up to June 2013 and Caliber Collision up to November 2013) and ONCAP III, the collateralized loan obligations of Onex Credit Partners and the parent company. In addition, the other segment includes TMS International, which has been presented as a discontinued operation.

Allison Transmission, BBAM, RSI (sold in February 2013), Tomkins and certain Onex Real Estate investments are recorded at fair value through net earnings, as described in note 1.

2013 Industry Segments

	Electronics Manufacturing Services	Aero-structures	Healthcare	Insurance Provider	Customer Care Services	Building Products	Other	Consolidated Total
Revenues	$ 5,796	$ 5,961	$ 4,902	$ 1,168	$ 1,438	$ 3,457	$ 5,087	$ 27,809
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(5,337)	(5,848)	(3,406)	(600)	(936)	(2,855)	(2,861)	(21,843)
Operating expenses	(221)	(243)	(836)	(380)	(372)	(449)	(1,696)	(4,197)
Interest income	1	–	2	–	1	2	100	106
Amortization of property, plant and equipment	(60)	(162)	(119)	(3)	(28)	(112)	(135)	(619)
Amortization of intangible assets and deferred charges	(12)	(28)	(148)	(12)	(23)	(18)	(296)	(537)
Interest expense of operating companies	(3)	(70)	(222)	(6)	(97)	(79)	(336)	(813)
Increase in value of investments in joint ventures and associates at fair value, net	–	–	–	–	–	–	1,098	1,098
Stock-based compensation (expense) recovery	(29)	(22)	(8)	(4)	–	7	(293)	(349)
Other gains	–	–	–	–	–	–	561	561
Other items	(4)	(27)	(143)	9	(17)	(9)	(258)	(449)
Impairment of goodwill, intangible assets and long-lived assets, net	–	–	(95)	(1)	(1)	(13)	(209)	(319)
Limited Partners' Interests charge	–	–	–	–	–	–	(1,855)	(1,855)
Earnings (loss) before income taxes and discontinued operations	131	(439)	(73)	171	(35)	(69)	(1,093)	(1,407)
Recovery of (provision for) income taxes	(13)	(101)	(44)	(59)	14	(16)	552	333
Earnings (loss) from continuing operations	118	(540)	(117)	112	(21)	(85)	(541)	(1,074)
Earnings from discontinued operations[a]	–	–	–	–	–	–	261	261
Net earnings (loss) for the year	$ 118	$ (540)	$ (117)	$ 112	$ (21)	$ (85)	$ (280)	$ (813)
Total assets	$ 2,639	$ 5,155	$ 3,707	$ 4,898	$ 613	$ 2,483	$ 17,372	$ 36,867
Long-term debt[b]	$ –	$ 1,128	$ 3,009	$ 255	$ 740	$ 661	$ 6,177	$ 11,970
Property, plant and equipment additions	$ 45	$ 269	$ 102	$ 2	$ 33	$ 89	$ 326	$ 866
Intangible assets with indefinite life	$ –	$ –	$ 253	$ 16	$ 36	$ 259	$ 777	$ 1,341
Goodwill additions from acquisitions	$ –	$ –	$ 20	$ 3	$ –	$ –	$ 727	$ 750
Goodwill	$ 60	$ 3	$ 784	$ 306	$ 118	$ 109	$ 3,089	$ 4,469
Net earnings (loss) attributable to:								
Equity holders of Onex Corporation	$ 12	$ (84)	$ (69)	$ 101	$ (15)	$ (66)	$ (233)	$ (354)
Non-controlling interests	106	(456)	(48)	11	(6)	(19)	(47)	(459)
Net earnings (loss) for the year	$ 118	$ (540)	$ (117)	$ 112	$ (21)	$ (85)	$ (280)	$ (813)

(a) Represents the after-tax results of TMS International, as described in note 3.

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

2012 Industry Segments

	Electronics Manufacturing Services	Aero-structures	Healthcare	Insurance Provider	Customer Care Services	Building Products	Other	Consoli-dated Total
Revenues	$ 6,507	$ 5,404	$ 4,947	$ 1,205	$ 1,429	$ 3,168	$ 2,257	$ 24,917
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(5,988)	(5,038)	(3,402)	(621)	(920)	(2,561)	(1,378)	(19,908)
Operating expenses	(226)	(228)	(885)	(402)	(368)	(449)	(718)	(3,276)
Interest income	1	–	3	–	1	3	52	60
Amortization of property, plant and equipment	(70)	(130)	(128)	(4)	(29)	(101)	(76)	(538)
Amortization of intangible assets and deferred charges	(11)	(29)	(160)	(15)	(25)	(19)	(59)	(318)
Interest expense of operating companies	(5)	(83)	(191)	(5)	(100)	(63)	(67)	(514)
Increase in value of investments in joint ventures and associates at fair value, net	–	–	–	–	–	–	863	863
Stock-based compensation expense	(36)	(16)	(11)	(2)	(1)	(17)	(156)	(239)
Other gains	–	–	–	–	–	–	59	59
Other items	(42)	150	(42)	11	(4)	(33)	(86)	(46)
Impairment of goodwill, intangible assets and long-lived assets	(18)	(2)	(17)	(4)	–	(7)	(17)	(65)
Limited Partners' Interests charge	–	–	–	–	–	–	(929)	(929)
Earnings (loss) before income taxes and discontinued operations	112	28	114	163	(17)	(79)	(255)	66
Recovery of (provision for) income taxes	6	17	(44)	(54)	(3)	12	(10)	(76)
Earnings (loss) from continuing operations	118	45	70	109	(20)	(67)	(265)	(10)
Earnings from discontinued operations[a]	–	–	–	–	–	–	26	26
Net earnings (loss) for the year	$ 118	$ 45	$ 70	$ 109	$ (20)	$ (67)	$ (239)	$ 16
Total assets[b]	$ 2,659	$ 5,371	$ 3,971	$ 4,903	$ 632	$ 2,626	$ 16,140	$ 36,302
Long-term debt[b] [c]	$ 55	$ 1,133	$ 2,540	$ 258	$ 725	$ 547	$ 5,212	$ 10,470
Property, plant and equipment additions[b]	$ 98	$ 225	$ 120	$ 4	$ 23	$ 91	$ 196	$ 757
Intangible assets with indefinite life	$ –	$ –	$ 256	$ 16	$ 36	$ 259	$ 548	$ 1,115
Goodwill additions from acquisitions	$ 26	$ –	$ 23	$ –	$ –	$ –	$ 1,983	$ 2,032
Goodwill[b]	$ 60	$ 3	$ 852	$ 304	$ 118	$ 113	$ 2,908	$ 4,358
Net earnings (loss) attributable to:								
Equity holders of Onex Corporation	$ 13	$ 7	$ 18	$ 62	$ (14)	$ (47)	$ (167)	$ (128)
Non-controlling interests	105	38	52	47	(6)	(20)	(72)	144
Net earnings (loss) for the year	$ 118	$ 45	$ 70	$ 109	$ (20)	$ (67)	$ (239)	$ 16

(a) Represents the after-tax results of TMS International, as described in note 3.

(b) Total assets, long-term debt, property, plant and equipment additions and goodwill in the other segment include discontinued operations.

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

Geographic Segments

	2013						2012					
	Canada	**U.S.**	**Europe**	**Asia and Oceania**	**Other[1]**	**Total**	Canada	U.S.	Europe	Asia and Oceania	Other[1]	Total
Revenue[2]	**$ 998**	**$ 16,844**	**$ 5,148**	**$ 3,609**	**$ 1,210**	**$ 27,809**	$ 1,340	$ 14,496	$ 4,372	$ 3,701	$ 1,008	$ 24,917
Property, plant and equipment	**$ 378**	**$ 3,443**	**$ 763**	**$ 466**	**$ 55**	**$ 5,105**	$ 358	$ 3,730	$ 838	$ 456	$ 113	$ 5,495
Intangible assets	**$ 286**	**$ 3,694**	**$ 593**	**$ 49**	**$ 73**	**$ 4,695**	$ 322	$ 3,733	$ 696	$ 63	$ 19	$ 4,833
Goodwill	**$ 198**	**$ 3,600**	**$ 489**	**$ 146**	**$ 36**	**$ 4,469**	$ 224	$ 3,429	$ 518	$ 153	$ 34	$ 4,358

(1) Other consists primarily of operations in Central and South America, Mexico and Africa.

(2) Revenues are attributed to geographic areas based on the destinations of the products and/or services.

SHAREHOLDER INFORMATION

Year-end Closing Share Price

As at December 31 *(in Canadian dollars)*	**2013**	2012	2011	2010	2009
Toronto Stock Exchange	**$ 57.35**	$ 41.87	$ 33.18	$ 30.23	$ 23.60

Shares
The Subordinate Voting Shares of the Company are listed and traded on the Toronto Stock Exchange.

Share Symbol
OCX

Dividends
Dividends on the Subordinate Voting Shares are payable quarterly on or about January 31, April 30, July 31 and October 31 of each year. At December 31, 2013 the indicated dividend rate for each Subordinate Voting Share was C$0.15 per annum.

Shareholder Dividend Reinvestment Plan
The Dividend Reinvestment Plan provides shareholders of record who are resident in Canada a means to reinvest cash dividends in new Subordinate Voting Shares of Onex Corporation at a market-related price and without payment of brokerage commissions. To participate, registered shareholders should contact Onex' share registrar, CST Trust Company. Non-registered shareholders who wish to participate should contact their investment dealer or broker.

Corporate Governance Policies
A presentation of Onex' corporate governance policies is included in the Management Information Circular that is mailed to all shareholders and is available on Onex' website.

Registrar and Transfer Agent
CST Trust Company
P.O. Box 700
Postal Station B
Montreal, Quebec H3B 3K3
(416) 682-3860
or call toll-free throughout Canada and the United States
1-800-387-0825
www.canstockta.com
or inquiries@canstockta.com

All questions about accounts, stock certificates or dividend cheques should be directed to the Registrar and Transfer Agent.

Electronic Communication with Shareholders
We encourage individuals to receive Onex' shareholder communications electronically. You can submit your request online by visiting CST Trust Company's website www.canstockta.com/electronicdelivery or contacting them at 1-800-387-0825.

Investor Relations Contact
Requests for copies of this report, other annual reports, quarterly reports and other corporate communications should be directed to:
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161 Bay Street
P.O. Box 700
Toronto, Ontario M5J 2S1
(416) 362-7711
investor@onex.com

Website:
www.onex.com

Auditors
PricewaterhouseCoopers LLP
Chartered Professional Accountants

Duplicate Communication
Registered holders of Onex Corporation shares may receive more than one copy of shareholder mailings. Every effort is made to avoid duplication, but when shares are registered under different names and/or addresses, multiple mailings result. Shareholders who receive but do not require more than one mailing for the same ownership are requested to write to the Registrar and Transfer Agent and arrangements will be made to combine the accounts for mailing purposes.

Shares Held in Nominee Name
To ensure that shareholders whose shares are not held in their name receive all Company reports and releases on a timely basis, a direct mailing list is maintained by the Company. If you would like your name added to this list, please forward your request to Investor Relations at Onex.

Annual Meeting of Shareholders
Onex Corporation's Annual Meeting of Shareholders will be held on May 15, 2014 at 10:00 a.m. (Eastern Daylight Time) at Toronto Region Board of Trade, 77 Adelaide Street West, Toronto, Ontario.

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