



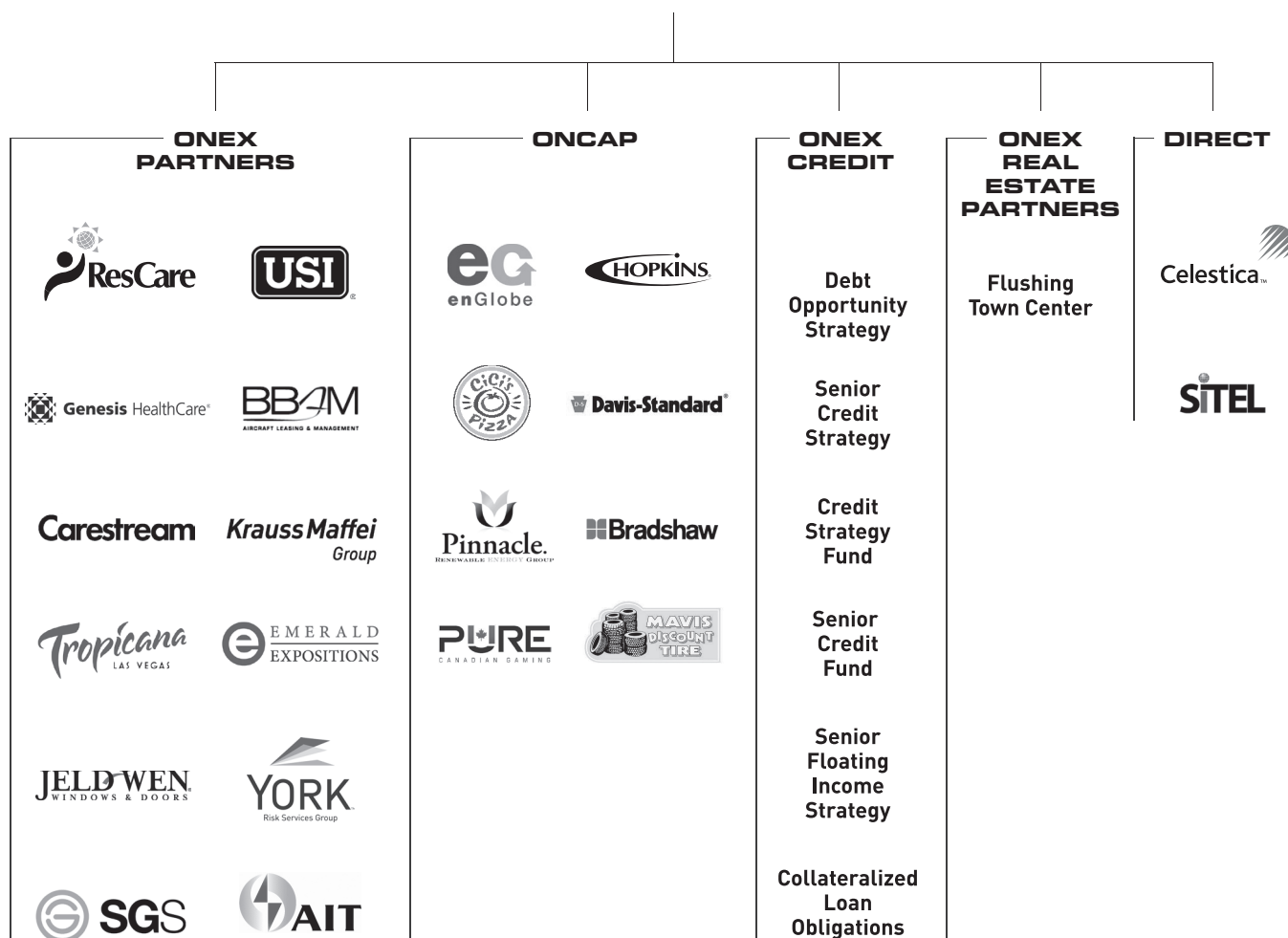
Management's Discussion and Analysis and Financial Statements

December 31, 2014

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 \$29 billion, generate annual revenues of \$21 billion and employ approximately 192,000 people worldwide. Onex operates from offices located in Toronto, New York and London.

ONEX



Onex Partners includes investments made through Onex Partners I, II, III and IV.

ONCAP includes investments made through ONCAP II and III.

Skilled Healthcare Group combined with Genesis HealthCare in February 2015.

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

Table of Contents

6	Management's Discussion and Analysis
88	Audited Annual Consolidated Financial Statements

CHAIRMAN'S LETTER

Dear Shareholders,

In 2014, we raised a record \$5.7 billion from limited partners and other investors across our private equity and credit platforms, including the completion of fundraising for our flagship fund, Onex Partners IV.

As well, Onex and our Limited Partners received a record \$6.1 billion from realizations and distributions. Included in that amount are proceeds from three businesses we sold for 2.2 to 8.1 times our original capital invested.

For most of the year conditions were ideal for realizations as both public equity and credit markets were quite strong. Ideal conditions, however, only help after you have built successful businesses others want to own. That building didn't just happen in 2014, but occurred over many years, resulting from the hard work of both our management and investment teams.

We have begun the building process once again with four acquisitions announced or closed during the fourth quarter. It was tough to find great opportunities in the market for much of 2014. Fortunately, credit markets began softening materially in the second half of the year. As well, we believe our most recent businesses have plenty of potential for add-on acquisitions and future growth, making our initial purchase price somewhat less relevant for a long-term investor like Onex.

We also continue to invest in and build our team. Across the firm we promoted three new Managing Directors and hired 11 new investment professionals. We develop most of our own talent at Onex and believe this is one of the secrets of our long-term success. By the time someone is promoted to Managing Director they have likely been with us for about 10 years, seen more than one investment cycle and developed into an entrepreneur who shares Onex' values and ethics, and also understands the risks and opportunities that together comprise a business we want to own. Over time, each of our Managing Directors will have the majority of their financial net worth invested in Onex and our Funds.

So as we reflect on 2014 and what we accomplished, we know it was the result of years of hard work by today's team, our ownership culture and a consistent approach to investing. Here are some of the highlights:

- Including realizations and distributions, the value of Onex' interest in Onex Partners and ONCAP investments grew by 14 percent;
- Onex Partners sold Gates and The Warranty Group as well as its remaining interests in Allison Transmission and Spirit AeroSystems for total proceeds of \$5.4 billion;
- ONCAP sold Mister Car Wash for total proceeds of \$378 million, generating a multiple of invested capital of 8.1 times;
- Onex Partners invested \$521 million of equity to acquire York Risk Services, an integrated provider of insurance solutions to property, casualty and workers' compensation specialty markets in the United States;
- Onex Partners invested \$204 million for an interest in Advanced Integration Technology, a leading provider of automation and tooling, maintenance services and aircraft components to the aerospace industry;
- Onex Partners announced the acquisition of SIG Combibloc Group, the second-largest provider of aseptic beverage packaging in the world. Onex and certain of our limited partners as co-investors will invest \$1.25 billion of equity;
- ONCAP made an equity investment of \$102 million for an interest in Mavis Discount Tire, a leading regional tire retailer operating in the light vehicle sector;
- Our businesses raised or refinanced approximately \$3.4 billion of debt;
- Our businesses made capital expenditures and add-on acquisitions of approximately \$1.5 billion;
- Onex Credit continued to grow its collateralized loan obligation pools with three CLO offerings, totalling \$1.9 billion, and increasing its capital under management to \$5.1 billion by year-end; and
- We completed the fundraising for Onex Partners IV faster than anticipated, raising \$5.2 billion, which surpassed our original \$4.5 billion target.

At Onex, we have only one mission – to invest wisely. As we begin our fourth decade, it gives us pause to acknowledge that many of our younger professionals weren't born when we started Onex in 1984. We are confident they will come to hold the same values and principles that have kept us prospering through many economic and industry cycles. We will all invest together – enjoying some years of ideal conditions and worrying through some tough ones.

From all of us at Onex, we thank you for your continued support.

[signed]

Gerald W. Schwartz

Chairman & Chief Executive Officer, Onex Corporation

Onex Corporation December 31, 2014 1

ONEX CORPORATION

More Than 30 Years of Successful Investing

Founded in 1984, Onex is one of the oldest and most successful private equity firms. Through its Onex Partners and ONCAP private equity funds, Onex acquires and builds high-quality businesses in partnership with talented management teams. At Onex Credit, Onex manages and invests in leveraged loans, collateralized loan obligations and other credit securities. The Company has approximately \$20.7 billion of assets under management, including \$6.0 billion of Onex capital. The Company is guided by an ownership culture focused on achieving strong absolute growth, with an emphasis on capital preservation.

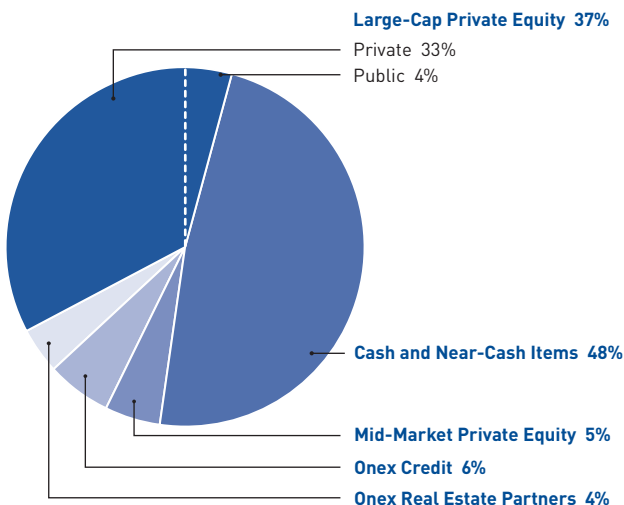
In private equity, Onex has built more than 80 operating businesses, completing approximately 480 acquisitions with a total value of approximately \$53 billion. Onex' investment returns have generated a gross multiple of capital invested of 3.0 times from its core private equity activities since inception, resulting in a 28 percent gross compound IRR on realized, substantially realized and publicly traded investments. Our credit business has grown considerably since 2007, driven primarily by our success with our CLO platform. With an experienced management team, significant financial resources and no debt at the parent company, Onex is well-positioned to continue building our businesses.

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

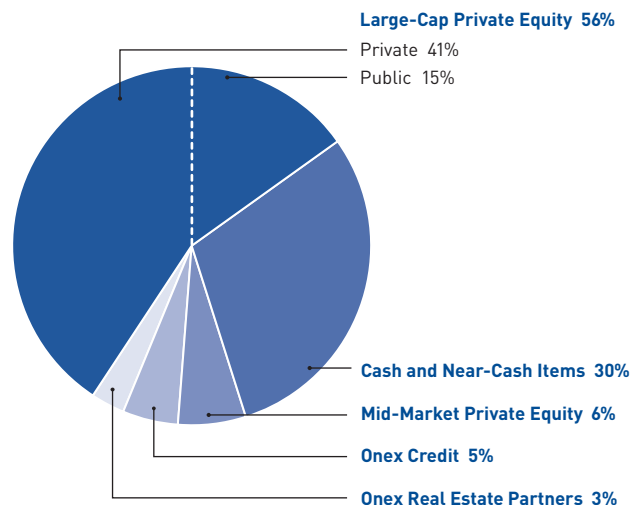
Onex' Capital

Onex' capital of \$6.0 billion at December 31, 2014 was primarily invested in or committed to its two private equity platforms – Onex Partners (for larger transactions) and ONCAP (for mid-market transactions) – and its credit platform, Onex Credit. One of Onex' long-term goals is to grow its capital per share by 15 percent per annum, and to have that growth reflected in its share price. In the year ended December 31, 2014, Onex' capital per share grew by 6 percent in U.S. dollars (16 percent in Canadian dollars) and our share price grew by 8 percent in U.S. dollars (18 percent in Canadian dollars). The growth in Onex' capital was impacted by a significant portion of Onex' capital being held in cash and near-cash items due to significant realizations in the past 12 months.

Onex' \$6.0 billion of Capital at December 31, 2014



Onex' \$5.8 billion of Capital at December 31, 2013

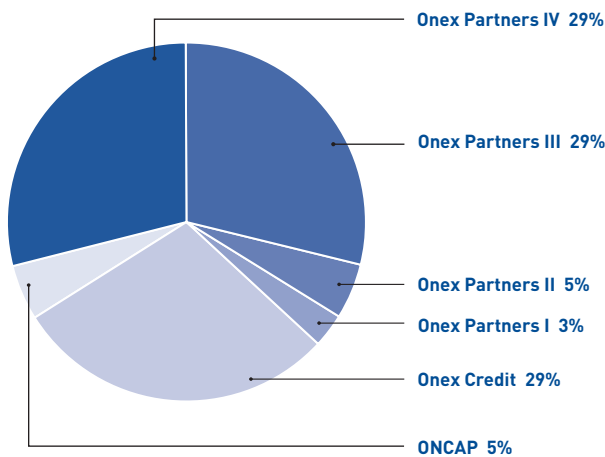


The How We Are Invested schedule details Onex' \$6.0 billion of capital at December 31, 2014 (December 31, 2013 – \$5.8 billion).

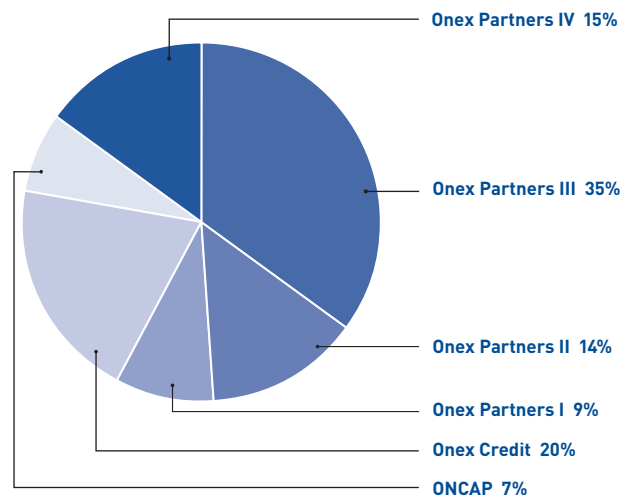
Other Investors' Capital

In addition to the management of its own capital, Onex is entrusted with capital from institutional investors around the world. The Company manages \$14.7 billion of invested and committed capital on behalf of its investors, of which 71 percent relates to its private equity platforms and the balance to Onex Credit. One of Onex' long-term goals is to grow its fee-generating capital by 10 percent per annum. In the year ended December 31, 2014, fee-generating capital under management grew by 13 percent driven by our success in raising Onex Partners IV and several CLO issuances. The management of this capital provides two significant benefits. First, Onex is entitled to receive a committed stream of annual management fees on \$13.5 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 2014, combined management fees and carried interest received more than offset ongoing operating expenses.

Onex' \$14.7 billion of Other Investors' Capital at December 31, 2014



Onex' \$13.5 billion of Other Investors' Capital 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' \$6.0 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 prepared by management. The presentation of controlled investments in this manner is a non-GAAP measure. This fair value summary may be used by investors to compare to fair values they may prepare on Onex and Onex' investments. 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, 2014 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, 2014	December 31, 2013
Private Equity		
Onex Partners		
Private Companies ⁽¹⁾	\$ 1,748	\$ 2,026
Public Companies ⁽²⁾	30	627
Unrealized Carried Interest ⁽³⁾	115	202
ONCAP ⁽⁴⁾	292	337
Direct Investments		
Private Companies ⁽⁵⁾	100	153
Public Companies	210	186
	2,495	3,531
Onex Credit⁽⁶⁾	366	260
Onex Real Estate Partners⁽⁷⁾	242	144
	608	404
Other Investments	24	103
Cash and Near-Cash⁽⁸⁾	2,877	1,741
Debt⁽⁹⁾	-	-
	\$ 6,004	\$ 5,779
Onex' Capital per Share (December 31, 2014 – C\$62.77; December 31, 2013 – C\$54.16) ⁽¹⁰⁾⁽¹¹⁾	\$ 54.11	\$ 50.93

(1) Based on the fair value of the investments in Onex Partners' financial statements net of the estimated Management Investment Plan ("MIP") liability on these investments of \$40 million (2013 – \$64 million).

(2) Based on the closing market values and net of the estimated MIP liability on public companies in the Onex Partners Funds of nil (2013 – \$37 million).

(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 \$9 million (2013 – \$17 million) and a US\$/C\$ exchange rate of 1.1601 (2013 – 1.0636).

(5) Based on the fair value.

(6) Based on the market values of investments in Onex Credit Funds (\$129 million) and Onex Credit Collateralized Loan Obligations and the warehouse facility for Onex Credit CLO-8 (\$237 million). Excludes \$346 million (2013 – \$343 million) invested in a segregated Onex Credit unleveraged senior secured loan strategy fund, which is included with cash and near-cash items.

(7) Based on the fair value. During 2014 Onex invested \$95 million in Flushing Town Center.

(8) Includes \$346 million (2013 – \$343 million) invested in a segregated Onex Credit unleveraged senior secured loan strategy fund.

(9) Represents debt at Onex Corporation, the parent company.

(10) Calculated on a fully diluted basis. Fully diluted shares were approximately 112.9 million at December 31, 2014 (December 31, 2013 – 115.9 million). Fully diluted shares include all outstanding Subordinate Voting Shares and outstanding Stock Options that have met the minimum 25% price appreciation threshold.

(11) The change in Onex' Capital per Share during the year ended December 31, 2014 is driven primarily by fair value changes of Onex' investments. Share repurchases and options exercised during the period will also 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 Onex' Capital per Share.

Public and Private Company Information

Public Companies

As at December 31, 2014	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	\$ 8.57	\$ 30
Direct Investments – Celestica⁽³⁾	–	17.9	\$ 11.74	210
				\$ 240

Significant Private Companies

As at December 31, 2014	Onex' and its Limited Partners' Ownership	LTM EBITDA ⁽⁴⁾	Net Debt	Cumulative Distributions	Onex' Economic Ownership	Original Cost of Onex' Investment
Onex Partners						
Carestream Health	91%	\$ 420	\$ 1,982	\$ 1,311	33% ⁽³⁾	\$ 186
Tropicana Las Vegas	82%	3	55	–	18%	70
ResCare	98%	134	469	130	20%	41
JELD-WEN	81% ⁽⁵⁾	230 ⁽⁶⁾	713 ⁽⁶⁾	–	20% ⁽⁵⁾	217 ⁽⁷⁾
SGS International	93%	115 ⁽⁸⁾	560	–	23%	66
USI	89%	315 ⁽⁸⁾	1,740	–	25%	170
BBAM ⁽⁹⁾	50%	75	(45) ⁽¹⁰⁾	112 ⁽¹¹⁾	13%	66
KraussMaffei	96%	€ 117	€ 222	–	24%	92 ⁽¹²⁾
Emerald Expositions	99%	131 ⁽⁸⁾	735	–	24%	119
York	88%	117 ⁽⁸⁾	918	–	29%	173
AIT	40%	n/a	n/a	n/a	9%	45
						1,245
Direct Investments – Sitel Worldwide	86% ⁽¹³⁾	\$ 118	\$ 752	\$ –	86% ⁽¹³⁾	320
						\$ 1,565

(1) Closing prices on December 31, 2014.

(2) In February 2015, Skilled Healthcare Group combined with Genesis HealthCare. The combined company will operate under the Genesis Healthcare name and will continue to be publicly traded (NYSE: GEN).

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

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

(7) Net of a \$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.

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

(9) Ownership percentages, LTM EBITDA, net debt and cumulative distributions are presented for BBAM Limited Partnership and do not reflect information for Onex' investments in Meridian Aviation Partners Limited or FLY Leasing Limited (NYSE: FLY). The Original Cost of Onex' Investment includes \$19 million invested in Meridian Aviation Partners Limited and \$5 million invested in FLY Leasing Limited.

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

(11) Onex, Onex Partners III and Onex management received distributions of \$52 million from BBAM.

(12) 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.

(13) The economic ownership interests of Sitel Worldwide are presented based on preferred shareholdings.

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 the year ended December 31, 2014 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 financial statements.

The following MD&A is the responsibility of management and is as of February 19, 2015. 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:

7	Our Business, Our Objective and Our Strategies	22	Financial Review
18	Industry Segments	81	Outlook

Onex Corporation's financial filings, including the 2014 MD&A and Consolidated 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 management team include the management of Onex, ONCAP and Onex Credit. References to management without the use of team include only the relevant group. For example, Onex management does not include management of ONCAP or Onex Credit.

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

Forward-Looking/Safe Harbour Statements

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

OUR BUSINESS, OUR OBJECTIVE AND OUR STRATEGIES

OUR BUSINESS: Over its 30-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 and insurance companies. The Company has generated a gross multiple of capital invested of 3.0 times from its core private equity activities since inception on realized, substantially realized and publicly traded investments.

Investment approach

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

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

At Onex Credit, we practise value-oriented investing with bottom-up, fundamental and structural analysis. We invest in larger, more actively traded issues and seek to have diversification among industries, issuers and tranches. Our top-down approach to portfolio construction, risk control and liquidity management complements our investment research.

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

Experienced team with significant depth

Onex is led by Gerry Schwartz, Chairman and CEO, and its Executive Committee comprised of Mr. Schwartz and four Senior Managing Directors. Collectively, these executives have more than 130 years of investing experience and have worked at Onex for an average of 23 years. Onex' stability results from its ownership culture, rigorous recruiting standards and highly collegial environment.

Onex' 76 investment professionals are each dedicated to a separate investment platform: Onex Partners (46), ONCAP (17) and Onex Credit (13). These investment teams are supported by more than 60 professionals involved in the taxation, accounting, financial reporting and control, legal and investor relations of Onex and its investment platforms.

Substantial financial resources available for future growth

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. 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, 2014, Onex had:

- i. Approximately \$2.9 billion of cash and near-cash items and no debt.
- ii. \$4.0 billion of limited partners' uncalled capital available for future Onex Partners IV investments.
- iii. C\$289 million of limited partners' uncalled capital available for future ONCAP III investments.

In May 2014, Onex successfully completed fundraising for Onex Partners IV, reaching aggregate commitments of \$5.2 billion and exceeding the target of \$4.5 billion. This includes Onex' commitment of \$1.2 billion and capital from institutional investors around the world. In December 2014, Onex notified the limited partners of Onex Partners IV that it would be increasing its commitment by \$500 million to \$1.7 billion. The increased commitment will apply to new Onex Partners IV investments completed after June 3, 2015, and will not change Onex' ownership of businesses acquired prior to that date.

Strong alignment of interests

An important part of our success in building industry-leading businesses and our investment track record is the strong alignment of interests between Onex' shareholders, our limited partners and the Onex management team. In addition to Onex being the largest limited partner in each private equity Fund and having meaningful investments through Onex Credit, the Company's distinctive ownership culture requires the management team to have a significant ownership in Onex shares and to invest meaningfully in each operating business acquired. At December 31, 2014, the 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;
- has a total investment at market in Onex Credit strategies of approximately \$240 million; and
- is required to reinvest 25 percent of all Onex Partners carried interest and Management Investment Plan ("MIP") distributions in Onex shares until they individually own at least one million shares and hold these shares until retirement.

OUR OBJECTIVE 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 are concentrated on (i) acquiring and building industry-leading businesses and (ii) managing and growing other investors' capital in private equity and debt investing strategies. We believe 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 and reviews how we performed relative to those strategies in 2014.

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

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

The acquisition environment was very competitive in both North America and Europe during 2014. We are pleased with our activity during the fourth quarter of 2014, which included three new investments – York Risk Services Holding Corp. (“York”), Mavis Tire Supply LLC (“Mavis Discount Tire”) and Advanced Integration Technology (“AIT”) – and several add-on acquisitions completed by our operating businesses. In addition, we recently announced our plans to acquire two businesses – SIG Combibloc Group AG (“SIG”) and Survitec Group Limited (“Survitec”) – both of which we expect to close during the first quarter of 2015, subject to customary conditions and regulatory approvals.

Acquiring businesses

The table below presents in chronological order the total investments made primarily by the Onex Partners and ONCAP Groups during 2014 and up to February 19, 2015 and Onex' share thereof:

Company	Fund	Transaction	Total Amount <i>(\$ millions)</i>	Onex' Share <i>(\$ millions)</i>
JELD-WEN	Onex Partners III	Add-on investment	\$ 65	\$ 16
Flushing Town Center	Onex Real Estate Partners	Add-on investment	\$ 108	\$ 95
Sitel Worldwide	Direct Investment	Add-on investment	\$ 74	\$ 69
Mavis Discount Tire	ONCAP III	Equity invested	\$ 102	\$ 30
York	Onex Partners III	Equity invested	\$ 521 ⁽¹⁾	\$ 173 ⁽¹⁾
AIT	Onex Partners IV	Equity invested	\$ 204	\$ 45
Total			\$ 1,074	\$ 428

(1) The Onex Partners III Group's equity investment in York was comprised of \$400 million from Onex Partners III and \$121 million as a co-investment from Onex and certain limited partners. Onex' investment was comprised of \$96 million from Onex Partners III and \$77 million as a co-investment.

During 2014, the Onex Partners III Group had the opportunity to increase its ownership in JELD-WEN Holding, inc. (“JELD-WEN”) with a net investment of \$65 million to acquire common stock of JELD-WEN from existing shareholders unrelated to Onex. The total number of shares of JELD-WEN common stock outstanding did not change as a result of this transaction.

In May 2014, Onex Real Estate Partners made a \$95 million equity investment in Flushing Town Center. Flushing Town Center concurrently entered into new credit facilities with third-party lenders consisting of a \$195 million mortgage loan and \$70 million of mezzanine loans. The proceeds from the new credit facilities, along with the equity investment from Onex Real Estate Partners, were used to repay the third-party lenders of the existing senior construction loan.

In addition, Onex Real Estate Partners made further equity investments in Flushing Town Center totaling \$13 million during 2014.

During the second quarter of 2014, Onex increased its investment in SITEL Worldwide Corporation (“Sitel Worldwide”) to allow the company to reduce debt and fund near-term capital expenditures supporting growth and efficiency plans. Sitel Worldwide issued \$75 million of preferred shares, of which Onex and Onex management’s portion was \$74 million.

In October 2014, the ONCAP III Group acquired a 46 percent economic interest in Mavis Discount Tire for an equity investment of \$102 million. The company is a leading regional tire retailer operating in the tire and light vehicle service industry with over 150 retail locations.

In October 2014, the Onex Partners III Group acquired York, an integrated provider of insurance solutions to property, casualty and workers’ compensation specialty markets in the United States, for \$1.325 billion. The Onex Partners III Group’s equity investment in York was \$521 million.

In December 2014, Onex Partners IV acquired a 40 percent economic interest in AIT for \$204 million. The company is a leading provider of automation and tooling, maintenance services and aircraft components to the aerospace industry.

In addition to these investments, Onex recently announced two new acquisitions: SIG and Survitec.

In November 2014, Onex agreed to acquire SIG in a transaction valued at up to €3.75 billion. Based in Switzerland, SIG provides beverage and food producers with a comprehensive product portfolio of aseptic carton sleeves and closures, as well as the filling machines used to fill, form and seal the sleeves. The equity investment in SIG is expected to be approximately \$1.25 billion and will be comprised of \$600 million from Onex Partners IV and \$650 million from Onex and certain other limited partners. The transaction is expected to close during the first quarter of 2015, subject to customary conditions and regulatory approvals.

In January 2015, Onex agreed to acquire Survitec for £450 million (\$680 million). Based in the United Kingdom, Survitec is a market-leading provider of mission-critical marine, defence and aerospace survival equipment. The Onex Partners IV Group will make an investment of approximately \$320 million for substantially all of the equity. The transaction is expected to close during the first quarter of 2015, subject to customary conditions and regulatory approvals.

Building businesses

The strong cash flow characteristics of many of our operating businesses allowed a number of them to complete follow-on acquisitions in 2014. These investments are described in chronological order in the paragraphs that follow.

In January 2014, Emerald Expositions, LLC (“Emerald Expositions”) acquired George Little Management, LLC (“GLM”), an operator of business-to-business tradeshow in the United States. This acquisition is consistent with the investment thesis for Emerald Expositions: to grow the business through accretive add-on acquisitions of smaller exhibition businesses in existing and adjacent end markets. 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.

In May 2014, USI Insurance Services (“USI”) acquired 40 insurance brokerage and consulting offices across the United States from Wells Fargo Insurance. The purchase price for the acquisition was \$133 million, which was financed by USI with a \$125 million incremental term loan and cash from USI. In addition, in October 2014, USI acquired seven retail insurance brokerage locations across the United States from Willis North America Inc. The purchase price was \$66 million, which was financed with cash from USI.

In June 2014, EnGlobe Corp. (“EnGlobe”) combined its business with LVM Inc., a leading Canadian geotechnical, materials and environmental engineering firm. The transaction was financed with third-party debt financing and an equity investment from third-party investors. The ONCAP II Group owned 81 percent of the combined business following this transaction.

In August 2014, Skilled Healthcare Group, Inc. (“Skilled Healthcare Group”) entered into an agreement to combine with Genesis HealthCare, LLC (“Genesis HealthCare”), a leading U.S. operator of long-term care facilities. The transaction was completed in February 2015. In accordance with the terms of the purchase and combination agreement, each share of Skilled Healthcare Group common stock issued and outstanding immediately prior to the closing of the transaction was converted into shares of the newly combined company. Skilled Healthcare Group shareholders own approximately 26 percent of the combined company, of which the Onex Partners I Group’s share of the economic ownership is 10 percent. The Onex Partners I Group’s voting ownership has been reduced to 10 percent from 86 percent before the combination. The combined company now operates under the Genesis Healthcare name and continues to be publicly traded (NYSE: GEN).

In December 2014, York acquired MCMC, LLC (“MCMC”), a leading managed care services company, for \$142 million. The acquisition was financed by York with a \$45 million senior unsecured notes offering, together with draws on its delayed draw term loan and revolving credit facility and a rollover equity contribution from management of MCMC.

During 2014, a number of our existing operating businesses collectively raised or refinanced a total of \$3.4 billion of debt. In addition, our existing operating businesses collectively paid down debt totalling approximately \$395 million during the year ended December 31, 2014.

Realizing on value

The strength of our businesses, combined with the strength in equity and credit markets, made it an appropriate time to realize on certain of our businesses. As a result, Onex and its partners received proceeds of \$6.1 billion in 2014, which was a record year for realizations.

The table below presents in chronological order the total proceeds received from realizations and cash distributions made during 2014 and up to February 19, 2015 primarily from Onex private equity activity:

Company	Fund	Transaction	Gross Multiple of Capital Invested ⁽¹⁾	Gross Return on Investment ⁽¹⁾	Total Amount (\$ millions)	Onex' Share ⁽²⁾ (\$ millions)
Allison Transmission	Onex Partners II	Share repurchases, secondary offerings and dividends	3.2x	21%	\$ 1,483	\$ 461
Spirit AeroSystems	Onex Partners I	Share repurchase and secondary offerings	8.5x	201%	\$ 729	\$ 222
ResCare	Onex Partners I & III	Dividend	n/a	n/a	\$ 120	\$ 25
PURE Canadian Gaming	ONCAP II & III	Debt repayment and return of capital	n/a	n/a	\$ 41	\$ 18
Tomkins	Onex Partners III	Sale of business	2.2x	27%	\$ 2,043	\$ 554
Cypress Insurance Group	Direct Investment	Sale of business and dividends	2.3x	17%	\$ 54	\$ 50
The Warranty Group	Onex Partners I & II	Sale of business	3.1x	19%	\$ 1,126	\$ 382
Mister Car Wash	ONCAP II	Sale of business	8.1x	36%	\$ 378	\$ 149
Onex Real Estate Partners	Direct Investment	Sale of investments	n/a	n/a	\$ 95 ⁽³⁾	\$ 84 ⁽³⁾
BBAM	Onex Partners III	Distributions	n/a	n/a	\$ 28	\$ 7
Total					\$ 6,097	\$ 1,952

(1) Calculation includes prior realizations. Information is not applicable for investments still held by Onex.

(2) 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, if applicable.

(3) Onex Real Estate Partners primarily consists of proceeds received on the sale of properties in the Urban Housing platform.

From February 2014 through September 2014, the Onex Partners II Group sold its remaining shares of Allison Transmission Holdings, Inc. ("Allison Transmission") through share repurchases and four secondary offerings completed by Allison Transmission. The offerings were priced at between \$29.17 and \$30.46 per share compared to Onex' cash cost per share of \$8.44. The Onex Partners II Group sold approximately 50 million shares for net proceeds of \$1.5 billion, of which Onex' share was \$459 million, including carried interest of \$38 million. Including prior realizations and dividends, the Onex Partners II Group received total net proceeds of \$2.4 billion compared to its original investment of \$763 million, and Onex received total net proceeds of approximately \$770 million compared to its original investment of \$237 million.

From March 2014 through August 2014, the Onex Partners I Group sold its remaining 22.4 million shares of Spirit AeroSystems, Inc. ("Spirit AeroSystems") in three transactions: a secondary offering in March 2014 priced at \$28.52 per share, a secondary offering and share repurchase in June 2014 priced at \$32.31 per share and a secondary offering in August 2014 priced at \$35.67 per share. Onex' cash cost for these shares was \$3.33 per share. The Onex Partners I Group received net cash proceeds of \$729 million from these transactions, of which Onex' share

was \$222 million, including carried interest of \$27 million. Including prior realizations, the Onex Partners I Group received total net proceeds of \$3.2 billion compared to its original investment of \$375 million and Onex received total net proceeds of approximately \$1.0 billion compared to its original investment of \$108 million.

In April 2014, Res-Care Inc. ("ResCare") entered into a new \$650 million senior secured credit facility. The proceeds from the new senior secured credit facility were used to repay ResCare's former senior secured credit facility, fund a \$130 million distribution to shareholders, pay fees and expenses associated with the transaction and for general corporate purposes.

In July 2014, Onex, together with Canada Pension Plan Investment Board ("CPPIB"), sold Gates Corporation ("Gates"), the principal remaining business of Tomkins Limited ("Tomkins"), for an enterprise value of \$5.4 billion. Proceeds from the sale to the Onex Partners III Group were \$2.0 billion. Onex' share of the proceeds was \$542 million, including carried interest of \$54 million. In addition, residual assets of Tomkins were sold in the second half of 2014 for total proceeds to the Onex Partners III Group of \$46 million. Including prior distributions from Tomkins, the Onex Partners III Group received total net proceeds of \$2.7 billion compared to its original investment of \$1.2 billion and Onex will have received total net proceeds of approximately \$727 million, including prior distributions of \$171 million, compared to its original investment of \$315 million.

In August 2014, Onex sold its investment in The Warranty Group Inc. ("The Warranty Group") for an enterprise value of approximately \$1.5 billion. The Onex Partners I and Onex Partners II Groups invested a total of \$498 million to acquire The Warranty Group in November 2006 and have received total net proceeds of \$1.529 billion, including prior distributions of \$403 million. Onex' portion of the sale proceeds was \$382 million, including carried interest of \$51 million. Including prior distributions, Onex received total net proceeds of \$509 million compared to its original investment of \$157 million.

In August 2014, the ONCAP II Group sold Mister Car Wash. Onex received total net proceeds of approximately \$168 million, including prior distributions of \$15 million, compared to its original investment of \$23 million.

The value of Onex Partners' and ONCAP's operating businesses, including realizations and distributions, increased by 14 percent during 2014. One of Onex' long-term goals is to grow its capital per share by 15 percent per annum. Including the impact of cash, carried interest and other investments, Onex' capital per share grew by 6 percent in U.S. dollars (16 percent in Canadian dollars) for the year ended December 31, 2014 to \$54.11 (C\$62.77) from \$50.93 (C\$54.16) at December 31, 2013. In the five years ended December 31, 2014, Onex' capital per share grew by an annual compound rate of 13 percent in U.S. dollars (15 percent in Canadian dollars).

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 ONCAP fund 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. Through December 31, 2014, Onex had raised \$11.8 billion of limited partners' capital through a total of seven Onex Partners and ONCAP Funds.

In 2007, Onex acquired a 50 percent interest in an investment advisor focused on credit investing which, at that time, managed \$300 million. The business has grown considerably over the past seven years and Onex has increased its ownership interest over the years. At December 31, 2014, Onex had a 70 percent ownership interest. In January 2015, Onex acquired control of the investment advisor. Today, Onex Credit manages several investment strategies focused on a variety of event-driven, long/short, stressed and distressed opportunities, including two closed-end funds listed on the Toronto Stock Exchange (TSX: OCS-UN and OSL-UN), as well as a collateralized loan obligation platform. Through December 31, 2014, Onex Credit had raised \$5.0 billion of investor capital through its various strategies.

The management of other investors' capital provides two significant benefits to Onex: (i) the Company earns management fees on \$13.5 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 activity. In 2014, combined management fees and carried interest received more than offset ongoing operating expenses. Onex Partners, ONCAP and Onex Credit earned a total of \$99 million in management and transaction fees in 2014 (2013 – \$112 million) and expect to earn a total of \$135 million in management and transaction fees in 2015.

At December 31, 2014, Onex managed \$14.7 billion of other investors' capital, in addition to \$6.0 billion of Onex' capital. Included in the other investors' capital managed by Onex was approximately \$4.0 billion of committed capital for Onex Partners IV.

Other Investors' Capital Under Management⁽¹⁾							
<i>(\$ millions)</i>	Total		Change in Total	Fee Generating		Uncalled Commitments	
	December 31, 2014⁽²⁾	December 31, 2013 ⁽²⁾		December 31, 2014	December 31, 2013	December 31, 2014⁽²⁾	December 31, 2013 ⁽²⁾
Funds							
Onex Partners ⁽³⁾	\$ 9,598	\$ 9,801	(2)%	\$ 8,523	\$ 8,464	\$ 4,755	\$ 2,720
ONCAP	C\$ 922	C\$ 970	(5)%	C\$ 785	C\$ 837	C\$ 291	C\$ 389
Onex Credit ⁽⁴⁾	\$ 4,342	\$ 2,744	58 %	\$ 4,342	\$ 2,744	n/a	n/a

(1) All data is presented at fair value.

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

(3) Includes \$4.0 billion (December 31, 2013 – \$1.9 billion) of committed capital from Onex Partners IV.

(4) At December 31, 2014 and 2013, Onex Credit was jointly controlled by Onex. In January 2015, Onex obtained a controlling interest in Onex Credit. Capital under management of Onex Credit represents 100 percent of the other investors' capital managed by Onex Credit.

Growth in other investors' capital under management

The amount of other investors' capital under management will fluctuate as new capital is raised and existing investments are realized. The amount of other investors' capital under management increased by approximately \$1.2 billion during 2014 due primarily to:

- \$2.3 billion of additional committed capital raised for Onex Partners IV during the first half of 2014;
- an increase of \$1.6 billion from Onex Credit primarily from the creation of three Collateralized Loan Obligations ("CLOs") by Onex Credit; and
- \$1.3 billion of a net increase in the fair value of Onex Partners and ONCAP investments managed for the other investors.

Partially offsetting these increases in other investors' capital during 2014 were distributions to investors of \$4.2 billion.

Going forward, one of Onex' long-term goals is to grow its fee-generating capital by 10 percent per annum. During the year ended December 31, 2014, fee-generating capital under management grew by 13 percent, or \$1.5 billion.

In 2012, Onex began investing capital in Onex Credit's CLO platform to support its growth. In addition, Onex believes the Onex Credit CLOs generate attractive risk-adjusted returns on Onex capital. To date, Onex Credit has closed seven CLOs, with offerings of securities and loans totalling approximately \$3.8 billion. At December 31, 2014, other investors' capital under management related to these CLOs was \$3.5 billion. Through December 31, 2014, Onex had invested \$321 million in Onex Credit CLOs and the warehouse facility for its eighth CLO, with a net investment of \$234 million after \$87 million was realized through subsequent dispositions and distributions. Including the change in value of its remaining holdings, Onex' investments in CLOs outstanding for at least one year have generated a 10 percent internal rate of return as of December 31, 2014. Onex expects to continue investing in CLOs as Onex Credit grows this part of its business.

At December 31, 2014, Onex' share of the unrealized carried interest on Onex Partners' and ONCAP's operating businesses was \$115 million based on the fair values. The amount of unrealized carried interest on Onex Partners' and ONCAP's businesses has decreased since December 31, 2013 due primarily to \$171 million of carried interest received by Onex in 2014. The actual amount of carried interest realized by Onex will depend on the ultimate performance of each Fund.

Private equity fund performance

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. The following table summarizes the performance of the Onex Partners and ONCAP Funds from inception through December 31, 2014. The gross internal rate of return ("Gross IRR") shows the investment returns achieved on the investments in the Funds. The net internal rate of return ("Net IRR") shows the returns earned by limited partners in the Funds after the deduction for carried interest, management fees and expenses. The gross multiple of capital ("Gross MOC") shows the Funds' total value as a multiple of capital invested. Net multiple of capital ("Net MOC") shows the multiple of capital invested for limited partners after the deduction for carried interest, management fees and expenses.

Performance Returns⁽¹⁾					
	Vintage	Gross IRR	Net IRR ⁽²⁾	Gross MOC	Net MOC ⁽²⁾
Funds					
Onex Partners LP	2003	55%	38%	4.0x	3.1x
Onex Partners II LP	2006	18%	14%	2.4x	2.0x
Onex Partners III LP	2009	19%	11%	1.5x	1.4x
Onex Partners IV LP ⁽³⁾	2014	–	–	1.0x	0.7x
ONCAP L.P. ⁽⁴⁾⁽⁵⁾	1999	43%	33%	4.1x	3.1x
ONCAP II L.P. ⁽⁴⁾	2006	31%	22%	3.6x	2.6x
ONCAP III LP ⁽⁴⁾	2011	26%	15%	1.7x	1.3x

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

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

(3) Performance reflects the short operating period of Onex Partners IV LP. Cash outflows occurred in August and December 2014 to fund management fees and expenses and the first investment was made in December 2014. The Gross IRR and Net IRR are not presented as they are not meaningful due to the short operating period of Onex Partners IV LP.

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

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

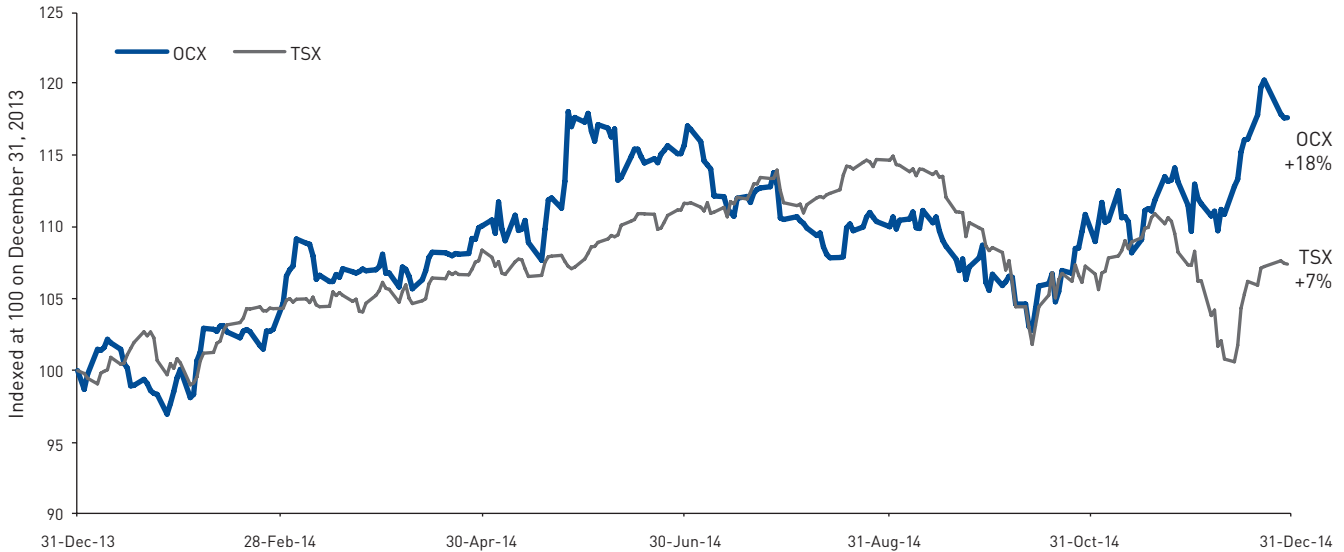
Have value creation reflected in Onex' share price

Our goal is to have the value of our investing and asset management activities reflected in our share price. These efforts are supported by a long-standing quarterly dividend and an active stock buyback program. In May 2014, Onex announced that it would be increasing its quarterly dividend by 33 percent to C\$0.05 per Subordinate Voting Share beginning in July 2014. This increase follows a 36 percent increase in the dividend rate in May 2013 and reflects Onex' success and ongoing commitment to its shareholders. During 2014, \$17 million was returned to shareholders through dividends and Onex repurchased 2,593,986 Subordinate Voting Shares at a total cost of \$150 million (C\$163 million), or an average purchase price of C\$62.98 per share.

At December 31, 2014, Onex' Subordinate Voting Shares closed at C\$67.46, an 18 percent increase from December 31, 2013. This compares to a 7 percent increase in the S&P/TSX Composite Index ("TSX").

The chart below shows the performance of Onex' Subordinate Voting Shares during 2014 relative to the TSX.

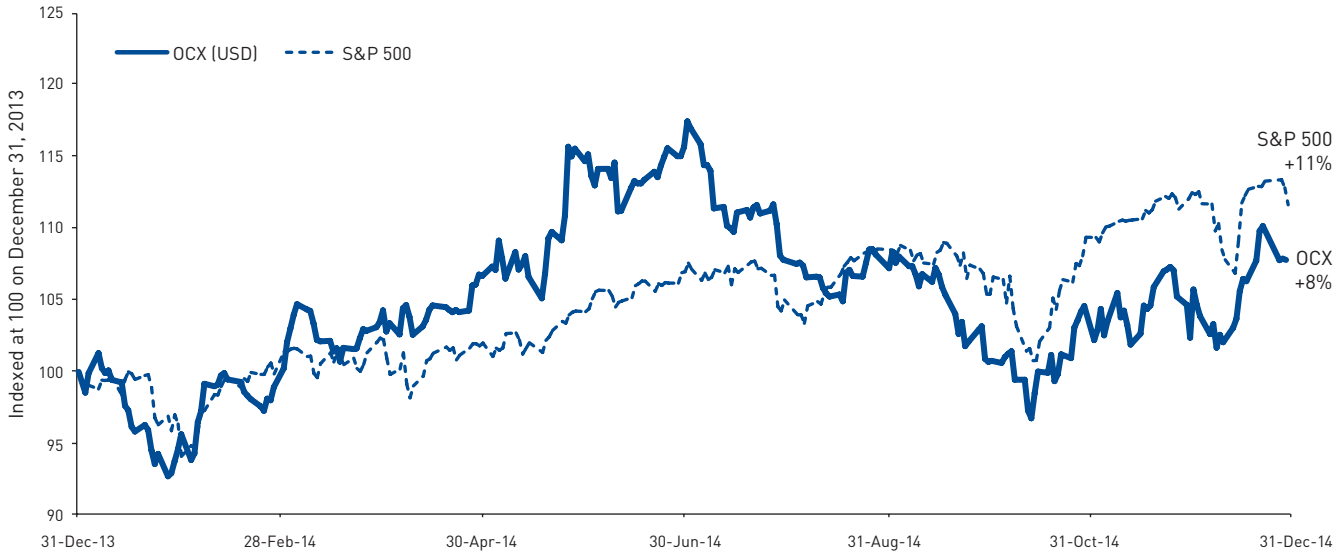
Twelve Months' Onex Relative Performance (December 31, 2013 to December 31, 2014)



As a substantial portion of Onex' investments are denominated in U.S. dollars, Onex' Canadian dollar share price will also be impacted by the change in the exchange rate between the U.S. dollar and Canadian dollar. During 2014, Onex' Subordinate Voting Shares increased by 8 percent in U.S. dollars as the U.S. dollar strengthened by 9 percent versus the Canadian dollar. This compares to an 11 percent increase in the Standard & Poor's 500 Index ("S&P 500").

The chart below shows the performance of Onex' Subordinate Voting Shares in U.S. dollars during 2014 relative to the S&P 500.

Twelve Months' Onex Relative Performance (December 31, 2013 to December 31, 2014)



INDUSTRY SEGMENTS

At December 31, 2014, Onex had eight reportable industry segments. In August 2014, Skilled Healthcare Group entered into an agreement to combine with Genesis HealthCare. The transaction was completed in February 2015 and resulted in a loss of control by the Onex Partners I Group. The results of operations of Skilled Healthcare Group, which were previously included in the healthcare segment, are now presented in the other businesses segment as discontinued operations. As a result of transactions completed during 2014, the insurance services segment, consisting of USI and York, and the credit strategies segment, consisting of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds, became reportable industry segments. In addition, Carestream Health, Inc. ("Carestream Health") and ResCare, which were previously both included in the healthcare segment, are now recorded in the healthcare imaging segment and the health and human services segment, respectively. Comparative results have been restated to reflect these changes. A description of our operating businesses by industry segment, and the economic and voting ownerships of Onex, the parent company, and its limited partners in those businesses, is presented below and in the pages that follow. We manage our businesses and measure performance based on each operating company's individual results.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Electronics Manufacturing Services	Celestica Inc. (TSX/NYSE: CLS), a global provider of electronics manufacturing services (website: www.celestica.com). Onex shares held: 17.9 million^(a)	10%^(a)	10%^(a)/75%
Healthcare Imaging	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	91%	33%^(a)/100%
Health and Human Services	Res-Care, Inc. , a leading U.S. provider of residential, training, educational and support services for people with disabilities and special needs (website: www.rescare.com). Total Onex, Onex Partners I, Onex Partners III and Onex management investment at original cost: \$204 million Onex portion at cost: \$41 million Onex Partners I portion subject to a carried interest: \$61 million Onex Partners III portion subject to a carried interest: \$94 million	98%	20%/100%
Customer Care Services	SITEL Worldwide Corporation , a global provider of outsourced customer care services (website: www.sitel.com). Onex investment at original cost: \$320 million	86%^(b)	86%^(b)/89%

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

(b) The economic ownership interests of Sitel Worldwide are presented based on preferred shareholdings.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/Voting Ownership
Building Products	<p>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).</p> <p>Total Onex, Onex Partners III, certain limited partners, Onex management and others investment at original cost: \$985 million Onex portion at cost: \$244 million Onex Partners III portion subject to a carried interest: \$609 million</p>	81% ^(a)	20% ^(a) /81% ^(a)
Insurance Services	<p>USI Insurance Services, a leading U.S. provider of insurance brokerage services (website: www.usi.biz).</p> <p>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</p> <p>York Risk Services Holding Corp., an integrated provider of insurance solutions to property, casualty and workers' compensation specialty markets in the United States (website: www.yorkrsg.com).</p> <p>Total Onex, Onex Partners III, certain limited partners, Onex management and others investment at original cost: \$521 million Onex portion at cost: \$173 million Onex Partners III portion subject to a carried interest: \$279 million</p>	89%	25%/100%
Credit Strategies	<p>Onex Credit Strategies, a platform that is comprised of:</p> <p>Onex Credit Manager specializes in managing credit-related investments, including event-driven, long/short and market dislocation strategies.</p> <p>Onex Credit Collateralized Loan Obligations, leveraged structured vehicles that hold a widely diversified collateral asset portfolio that is funded through the issuance of long-term debt in a series of rated tranches of secured notes and equity.</p> <p>Total Onex investment in collateralized loan obligations and the warehouse facility for Onex Credit CLO-8 at market: \$237 million</p> <p>Onex Credit Funds, investment funds providing unit holders with exposure to the performance of actively managed, diversified portfolios.</p> <p>Total Onex investment in Onex Credit Funds at market: \$475 million Includes \$346 million in a segregated Onex Credit unleveraged senior secured loan portfolio.</p>	70% ^(b)	70% ^(b) /50% ^(b)
Other Businesses	<p>Advanced Integration Technology, a leading provider of automation and tooling, maintenance services and aircraft components to the aerospace industry (website: www.aint.com).</p> <p>Total Onex, Onex Partners IV and Onex management investment at original cost: \$204 million Onex portion: \$45 million Onex Partners IV portion subject to a carried interest: \$142 million</p>	40%	9%/50% ^(c)

(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 includes convertible preferred shares.

(b) This represents Onex' share of the Onex Credit asset management platform at December 31, 2014. In January 2015, Onex acquired control of the Onex Credit asset management platform.

(c) 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
Other Businesses (cont'd)			
• Aircraft Leasing & Management	<p>Aircraft Leasing & Management, a global platform dedicated to leasing and managing commercial jet aircraft. The platform is comprised of:</p> <p>BBAM Limited Partnership, one of the world's leading managers of commercial jet aircraft (website: www.bbam.com).</p> <p>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</p> <p>Included with the investment in BBAM Limited Partnership is an investment of \$20 million made concurrently in FLY Leasing Limited (NYSE: FLY) by the Onex Partners III Group, of which Onex' share was \$5 million.</p> <p>Meridian Aviation Partners Limited and affiliates, an aircraft investment company established by the Onex Partners III Group.</p> <p>Total Onex, Onex Partners III and Onex management investment at original cost: \$77 million Onex portion: \$19 million Onex Partners III portion subject to a carried interest: \$54 million</p>	50%	13%/50% ^(a)
• Business Services/ Tradeshows	<p>Emerald Expositions, LLC, a leading operator of business-to-business tradeshows in the United States (website: www.emeraldexpositions.com).</p> <p>Total Onex, Onex Partners III and Onex management investment at original cost: \$490 million Onex portion: \$119 million Onex Partners III portion subject to a carried interest: \$345 million</p>	99%	24%/99%
• Plastics Processing Equipment	<p>KraussMaffei Group GmbH, a leading manufacturer of plastic and rubber processing equipment (website: www.kraussmaffei.com).</p> <p>Total Onex, Onex Partners III and Onex management investment at original cost: \$366 million^(b) Onex portion: \$92 million^(b) Onex Partners III portion subject to a carried interest: \$257 million^(b)</p>	96%	24%/100%
• Business Services/ Packaging	<p>SGS International, Inc., a global leader in design-to-print graphic services to the consumer products packaging industry (website: www.sgsintl.com).</p> <p>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</p>	93%	23%/93%

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

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

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Other Businesses (cont'd)			
• <i>Gaming</i>	<p>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).</p> <p>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</p>	82%	18%/82%
• <i>Healthcare (Discontinued Operation)</i>	<p>Skilled Healthcare Group, Inc.^(a) (NYSE: SKH), an organization of skilled nursing and assisted living facilities operators in the United States (website: www.skilledhealthcaregroup.com).</p> <p>Onex shares held: 3.5 million^(a) Onex Partners I shares subject to a carried interest: 10.7 million^(a)</p>	39%^(a)	9%^(a)/86%^(a)
• <i>Mid-Market Opportunities</i>	<p>ONCAP, private equity funds focused on acquiring and building the value of mid-market companies based in North America (website: www.oncap.com).</p> <p>ONCAP II</p> <p>ONCAP II actively manages investments in EnGlobe (www.englobecorp.com), CiCi's Pizza (www.cicispizza.com), Pinnacle Renewable Energy Group (www.pinnaclepellet.com) and PURE Canadian Gaming (www.purecanadiangaming.com).</p> <p>Total ONCAP II, Onex, Onex management and ONCAP management unrealized investments at original cost: \$264 million (C\$271 million) Onex portion: \$122 million (C\$126 million) ONCAP II portion: \$117 million (C\$121 million)</p> <p>ONCAP III</p> <p>ONCAP III actively manages investments in Hopkins (www.hopkinsmfg.com), PURE Canadian Gaming (www.purecanadiangaming.com), Davis-Standard (www.davis-standard.com), Bradshaw (www.goodcook.com) and Mavis Discount Tire (www.mavistire.com).</p> <p>Total ONCAP III, Onex, Onex management and ONCAP management unrealized investments at original cost: \$355 million (C\$369 million) Onex portion: \$104 million (C\$108 million) ONCAP III portion: \$217 million (C\$225 million)</p>	100%	46%^(b)/100%
• <i>Real Estate</i>	<p>Flushing Town Center, a three million-square-foot development located on approximately 14 acres in Flushing, New York.</p> <p>Onex' remaining investment in Flushing Town Center at cost: \$260 million</p>	88%	88%/100%

(a) Skilled Healthcare Group combined with Genesis HealthCare in February 2015 to form Genesis Healthcare. Information at December 31, 2014 reflects ownership prior to the combination. Following the combination, the Onex Partners I Group has a 10 percent economic interest in Genesis Healthcare. Onex' economic and voting interest in Genesis Healthcare is 2 percent and 10 percent, respectively.

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

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, 2014 compared to those for the year ended December 31, 2013 and, in selected areas, to those for the year ended December 31, 2012.

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, 2014, Onex has adopted the following new and revised standards, along with any consequential amendments. These changes were made in accordance with the applicable transitional provisions.

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. Onex determined that the adoption of these amendments on January 1, 2014 did not result in any change in the consolidation status of any of its subsidiaries and investees.

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. Onex adopted IFRIC 21 on January 1, 2014 and its effects on the audited annual consolidated financial statements were not significant.

Critical accounting policies and estimates

Significant accounting estimates and judgements

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 revenue 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, revenue recognition under contract accounting, income taxes, the fair value of investments in joint ventures and associates, the fair value of Limited Partners' Interests, stock-based compensation, pension and post-employment benefits, warranty provisions, restructuring provisions, legal contingencies and other matters. Actual results could differ materially from those assumptions and estimates.

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

Business combinations

In a business combination, substantially 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 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. Note 2 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 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 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 40 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 45 of this MD&A.

Consolidation of structured entities

Onex indirectly controls and consolidates the operations of the CLOs of Onex Credit. 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 as at December 31, 2014 and 2013. 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.

CLOs are further discussed in note 1 to the audited annual consolidated financial statements.

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' 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 then 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, goodwill is then 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 2014, certain of the operating companies recorded charges for impairments of goodwill, intangible assets and long-lived assets. These charges are reviewed on page 45 of this MD&A and in note 24 to the audited annual consolidated financial statements.

Revenue recognition (Health and Human Services segment)

Revenues for ResCare in the health and human services segment are substantially derived from U.S. federal, state and local government agency programs, including 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 ResCare 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

Onex, including its operating companies, is subject to changing tax laws and the interpretation of existing tax laws in multiple jurisdictions. Significant judgement is 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 31 to the audited annual consolidated financial statements provides details on the estimates used in accounting for pensions and post-retirement benefits.

Recent accounting pronouncements

Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*, which provides a comprehensive five-step revenue recognition model for all contracts with customers. IFRS 15 requires management to exercise significant judgement and make estimates that affect revenue recognition. IFRS 15 is effective for annual periods beginning on or after January 1, 2017, with earlier application permitted. Onex is currently evaluating the impact of adopting this standard on its audited annual consolidated financial statements.

Financial Instruments

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

Variability of results

Onex' audited annual consolidated operating results may vary substantially from quarter to quarter and year to year for a number of reasons, including some of the following: the current economic environment; acquisitions or dispositions of businesses by Onex, the parent company; the change in value of stock-based compensation for both the parent company and its operating companies; changes in the market value of Onex' publicly traded operating businesses; changes in the fair value of Onex' privately held operating businesses; changes in tax legislation or in the application of tax legislation; and activities at Onex' operating businesses. These activities may include the purchase or sale of businesses; fluctuations in customer demand, materials and employee-related costs; changes in the mix of products and services produced or delivered; changes in the financing of the business; changes in

contract accounting estimates; impairments of goodwill, intangible assets or long-lived assets; litigation; charges to restructure operations; and natural disasters. Given the diversity of Onex' operating businesses, the associated exposures, risks and contingencies may be many, varied and material.

Significant transactions

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

Emerald Expositions' acquisition of George Little Management, LLC

In January 2014, Emerald Expositions acquired GLM for cash consideration of \$332 million. GLM is an operator of business-to-business tradeshows in the United States. The acquisition of GLM is consistent with Onex' investment thesis for Emerald Expositions: to grow the business through accretive add-on acquisitions of smaller exhibition businesses in existing and adjacent end markets. 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. The balance of the purchase price and transaction costs was funded by Emerald Expositions through an increase to its credit facility.

Sale of Allison Transmission

From February through June 2014, Allison Transmission completed secondary offerings to the public of 85.57 million shares of common stock and repurchased 8.43 million shares of common stock. As part of the offerings and share repurchases, the Onex Partners II Group sold 47.0 million shares of common stock. The offering was priced at between \$29.17 and \$29.95 per share compared to Onex' cash cost per share of \$8.44. The Onex Partners II Group received net proceeds of \$1.4 billion for its 47.0 million shares of common stock. Onex' portion of the net proceeds was \$433 million, including carried interest of \$36 million and after the reduction for the amounts paid on account of the MIP.

After the June 2014 secondary offering and share repurchase, the Onex Partners II Group continued to own 2.7 million shares of common stock, or approximately 2 percent in the aggregate, of Allison Transmission's outstanding common stock, which did not represent a significant influence over Allison Transmission. As a result, Onex recorded its remaining investment within other Onex

Partners investments at fair value. Changes in fair value up to the June 2014 secondary offering and share repurchase were recorded as increases or decreases in the value of investments in joint ventures and associates at fair value while changes in fair value subsequent to the June 2014 secondary offering and share repurchase were recorded in other items.

In September 2014, Allison Transmission completed a secondary offering of 5.4 million shares of common stock. As part of the offering, the Onex Partners II Group sold its remaining 2.7 million shares of common stock. The Onex Partners II Group received net proceeds of \$82 million for its 2.7 million shares of common stock, of which Onex' portion was \$26 million, including carried interest of \$2 million and after the reduction for the amounts paid on account of the MIP.

Onex' investment in Allison Transmission 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 gain on the transactions completed during 2014 totalled \$1.1 billion. The limited partners' share of the realized gain was \$727 million and Onex' share was \$329 million. Amounts received related to the carried interest totalled \$94 million, of which Onex' portion was \$38 million and Onex management's portion was \$56 million. Amounts paid on account of the MIP totalled \$38 million, which represents amounts received for transactions completed during 2014 as well as a share of the proceeds from previous sales and dividends received by Onex.

Including prior realizations and dividends, the Onex Partners II Group received total net proceeds of \$2.4 billion compared to its original investment of \$763 million. Onex received total net proceeds of approximately \$770 million, including prior realizations, compared to its original investment of \$237 million.

Sale of Spirit AeroSystems

In March 2014, under a secondary public offering of Spirit AeroSystems, the Onex Partners I Group sold 6.0 million shares of Spirit AeroSystems at a price of \$28.52 per share compared to Onex' original cost of \$3.33 per share. The Onex Partners I Group received net cash proceeds of \$171 million. Onex, the parent company, sold approximately 1.6 million shares in this offering for net proceeds of \$52 million, including carried interest and after the reduction for the amounts paid on account of the MIP. Spirit

AeroSystems did not issue any new shares as part of this offering. Amounts received related to the carried interest totalled \$16 million, of which Onex' portion was \$6 million and Onex management's portion was \$10 million. Management of Onex earned \$4 million on account of this transaction related to the MIP.

After the March 2014 secondary offering, the Onex Partners I Group continued to hold approximately 16 million shares of Spirit AeroSystems' common stock, which represented a 55 percent voting interest in the company. Since the secondary offering did not result in a loss of voting control of Spirit AeroSystems at the time of the transaction, it was recorded in the audited annual consolidated financial statements as a transfer of equity to non-controlling interests, with the net cash proceeds received in excess of the historical accounting carrying value of \$102 million being recorded directly to retained earnings. Of the net \$102 million recorded directly to retained earnings, \$30 million represents Onex' share, excluding the impact of the limited partners.

On June 4, 2014, under a secondary public offering and share repurchase of Spirit AeroSystems, the Onex Partners I Group sold 8.0 million shares of Spirit AeroSystems, of which Onex' portion was approximately 2.1 million shares. The offering was completed at a price of \$32.31 per share compared to Onex' original cost of \$3.33 per share in Spirit AeroSystems. The sale was completed for net proceeds of \$258 million, of which Onex' share was \$79 million, including carried interest and after the reduction for the amounts paid on account of the MIP.

Amounts received from the June 4, 2014 secondary offering and share repurchase related to the carried interest totalled \$24 million, of which Onex' portion was \$10 million and Onex management's portion was \$14 million. Management of Onex earned \$6 million on account of this transaction related to the MIP.

After the June 2014 offering, the Onex Partners I Group continued to hold 8.4 million shares of Spirit AeroSystems' common stock, which represented a 6 percent economic interest in the company. The reduction in ownership resulted in the Onex Partners I Group losing its multiple voting rights, which reduced its voting interest in Spirit AeroSystems to 6 percent from 55 percent and resulted in a loss of control of Spirit AeroSystems by Onex. As a result, a gain of \$310 million was recorded in Onex' audited annual consolidated financial statements based on the excess of the proceeds and interest retained at fair value over the

carrying value of the investment. The portion of the gain associated with measuring the interest retained in Spirit AeroSystems at fair value was \$159 million. The portion of the gain associated with the shares sold in the June 2014 secondary offering and share repurchase was \$151 million. The operations of Spirit AeroSystems up to June 4, 2014 and the gain recorded on the sale are presented as discontinued in the December 31, 2014 audited annual consolidated statements of earnings and cash flows and the prior period results have been restated to report Spirit AeroSystems as discontinued on a comparative basis. The remaining interest held by the Onex Partners I Group was recorded as a long-term investment at fair value through earnings, with changes in fair value recorded in other items.

In August 2014, under a secondary public offering of Spirit AeroSystems, the Onex Partners I Group sold its remaining 8.4 million shares of Spirit AeroSystems, of which Onex' portion was approximately 2.2 million shares. The offering was completed at a price of \$35.67 per share, or a multiple of 10.7 times Onex' original cost of \$3.33 per share in Spirit AeroSystems. The sale was completed for net proceeds of \$300 million, of which Onex' share was \$91 million, including carried interest and after the reduction for the amounts paid on account of the MIP. The change in fair value from the June transaction to the sale in August of \$29 million is recognized in other items in the audited annual consolidated statements of earnings.

Amounts received from the August 2014 secondary offering related to the carried interest totalled \$28 million, of which Onex' portion was \$11 million and Onex management's portion was \$17 million. Management of Onex earned \$6 million on account of this transaction related to the MIP.

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

Investment in common stock of JELD-WEN

In March 2014, the Onex Partners III Group invested \$66 million to acquire common stock of JELD-WEN from existing shareholders unrelated to Onex. Onex' share of that investment was \$16 million. In August 2014, the Onex Partners III Group sold a portion of the common stock purchased in March 2014 to certain members of JELD-WEN management

for \$1 million, of which Onex' share was less than \$1 million. JELD-WEN did not receive any proceeds and the total number of shares of JELD-WEN common stock outstanding did not change as a result of these transactions. These transactions are recorded as a transfer of equity from the non-controlling interests within the audited annual consolidated statements of equity. The excess of the carrying value of the transfer of equity over the net investment was recorded as an increase directly to retained earnings. As a result of these transactions, the Onex Partners III Group's as-converted economic interest in JELD-WEN at the date of the transaction increased to 79 percent from 72 percent and Onex' as-converted economic ownership increased to 20 percent from 18 percent.

Sale of The Warranty Group

In March 2014, the Company entered into an agreement to sell The Warranty Group for an enterprise value of approximately \$1.5 billion. The sale was completed in August 2014. The Onex Partners I and Onex Partners II Groups received net proceeds of \$1.126 billion, resulting in a gain of \$368 million. Onex' portion of the proceeds was \$382 million, including carried interest of \$51 million and after the reduction for the amounts paid on account of the MIP. Onex' consolidated results include a gain of \$368 million related to the sale based on the excess of the proceeds over the carrying value of the investment. The gain 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 I and Onex Partners II. The effect of this is to recover the prior charges to Onex' consolidated earnings for The Warranty Group value increases allocated to the limited partners over the life of the investment, which totalled \$252 million. The balance of \$116 million reflects the gain on Onex' investment in The Warranty Group. As a result of this sale, the operations of The Warranty Group and the gain recorded on the sale are presented as discontinued in the audited annual consolidated statements of earnings and cash flows and prior period results have been restated to report The Warranty Group as discontinued on a comparative basis.

Amounts received on account of the carried interest related to this transaction totalled \$127 million. Onex' portion of the carried interest received was \$51 million and Onex management's portion of the carried interest was \$76 million. Management of Onex earned \$23 million on account of this transaction related to the MIP.

Including prior distributions of \$403 million, the Onex Partners I and Onex Partners II Groups received total net proceeds of \$1.529 billion compared to their original investment of \$498 million. Onex received total net proceeds of \$509 million, including prior distributions of \$127 million, compared to its original investment of \$157 million.

Sale of Tomkins

In April 2014, Onex, together with CPPIB, entered into an agreement to sell Gates, Tomkins' principal remaining business. The sale was completed in July 2014 for an enterprise value of \$5.4 billion. Proceeds from the sale to the Onex Partners III Group were \$2.0 billion. Onex' share of the proceeds was \$542 million, including carried interest and after the reduction for the amounts on account of the MIP. Onex' investment in Gates 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. Included in these proceeds to the Onex Partners III Group was \$27 million held in escrow primarily for working capital adjustments, of which Onex' share was \$7 million. In September 2014, \$30 million was received for amounts held in escrow and an additional amount as a closing adjustment, of which Onex' share was \$8 million, including carried interest and after the reduction for the amounts paid on account of the MIP.

After the sale of Gates, the Onex Partners III Group continued to own residual assets of Tomkins. Through December 2014, the Onex Partners III Group sold the residual assets for proceeds of \$46 million. Included in the proceeds amount is \$7 million, which is expected to be received in the first half of 2015, of which Onex' share is \$2 million.

The realized gain on Tomkins, including a prior distribution, totalled \$1.5 billion. The limited partners' share of the realized gain was \$1.1 billion and Onex' share was \$386 million. Amounts received on account of the carried interest related to the transactions during 2014 totalled \$136 million, of which Onex' portion was \$54 million and Onex management's portion was \$82 million. Management of Onex earned \$28 million on account of these transactions related to the MIP.

Including prior distributions from Tomkins, the Onex Partners III Group will have received total proceeds of \$2.7 billion compared to its original investment of \$1.2 billion. Onex will have received total proceeds of \$727 million, including prior distributions of \$171 million, compared to its original investment of \$315 million.

ResCare distribution

In April 2014, ResCare entered into a new \$650 million senior secured credit facility, which is available through April 2019. The senior secured credit facility consists of a \$250 million revolving credit facility, a \$200 million term loan and a \$200 million delayed draw term loan. The proceeds from the new senior secured credit facility were used to repay ResCare's former senior secured credit facility, fund a \$130 million distribution to shareholders, pay fees and expenses associated with the transaction and for general corporate purposes. The Onex Partners I and Onex Partners III Groups' portion of the distribution to shareholders was \$120 million, of which Onex' portion was \$25 million.

USI's acquisition of brokerage and consulting offices

In May 2014, USI acquired 40 insurance brokerage and consulting offices across the United States from Wells Fargo Insurance. The purchase price for the acquisition was \$133 million, which was financed with a \$125 million incremental term loan and cash from USI.

In October 2014, USI acquired seven retail insurance brokerage locations across the United States from Willis North America Inc. The purchase price for the acquisition was \$66 million, which was financed with cash from USI.

In addition, USI completed 12 other acquisitions during 2014 for total consideration of \$60 million, of which \$19 million was deferred consideration.

Investment in preferred shares of Sitel Worldwide

During the second quarter of 2014, Onex increased its investment in Sitel Worldwide to enable the company to reduce debt and fund near-term capital expenditures supporting growth and efficiency plans. Sitel Worldwide issued \$75 million of mandatorily redeemable Class D preferred shares, of which Onex' portion was \$69 million. The mandatorily redeemable Class D preferred shares accrue annual dividends at a rate of 16 percent and are redeemable at the option of the holder on or before July 2018. As a result of this transaction, Onex' economic interest in Sitel Worldwide based on preferred share ownership was increased to 86 percent.

Investment in Flushing Town Center

In May 2014, Flushing Town Center entered into new credit facilities with third-party lenders consisting of a \$195 million mortgage loan and \$70 million of mezzanine loans. The mortgage and mezzanine loans mature in June 2016 and have three one-year extension options. The proceeds from the new credit facilities, along with a \$95 million equity investment from Onex Real Estate Partners, were used to repay the third-party lenders of the existing senior construction loan. Onex' share of Onex Real Estate Partners' equity investment was \$84 million. At December 31, 2014, Onex Real Estate Partners continued to hold a total of \$82 million, including accrued interest, of the existing senior construction and mezzanine loans of Flushing Town Center, which are subordinate to the new credit facilities.

In addition, Onex Real Estate Partners invested \$13 million in the equity of Flushing Town Center during 2014 to support pre-development costs of three residential buildings. Onex' share of Onex Real Estate Partners' equity investment was \$11 million.

Sale of Mister Car Wash

In August 2014, the ONCAP II Group completed the sale of Mister Car Wash. The ONCAP II Group received net proceeds of \$386 million, of which Onex' share was \$153 million, after deducting \$11 million paid to management of Onex on account of the MIP. Included in the net proceeds amount is \$3 million held in escrow and for working capital adjustments, which was received early in the fourth quarter of 2014, and an \$8 million tax refund, which is expected to be received by August 2015. Onex' share of the amounts held in escrow and for working capital adjustments and the tax refund is \$5 million. The realized gain on the sale of Mister Car Wash was \$317 million based on the excess of the proceeds over the carrying value of the investment. The gain on the sale was entirely attributable to the equity holders of Onex. This gain included 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 prior charges to Onex' consolidated earnings for Mister Car Wash value increases allocated to the limited partners over the life of the investment, which totalled \$177 million. The balance of

\$140 million reflects the gain on Onex' investment in Mister Car Wash. Management of ONCAP received \$40 million in carried interest on the sale of Mister Car Wash. The impact to Onex and management of Onex was a net payment of \$7 million in carried interest to management of ONCAP. Management of Onex received \$11 million on account of this transaction related to the MIP. Mister Car Wash did not represent a separate major line of business and as a result has not been presented as a discontinued operation.

Skilled Healthcare Group combination agreement

In August 2014, Skilled Healthcare Group entered into an agreement to combine with Genesis HealthCare, a leading U.S. operator of long-term care facilities. The transaction was completed in February 2015. In accordance with the terms of the purchase and combination agreement, each share of Skilled Healthcare Group common stock issued and outstanding immediately prior to the closing of the combination was converted into shares of the newly combined company. Skilled Healthcare Group shareholders own approximately 26 percent of the combined company and Genesis HealthCare shareholders own the remaining 74 percent of the combined company. The combined company now operates under the Genesis Healthcare name and continues to be publicly traded (NYSE: GEN). The Onex Partners I Group has a 10 percent economic interest in the newly combined company compared to a 39 percent economic ownership interest in Skilled Healthcare Group before the combination. Onex lost its multiple voting rights, which reduced its voting interest to 10 percent from 86 percent before the combination. Onex no longer controls Skilled Healthcare Group following the loss of the multiple voting rights and therefore, the operations of Skilled Healthcare Group are presented as discontinued in the audited annual consolidated statements of earnings and cash flows, and the results for December 31, 2013 have been restated to report the results of Skilled Healthcare Group as discontinued on a comparative basis. As of the February 2015 transaction date, Onex' investment in the combined company is recorded as a long-term investment at fair value through earnings, with changes in fair value recorded in other items.

York acquisition

In October 2014, the Onex Partners III Group acquired York, an integrated provider of insurance solutions to property, casualty and workers' compensation specialty markets in the United States, for \$1.325 billion. The Onex Partners III Group's equity investment in York was \$521 million and was comprised of \$400 million from Onex Partners III and \$121 million as a co-investment from Onex and certain limited partners. Onex' total investment in York is \$173 million and is comprised of \$96 million through Onex Partners III and \$77 million as a co-investment. The balance of the purchase price was substantially financed with debt financing, without recourse to Onex Corporation. York is included in the insurance services segment.

In December 2014, York acquired MCMC, a leading managed care services company, for \$142 million. MCMC is a U.S.-based company offering a variety of managed care programs that offer assistance in the assessment, review and evaluation of medical claims. The acquisition of MCMC was financed by York with a \$45 million senior unsecured notes offering together with draws on its delayed draw term loan and revolving credit facility and a rollover equity contribution from management of MCMC.

Investment in Mavis Discount Tire

In October 2014, the ONCAP III Group acquired a 46 percent economic interest in Mavis Discount Tire. Mavis Discount Tire is a leading regional tire retailer operating in the tire and light vehicle service industry with over 150 retail locations. The ONCAP III Group's preferred investment was \$102 million, of which Onex' share was \$30 million. The investment in Mavis Discount Tire has been designated at fair value and is included in investments in joint ventures and associates in Onex' audited annual consolidated financial statements at December 31, 2014.

Investment in AIT

In December 2014, the Onex Partners IV Group acquired a 40 percent economic interest in AIT, a leading provider of automation and tooling, maintenance services and aircraft components to the aerospace industry. The Onex Partners IV Group's investment was \$204 million, of which Onex' share was \$45 million. The investment in AIT has been designated at fair value and is included in investments in joint ventures and associates in Onex' audited annual consolidated financial statements at December 31, 2014. Additionally, the Company entered into a put and call arrangement with the existing ownership of AIT to acquire an additional 10 percent economic interest at the same relative value as the original investment.

Pending acquisition of SIG

In November 2014, Onex agreed to acquire SIG in a transaction valued at up to €3.75 billion. On closing of the transaction, €3,575 million will be paid, less amounts for certain retained liabilities, with an additional amount of up to €175 million payable based on the financial performance of SIG in 2015 and 2016. Based in Switzerland, SIG provides beverage and food producers with a comprehensive product portfolio of aseptic carton sleeves and closures, as well as the filling machines used to fill, form and seal the sleeves. The equity investment in SIG is expected to be approximately \$1.25 billion and will be comprised of \$600 million from Onex Partners IV and \$650 million from Onex and certain other limited partners. The balance of the purchase price will be financed with debt financing, without recourse to Onex Corporation. The transaction is expected to close during the first quarter of 2015, subject to customary conditions and regulatory approvals.

Pending acquisition of Survitec

In January 2015, Onex agreed to acquire Survitec for an enterprise value of £450 million (\$680 million). Based in the United Kingdom, Survitec is a provider of mission-critical marine, defence and aerospace survival equipment. The Onex Partners IV Group will make an investment of approximately \$320 million for substantially all of the equity, with the remainder of the equity to be owned by Survitec's management. The balance of the purchase price will be financed with debt financing, without recourse to Onex Corporation. The acquisition is subject to customary conditions and regulatory approvals and is expected to close in the first quarter of 2015.

Onex Credit asset management platform

In January 2015, Onex acquired control of the Onex Credit asset management platform. The Onex Credit asset management platform was previously jointly controlled with Onex Credit's co-founder and chief executive officer, and Onex previously held a 70 percent economic interest in the business.

Onex Credit's management team remains in place with its chief executive officer continuing to participate in the performance of the Onex Credit asset management platform. Onex will consolidate 100 percent of the Onex Credit asset management platform with a reduced allocation of the net earnings to Onex Credit's chief executive officer to be recognized as compensation expense.

As a result of the above transaction, beginning with the first quarter of 2015, the Company will now consolidate the Onex Credit asset management platform and certain funds managed by Onex Credit in which Onex, the parent company, holds an investment. The Company's previous interest in the Onex Credit asset management platform was equity-accounted and will be derecognized at fair value, resulting in the recognition of a non-cash gain during the first quarter of 2015. The consolidation of the Onex Credit asset management platform and certain of the funds managed by Onex Credit will increase Onex' consolidated assets and liabilities.

REVIEW OF DECEMBER 31, 2014 CONSOLIDATED FINANCIAL STATEMENTS

The discussions that follow identify those material factors that affected Onex' operating segments and Onex' consolidated results for the year ended December 31, 2014. We will review the major line items to the audited annual consolidated financial statements by segment. The operations of The Warranty Group, Spirit AeroSystems and Skilled Healthcare Group for the year ended December 31, 2014 are presented as discontinued in the audited annual consolidated statements of earnings and cash flows. In addition, the comparative audited annual consolidated statements of earnings and cash flows have been restated to report the results of The Warranty Group, Spirit AeroSystems, Skilled Healthcare Group and TMS International Corp. ("TMS International") as discontinued.

Consolidated revenues and cost of sales

Consolidated revenues for the year ended December 31, 2014 at \$19.8 billion were relatively unchanged from 2013 and up 13 percent from \$17.4 billion in 2012. Consolidated cost of sales was \$14.2 billion in 2014, a decrease of 3 percent from \$14.6 billion in 2013 and up 5 percent from \$13.5 billion in 2012.

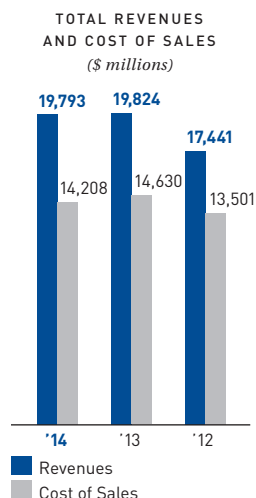


Table 1 below reports revenues and cost of sales by industry segment for the years ended December 31, 2014, 2013 and 2012. The percentage change in revenues and cost of sales for those periods is also shown. The credit strategies segment, consisting of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds, does not have revenues or cost of sales and as such, is not presented in this section of the MD&A.

Revenues and Cost of Sales by Industry Segment for the Years Ended December 31, 2014 and 2013

Year ended December 31	Revenues			Cost of Sales		
	2014	2013	Change	2014	2013	Change
Electronics Manufacturing Services	\$ 5,631	\$ 5,796	(3)%	\$ 5,158	\$ 5,337	(3)%
Healthcare Imaging ^(a)	2,360	2,429	(3)%	1,369	1,444	(5)%
Health and Human Services ^(a)	1,737	1,617	7%	1,307	1,197	9%
Customer Care Services	1,440	1,438	-	960	936	3%
Building Products	3,507	3,457	1%	2,840	2,855	(1)%
Insurance Services ^(b)	1,079	769	40%	-	-	-
Other ^(c)	4,039	4,318	(6)%	2,574	2,861	(10)%
Total	\$ 19,793	\$ 19,824	-	\$ 14,208	\$ 14,630	(3)%

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

(a) The healthcare imaging segment, consisting of Carestream Health, and the health and human services segment, consisting of ResCare, were previously included within the healthcare segment, which consisted of Carestream Health, ResCare and Skilled Healthcare Group. Skilled Healthcare Group is recorded as a discontinued operation for the years ended December 31, 2014 and 2013.

(b) The insurance services segment consists of USI and York. USI and York report their costs in operating expenses. USI was previously included within other. There are no comparative results for York. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.

(c) 2014 other includes Flushing Town Center, Tropicana Las Vegas, SGS International, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II (Mister Car Wash up to August 2014) and ONCAP III and the parent company. 2013 other includes Flushing Town Center, Tropicana Las Vegas, SGS International, KraussMaffei, Meridian Aviation (since February 2013), 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 and the parent company.

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

Year ended December 31	Revenues			Cost of Sales		
	2013	2012	Change	2013	2012	Change
Electronics Manufacturing Services	\$ 5,796	\$ 6,507	(11)%	\$ 5,337	\$ 5,988	(11)%
Healthcare Imaging ^(a)	2,429	2,406	1 %	1,444	1,449	-
Health and Human Services ^(a)	1,617	1,599	1 %	1,197	1,182	1 %
Customer Care Services	1,438	1,429	1 %	936	920	2 %
Building Products	3,457	3,168	9 %	2,855	2,561	11 %
Insurance Services ^(b)	769	15	n/a	-	-	n/a
Other ^(c)	4,318	2,317	86 %	2,861	1,401	104 %
Total	\$ 19,824	\$ 17,441	14%	\$ 14,630	\$ 13,501	8%

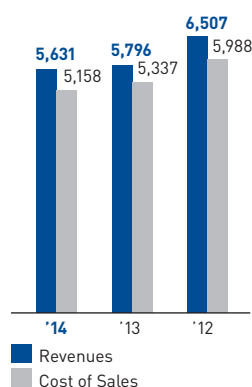
Results are reported in accordance with IFRS. These results may differ from those reported by the individual operating companies.

- (a) The healthcare imaging segment, consisting of Carestream Health, and the health and human services segment, consisting of ResCare, were previously included within the healthcare segment, which consisted of Carestream Health, ResCare, Skilled Healthcare Group and Center for Diagnostic Imaging (up to July 2012). Skilled Healthcare Group is recorded as a discontinued operation for the years ended December 31, 2013 and 2012. Center for Diagnostic Imaging is included within the other segment for the year ended December 31, 2012.
- (b) The insurance services segment consists of USI and York. USI and York report their costs in operating expenses. USI was previously included within other. USI began to be consolidated in late December 2012, when the business was acquired by the Onex Partners III Group. There are no comparative results for York. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.
- (c) 2013 other includes Flushing Town Center, Tropicana Las Vegas, SGS International, KraussMaffei, Meridian Aviation (since February 2013), 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 and the parent company. 2012 other includes Flushing Town Center, Tropicana Las Vegas, SGS International (since October 2012), Center for Diagnostic Imaging (up to July 2012), 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

ELECTRONICS
MANUFACTURING SERVICES
(\$ millions)



industrial, aerospace and defence, healthcare, solar, green technology, semiconductor equipment and other), servers and storage end markets. These solutions include design and development, engineering services, supply chain management, new product introductions, component sourcing, electronics manufacturing, assembly and test, complex mechanical assembly, systems integration, precision machining, order fulfillment, logistics and aftermarket repair and return services.

Celestica reported revenues of \$5.6 billion for 2014, down 3 percent, or \$165 million, compared to 2013. Revenues for 2014 decreased in the communications, servers and consumer end markets. The revenue decrease in the communications end market was driven by weaker demand from certain customers and program completions and the decrease in the server end market was driven by the insourcing of a server program by an existing customer and overall lower demand in this end market. Partially offsetting the revenue decreases were increases in the storage and diversified end markets in 2014 due primarily to new program wins.

Cost of sales for 2014 decreased 3 percent, or \$179 million, to \$5.2 billion, while gross profit increased 3 percent to \$473 million from 2013. Despite the revenue decrease during 2014, gross profit increased compared to 2013 due primarily to improved program mix and a continued focus on cost containment.

During 2013, Celestica reported an 11 percent, or \$711 million, decrease in revenues to \$5.8 billion compared to 2012. The decrease in revenues from 2012 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 increased from 2012 in the diversified, communications and storage end markets. The revenue increase in the diversified end market was 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 compared to 2012, driven primarily by new program wins and, to a lesser extent, stronger customer demand. Revenues in the storage end market for 2013 increased from 2012 due primarily to new program wins, offset by weaker demand from one customer. These increases were partially offset by a decrease in revenues in Celestica's server end market in 2013 due to the insourcing of a server program by one customer and overall lower demand.

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

Healthcare Imaging

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 2014, down 3 percent, or \$69 million, from 2013. Excluding the \$42 million impact of unfavourable foreign exchange translation on Carestream Health's non-U.S. revenues, Carestream Health reported a decrease in revenues of \$27 million. The decrease in revenues was due primar-

ily to lower volume in the computed radiography business, due to a faster than anticipated market decline and lower volume in the x-ray film and dental traditional businesses as the medical imaging market continues to transition from film to digital products. Lower prices and unfavourable product mix in the digital radiography and dental equipment businesses, driven by competitive market actions and a shift toward lower-priced value tier solutions, also contributed to the decrease in revenues.

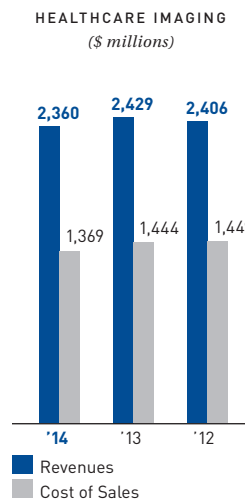
Cost of sales of \$1.4 billion decreased \$75 million, or 5 percent, during 2014 compared to last year. Cost of sales decreased due primarily to lower costs for silver, which is a major component in the production of film, and improved manufacturing productivity. Gross profit for 2014 increased to \$991 million from \$985 million for 2013 due primarily to higher volume of digital products as well as lower commodity costs and improved manufacturing productivity.

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 2012. Cost of sales

decreased due primarily to lower costs for silver. 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.



Health and Human Services

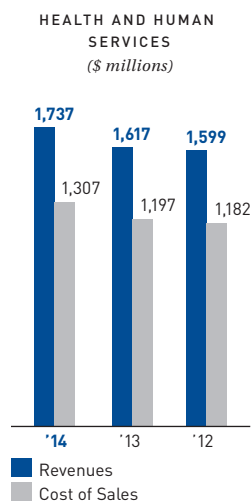
ResCare has five reportable segments: Residential Services, ResCare HomeCare, Education and Training Services, Workforce Services and Pharmacy Services. Residential Services includes the provision of services to individuals with developmental or other disabilities in community home settings. ResCare HomeCare provides periodic in-home care services to the elderly, as well as persons with disabilities. Education and Training Services consists primarily of Job Corps centres, alternative education and charter schools. Workforce Services is comprised of domestic job training and placement programs that assist welfare recipients and disadvantaged job seekers in finding employment and improving their career prospects. Pharmacy Services is a limited, closed-door pharmacy focused on serving individuals with cognitive, intellectual and developmental disabilities. ResCare provides services to some 62,000 persons daily.

During the year ended December 31, 2014, ResCare reported revenues of \$1.7 billion, an increase of \$120 million, or 7 percent, compared to 2013. The increase in revenues was due to acquisitions and organic growth in all segments, primarily the Residential Services, ResCare HomeCare and Pharmacy Services segments.

Cost of sales increased 9 percent, or \$110 million, to \$1.3 billion due primarily to the increase in revenues during 2014, along with an increase in bad debt and the cost of inventory sold.

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.



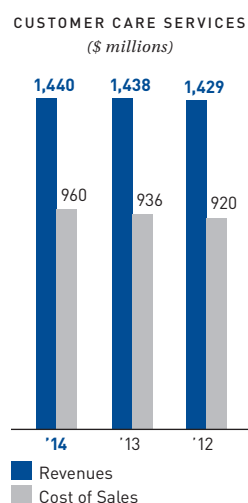
Customer Care Services

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.

For the year ended December 31, 2014, revenues reported by Sitel Worldwide of \$1.4 billion were up slightly from 2013. Included in the revenue increase was \$10 million of unfavourable foreign exchange rates on Sitel Worldwide's non-U.S. revenues. Excluding the impact of foreign exchange, Sitel Worldwide reported an increase in revenues of \$12 million. The increase was due primarily to net growth with new and existing customers.

Cost of sales at \$960 million increased 3 percent, or \$24 million, in 2014 compared to 2013, while gross margin decreased to \$480 million from \$502 million. The decrease in gross margin was due to foreign exchange, as well as commercial and execution issues with certain 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.



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 remodeling markets. The company's revenues follow seasonal new construction and repair and remodeling industry patterns. JELD-WEN manages its business through three geographic segments: North America, Europe, and Australia and Asia.

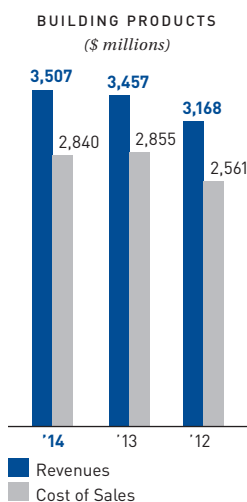
For the year ended December 31, 2014, revenues at JELD-WEN increased by 1 percent, or \$50 million, to \$3.5 billion. The increase in revenues was due primarily to improved pricing in North America as well as increased volume in Europe. Reported revenues in Australia and Asia remained largely unchanged from 2013; however, excluding the impact of unfavourable foreign exchange translation, revenues in the segment increased by 6 percent over 2013.

Cost of sales was \$2.8 billion during 2014, a decrease of \$15 million, or 1 percent, compared to 2013. Gross profit for 2014 increased by \$65 million, or 11 percent, to \$667 million from \$602 million last year due primarily to improved pricing in North America.

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 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 revenues 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.

Insurance Services

The insurance services segment consists of the operations of USI and York. York was acquired by the Onex Partners III Group in October 2014, as discussed on page 30 of this MD&A.

During 2014, the insurance services segment reported a 40 percent, or \$310 million, increase in consolidated revenues compared to 2013. Reported 2012 revenues of \$15 million represent results for the period from the late December 2012 acquisition of USI to December 31, 2012. USI and York record their costs in operating expenses.

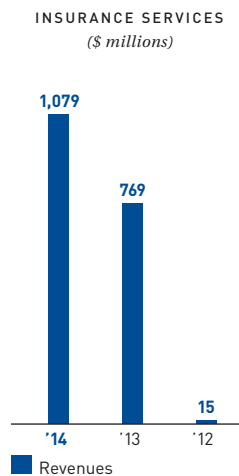


Table 2 provides revenues by operating company in the insurance services segment for the years ended December 31, 2014, 2013 and 2012. The percentage change in revenues from the year ended December 31, 2013 to the year ended December 31, 2014 is also shown.

Insurance Services Revenues for the Years Ended December 31, 2014, 2013 and 2012

Year ended December 31	Revenues			
	2014	2013	Change	2012
USI ^(a)	\$ 926	\$ 769	20%	\$ 15
York ^(b)	153	-	n/a	-
Total	\$ 1,079	\$ 769	40%	\$ 15

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

(a) USI began to be consolidated in late December 2012, when the business was acquired by the Onex Partners III Group.

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

USI

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

During the year ended December 31, 2014, USI reported revenues of \$926 million, an increase of 20 percent, or \$157 million, from 2013. The increase in revenues during 2014 was due primarily to acquisitions in addition to organic growth. In addition, the accounting treatment of contingent commission revenues on the Onex Partners III Group's late December 2012 acquisition of USI resulted in the recognition of lower contingent commission revenues during 2013 compared to 2014.

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.

York

York is an integrated provider of insurance solutions to property, casualty and workers' compensation specialty markets in the United States. York offers employers and insurance carriers a range of services designed to help manage claims and limit losses incurred under various property and casualty insurance programs. Clients are typically

billed for claims management services based on a fee per each claim handled, a flat annual fee or a cost-plus model. In addition to claims management, York offers a suite of integrated managed care services for injured workers.

Reported 2014 revenues of \$153 million represent three months of operations from the October 2014 acquisition of York. Since York was acquired in October 2014, there are no comparative results for the years ended December 31, 2013 and 2012.

Other Businesses

The other businesses segment primarily consists of the revenues and cost of sales of the ONCAP companies – EnGlobe, CiCi's Pizza, Pinnacle Pellet, Inc. ("Pinnacle Renewable Energy Group"), PURE Canadian Gaming Corp. ("PURE Canadian Gaming"), Hopkins Manufacturing Corporation ("Hopkins"), Davis-Standard Holdings, Inc. ("Davis-Standard"), Bradshaw International, Inc. ("Bradshaw"), BSN SPORTS, Inc. ("BSN SPORTS") (up to June 2013), Caliber Collision Centers ("Caliber Collision") (up to November 2013) and Mister Car Wash (up to August 2014) – Emerald Expositions (since June 2013), KraussMaffei Group GmbH ("KraussMaffei"), SGS International, Inc. ("SGS International"), Tropicana Las Vegas, Inc. ("Tropicana Las Vegas"), Flushing Town Center, Meridian Aviation Partners Limited ("Meridian Aviation") and the parent company.

BSN SPORTS was sold in June 2013, Caliber Collision was sold in November 2013 and Mister Car Wash was sold in August 2014. 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, 2014, 2013 and 2012. 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, 2014 and 2013

Year ended December 31	Revenues			Cost of Sales		
	2014	2013	Change	2014	2013	Change
ONCAP companies ^(a)	\$ 1,609	\$ 2,082	(23)%	\$ 1,065	\$ 1,319	(19)%
Emerald Expositions ^(b)	274	77	256 %	82	21	290 %
KraussMaffei	1,473	1,405	5 %	1,085	1,097	(1)%
SGS International	492	465	6 %	317	295	7 %
Tropicana Las Vegas	110	97	13 %	7	7	-
Other ^(c)	81	192	(58)%	18	122	(85)%
Total	\$ 4,039	\$ 4,318	(6)%	\$ 2,574	\$ 2,861	(10)%

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

- (a) 2014 ONCAP companies include EnGlobe, CiCi's Pizza, Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard, Bradshaw and Mister Car Wash (up to August 2014). 2013 ONCAP companies include EnGlobe, CiCi's Pizza, Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard, Bradshaw, Mister Car Wash, BSN SPORTS (up to June 2013) and Caliber Collision (up to November 2013).
- (b) Revenues and cost of sales for Emerald Expositions for 2013 represent the operations from the June 2013 acquisition of Emerald Expositions.
- (c) 2014 other includes Flushing Town Center, Meridian Aviation and the parent company. 2013 other includes Flushing Town Center, Meridian Aviation (since February 2013) and the parent company.

Year ended December 31	Revenues			Cost of Sales		
	2013	2012	Change	2013	2012	Change
ONCAP companies ^(a)	\$ 2,082	\$ 1,944	7%	\$ 1,319	\$ 1,246	6%
Emerald Expositions ^(b)	77	-	n/a	21	-	n/a
KraussMaffei	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	-
Other ^(d)	192	189	2%	122	91	34%
Total	\$ 4,318	\$ 2,317	86%	\$ 2,861	\$ 1,401	104%

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

- (a) 2013 ONCAP companies include EnGlobe, CiCi's Pizza, Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard, Bradshaw, Mister Car Wash, BSN SPORTS (up to June 2013) and Caliber Collision (up to November 2013). 2012 ONCAP companies include EnGlobe, CiCi's Pizza, Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard, Bradshaw, Mister Car Wash, BSN SPORTS and Caliber Collision.
- (b) Revenues and cost of sales for Emerald Expositions for 2013 represent the operations from the June 2013 acquisition of Emerald Expositions.
- (c) Revenues and cost of sales for SGS International for 2012 represent the operations from the October 2012 acquisition of SGS International.
- (d) 2013 other includes Flushing Town Center, Meridian Aviation (since February 2013) and the parent company. 2012 other includes Flushing Town Center, Center for Diagnostic Imaging (up to July 2012) and the parent company.

ONCAP companies

The ONCAP companies reported a 23 percent, or \$473 million, decrease in revenues for the year ended December 31, 2014 compared to 2013, while cost of sales had a decrease of 19 percent, or \$254 million. The decrease in revenues and cost of sales during the year ended December 31, 2014 was due primarily to the ONCAP II Group's sale of BSN SPORTS in June 2013, Caliber Collision in November 2013 and Mister Car Wash in August 2014. The decrease in revenues and cost of sales was partially offset by increases at certain of the remaining ONCAP companies, which were driven by acquisitions completed by the 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 sales of BSN SPORTS and Caliber Collision in June 2013 and November 2013, respectively.

Emerald Expositions

Emerald Expositions, acquired in June 2013, 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 of \$274 million (2013 – \$77 million) and cost of sales of \$82 million (2013 – \$21 million) for the year ended December 31, 2014. Revenues and cost of sales reported for the year ended December 31, 2013 represent the operations since the Onex Partners III Group's June 2013 acquisition of Emerald Expositions. Excluding the impact of the mid-year acquisition of Emerald Expositions, the increase in revenues and cost of sales during 2014 was due primarily to the company's acquisition of GLM, as discussed on page 26 of this MD&A. As Emerald Expositions was acquired by the Onex Partners III Group in June 2013, there are no comparative results for 2012.

KraussMaffei

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

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

Revenues reported by KraussMaffei for 2014 increased by 5 percent, or €54 million, to €1.1 billion compared to 2013. The increase in revenues was due to improved sales in all segments and mainly related to customers in the automotive and infrastructure industries. During 2014, cost of sales decreased by 1 percent, or €8 million, to €818 million compared to €826 million in 2013. Excluding the impact of non-recurring purchase price accounting on 2013 results, cost of sales increased by €23 million in 2014. The increase in cost of sales was primarily attributable to higher revenues.

There are no comparative results for 2012 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 of \$492 million during 2014, an increase of \$27 million, or 6 percent, from 2013. The increase was driven primarily by increased sales volume to large consumer packaged goods companies and organic growth, as well as incremental sales generated from businesses acquired during 2013.

Cost of sales at \$317 million increased 7 percent, or \$22 million, in 2014 compared to 2013. The increase in cost of sales was due primarily to the increase in revenues in addition to an increase in personnel costs, including healthcare, as well as investments in future growth opportunities, which increased labour and overhead costs.

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.

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. During 2014, revenues increased by \$13 million, or 13 percent, to \$110 million compared to 2013 and cost of sales remained largely unchanged at \$7 million. Tropicana Las Vegas records most of its costs in operating expenses. The increase in revenues in 2014 was due primarily to a higher hotel occupancy rate, which drove increases in room, casino and food and beverage revenue. In addition, an increase in average daily room rates also contributed to the increase in room revenue.

Tropicana Las Vegas reported an increase in revenues of \$6 million, or 7 percent, to \$97 million in 2013 compared to 2012, while cost of sales was unchanged during the year at \$7 million. The increase in revenues during 2013 was due primarily to an increase in average daily room rates.

Other

Other revenues and cost of sales decreased in the year ended December 31, 2014 from 2013 due primarily to activity at Flushing Town Center. The sales of condominium units in the first phase of Flushing Town Center's development were substantially completed by the end of the first quarter of 2014.

Interest expense of operating companies

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

For the year ended December 31, 2014, consolidated interest expense was \$830 million, up \$131 million from \$699 million in 2013. The increase was due primarily to the debt associated with Emerald Expositions, which was acquired in June 2013, the inclusion of interest expense of York, which was acquired in October 2014, additional debt from the closings of three Onex Credit CLOs and debt prepayment charges associated with ResCare's December 2014 redemption of its senior subordinated notes and JELD-WEN's October 2014 redemption of its senior secured notes.

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 AIT (since December 2014), Allison Transmission (up to June 2014), BBAM Limited Partnership ("BBAM"), Mavis Discount Tire (since October 2014), RSI Home Products, Inc. ("RSI") (up to February 2013), Tomkins (up to April 2014) and certain Onex Real Estate investments.

During 2014, Onex recorded an increase in fair value of investments in joint ventures and associates of \$412 million compared to a \$1.1 billion increase in 2013. The increase was due primarily to (i) the public share value of Allison Transmission for the 2014 share repurchases and secondary offerings, as discussed on page 26 of this MD&A, being above the value of the investment at December 2013 and (ii) the sale of Tomkins, as discussed on page 28 of this MD&A, being completed at a value above the December 31, 2013 investment value.

Of the total fair value increase recorded during the year ended December 31, 2014, \$279 million (2013 – \$786 million) is attributable to the limited partners in the Onex Partners Funds, which contributes to the Limited Partners' Interests charge discussed on page 45 of this MD&A. Onex' share of the total fair value increase was \$133 million (2013 – \$312 million).

Stock-based compensation expense

Onex recorded a consolidated stock-based compensation expense of \$230 million during 2014 compared to \$320 million in 2013.

Onex, the parent company, contributed \$142 million (2013 – \$215 million) of the 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 2014 was due primarily to the 18 percent increase in the market value of Onex' shares to C\$67.46 at December 31, 2014 from C\$57.35 at December 31, 2013.

Table 4 details the change in stock-based compensation by Onex, the parent company, and Onex operating companies for the years ended December 31, 2014 and 2013.

Stock-Based Compensation Expense

TABLE 4	(\$ millions)	2014	2013	Change
Onex, the parent company, stock options		\$ 88	\$ 134	\$ (46)
Onex, the parent company, MIP equity interests		54	81	(27)
Onex operating companies		88	105	(17)
Total		\$ 230	\$ 320	\$ (90)

Other gains

During the year ended December 31, 2014, Onex recorded other gains of \$317 million on the August 2014 sale of Mister Car Wash by the ONCAP II Group, as discussed on page 29 of this MD&A.

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 of Caliber Collision by the ONCAP II 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. The realized pre-tax gain on the sale of BSN SPORTS was \$170 million based on the excess of the proceeds over the carrying value of the investment. Onex' share of the gain was \$82 million. The gain on the sale was entirely attributable to the equity holders of Onex. This gain included the portion attributable to Onex' investment, as well as that of the limited partners of ONCAP II. Management of ONCAP received \$20 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. 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.

During the fourth quarter of 2013, \$6 million of additional proceeds were received by the ONCAP II Group, 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. The realized gain on the sale of Caliber Collision was \$386 million based on the excess of the proceeds over the carrying value of the investment. Onex' share of the gain was \$171 million. The gain on the sale was 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 was 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. 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.

Other items

Onex recorded a charge for other items of \$378 million (2013 – \$435 million) in 2014. Table 5 provides a breakdown of and the change in other items for the years ended December 31, 2014 and 2013.

Other Items Expense (Income)

TABLE 5	(\$ millions)	2014	2013	Change
Restructuring		\$ 70	\$ 91	\$ (21)
Transition, integration and other		125	73	52
Transaction costs		24	23	1
Carried interest due to Onex and ONCAP management		160	262	(102)
Change in fair value of contingent consideration		(1)	108	(109)
Increase in value of other Onex Partners investments		(46)	(6)	(40)
Foreign exchange loss		38	20	18
Other		8	(136)	144
Total		\$ 378	\$ 435	\$ (57)

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, 2014 and 2013.

Restructuring Expenses (Income)

TABLE 6	(\$ millions)	2014	2013	Change
JELD-WEN		\$ 31	\$ 31	\$ -
Sitel Worldwide		20	14	6
Carestream Health		11	10	1
Celestica		(2)	28	(30)
Other		10	8	2
Total		\$ 70	\$ 91	\$ (21)

JELD-WEN

During 2014, JELD-WEN reported restructuring expenses of \$31 million (2013 – \$31 million). The expenses recorded by JELD-WEN in 2014 primarily relate to severance costs and modification of a management incentive plan. The expenses recorded by JELD-WEN in 2013 primarily related to costs associated with the closure of facilities.

Sitel Worldwide

During the year ended December 31, 2014, Sitel Worldwide reported restructuring expenses of \$20 million (2013 – \$14 million). The charges incurred in 2014 and 2013 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 \$11 million during 2014 compared to \$10 million in 2013. Carestream Health's restructuring costs for 2014 related primarily to the establishment of a central functions location for its European operations. Carestream Health's costs during 2013 related primarily to the reorganization of European sales and service functions and the relocation and closure of a film finishing plant.

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 2014, Celestica recorded a recovery of \$2 million primarily due to a reversal of estimated contractual lease obligations.

Transition, integration and other

Transition, integration and other expenses are typically to provide for the costs of transitioning the activities of an operating company from a prior parent company upon acquisition and to integrate new acquisitions at the operating companies. Transition, integration and other expenses for 2014 were primarily due to USI, Emerald Expositions and Carestream Health. Transition, integration and other expenses for 2013 were primarily due to USI, Carestream Health and Davis-Standard.

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 2014 were primarily due to the investments in York, Mavis Discount Tire and AIT, as discussed in the significant transactions section starting on page 26 of this MD&A, in addition to acquisitions completed by the operating companies.

Carried interest due to Onex and ONCAP management

The General Partners of the Onex Partners and ONCAP Funds are entitled to a carried interest of 20 percent on the realized gains of the limited partners in each Fund, as determined in accordance with the limited partnership agreements. Onex is allocated 40 percent of the carried interest realized in the Onex Partners Funds. Onex management is allocated 60 percent of the carried interest realized in the Onex Partners Funds and ONCAP management is entitled to that portion of the carried interest realized in the ONCAP Funds that equates to a 12 percent carried interest on both limited partners' and Onex' capital. Onex'

share of the carried interest change is recorded as an offset in the Limited Partners' Interests amount in the 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 2014, a charge of \$160 million (2013 – \$262 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 investments in the Onex Partners and ONCAP Funds.

Change in fair value of contingent consideration

Onex recorded a net recovery of \$1 million (2013 – net charge of \$108 million) during 2014 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, 2014 was \$203 million (December 31, 2013 – \$200 million).

Increase (decrease) in value of other Onex Partners investments

For the year ended December 31, 2014, Onex reported an increase in value of other Onex Partners investments of \$46 million (2013 – \$6 million). The increase in value of other Onex Partners investments includes realized and unrealized gains on Onex Partners' investments in which Onex had no or limited remaining strategic or operating influence. For the years ended December 31, 2014 and 2013, these investments were: Spirit AeroSystems (from June to August 2014), Allison Transmission (from June to September 2014), Tomkins (from April to December 2014) and FLY Leasing Limited.

Table 7 provides a breakdown of the increase (decrease) in value of the other Onex Partners investments for the years ended December 31, 2014 and 2013.

TABLE 7	(\$ millions)	2014	2013
Spirit AeroSystems		\$ 29	\$ -
Tomkins		21	-
Allison Transmission		1	-
FLY Leasing Limited		(5)	6
		\$ 46	\$ 6

Spirit AeroSystems

In June 2014, the Onex Partners I Group sold a portion of its interest in Spirit AeroSystems resulting in a loss of control of Spirit AeroSystems, as described on page 26 of this MD&A. The remaining interest held by the Company was recorded as a long-term investment at fair value, with changes in fair value recorded in other items until the remaining interest was sold in August 2014. Income recorded in other items during the year ended December 31, 2014 of \$29 million represents the change in fair value of the shares held after the June 2014 secondary public offering and share repurchase up to the August 2014 secondary public offering.

Tomkins

In April 2014, Onex, together with CPPIB, entered into an agreement to sell Gates, Tomkins' principal remaining business. As a result, Onex' investment in Tomkins was recorded in assets held for sale. Changes in fair value prior to Onex' investment in Tomkins being recorded in assets held for sale were recorded as increases or decreases in the value of investments in joint ventures and associates at fair value, while changes in fair value subsequent to the classification as assets held for sale are recorded in other items. The sales of Gates and substantially all of the residual assets of Tomkins were completed during the second half of 2014, as described on page 28 of this MD&A. Income of \$21 million recorded in other items during the year ended December 31, 2014 primarily represents the change in fair value of the residual assets of Tomkins, which were substantially sold in the second half of 2014.

Allison Transmission

In June 2014, the Onex Partners II Group sold shares of Allison Transmission in a secondary offering and share repurchase, as described on page 26 of this MD&A. After the completion of the secondary offering and share repurchase, the Onex Partners II Group continued to own 2.7 million shares of common stock, or approximately 2 percent in the aggregate, of Allison Transmission's outstanding common stock. The remaining interest held by the Onex Partners II Group was recorded as a long-term investment at fair value with changes in fair value recorded in other items until the remaining interest was sold in September 2014. Income recorded in other items during the year ended December 31, 2014 of \$1 million represents the change in fair value of the shares held after the June 2014 secondary public offering and share repurchase up to the September 2014 secondary public offering.

Other

For the year ended December 31, 2014, Onex reported consolidated other expense of \$8 million (2013 – income of \$136 million). During 2014, in connection with the reversal of a previous court ruling, Carestream Health recorded other income of \$31 million for the reversal of legal provisions related to the matter. In addition, other expense recorded during 2014 includes (i) \$65 million of realized and unrealized losses on investments in securities and long-term debt of the Onex Credit CLOs; (ii) \$22 million of other income from equity-accounted investments; (iii) \$9 million of gains on the sale of tax losses; and (iv) \$9 million of other income from Celestica's settlement of class action lawsuits, as described below.

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) \$16 million of realized and unrealized gains on investments in securities and long-term debt of the Onex Credit CLOs; (ii) \$15 million of gains from JELD-WEN's sale of non-core assets; (iii) \$12 million of other income from equity-accounted investments; (iv) \$9 million of gains on the sale of tax losses; and (v) \$32 million of net gains related to the sale of aircraft by Meridian Aviation.

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

Impairment of goodwill, intangible assets and long-lived assets for the year ended December 31, 2014 totalled \$51 million (2013 – \$223 million). Table 8 provides a breakdown of the net impairment (recovery) of goodwill, intangible assets and long-lived assets by operating company for the years ended December 31, 2014 and 2013.

TABLE 8	(\$ millions)	2014	2013
Celestica		\$ 41	\$ -
CiCi's Pizza		26	57
Flushing Town Center		(42)	43
Tropicana Las Vegas		-	91
Other, net ^(a)		26	32
		\$ 51	\$ 223

(a) 2014 other includes net impairments of \$26 million related to Emerald Expositions, JELD-WEN, KrausMaffei, SGS International and Sitel Worldwide. 2013 other includes net impairments of \$32 million related to EnGlobe, JELD-WEN, Sitel Worldwide and USI.

Celestica

During the fourth quarter of 2014, Celestica recorded a non-cash goodwill impairment charge of \$41 million related to its semiconductor business.

CiCi's Pizza

ONCAP II's operating company, CiCi's Pizza, recorded a non-cash goodwill impairment charge of \$26 million (2013 – goodwill and intangible asset impairment charges of \$33 million and \$24 million). The impairment was primarily due to a decrease in projected future earnings and a reduction in the exit multiple due to market risks.

Flushing Town Center

During 2014, Flushing Town Center recorded a non-cash recovery of impairment charge of \$42 million (2013 – impairments of \$43 million) associated with its retail space and parking structures.

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.

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

During 2014, Onex recorded a \$1.1 billion charge (2013 – \$1.9 billion) for Limited Partners' Interests. The increase in the fair value of certain of the investments held in the Onex Partners and ONCAP Funds contributed significantly to the Limited Partners' Interests charge recorded in the year ended December 31, 2014.

The Limited Partners' Interests charge is net of a \$239 million (2013 – \$395 million) increase in carried interest for the year ended December 31, 2014. Onex' share of the carried interest change for 2014 was an increase of \$84 million (2013 – \$137 million). The amount of carried interest that has been netted against the Limited Partners' Interests decreased during 2014 due to the realization of investments during 2014. This decrease was partially offset by an increase in the fair value of certain of the investments in the Onex Partners and ONCAP Funds. The ultimate amount of carried interest realized will be dependent upon the actual realizations for each Fund in accordance with the limited partnership agreements.

Income taxes

Onex recorded a consolidated income tax expense of \$79 million in 2014 compared to a recovery of \$488 million in 2013. During 2013, as a result of evaluating 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 were temporary differences which were 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 represented the provisions established 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) 2013 distributions received from Carestream Health; (ii) the sale of BSN SPORTS in June 2013; and (iii) the sale of RSI in February 2013.

Loss from continuing operations

Onex reported a consolidated loss from continuing operations of \$823 million in 2014 compared to a consolidated loss of \$563 million in 2013 and \$174 million in 2012. Table 9 shows the earnings (loss) from continuing operations by industry segment for the years ended December 31, 2014, 2013 and 2012.

Earnings (Loss) from Continuing Operations by Industry Segment

	2014	2013	2012
Earnings (loss) from continuing operations:			
Electronics Manufacturing Services	\$ 108	\$ 118	\$ 118
Healthcare Imaging ^(a)	41	(86)	15
Health and Human Services ^(a)	29	52	39
Customer Care Services	(69)	(21)	(20)
Building Products	(123)	(85)	(67)
Insurance Services ^(b)	(76)	(63)	3
Credit Strategies ^(c)	(31)	62	45
Other ^(d)	(702)	(540)	(307)
Loss from Continuing Operations	\$ (823)	\$ (563)	\$ (174)

(a) The healthcare imaging segment, consisting of Carestream Health, and the health and human services segment, consisting of ResCare, were previously included within the healthcare segment, which consisted of Carestream Health, ResCare, Skilled Healthcare Group and Center for Diagnostic Imaging (up to July 2012). Skilled Healthcare Group is recorded as a discontinued operation for the years ended December 31, 2014, 2013 and 2012. Center for Diagnostic Imaging is included within the other segment for the year ended December 31, 2012.

(b) The insurance services segment consists of USI and York. USI was previously included within other. There are no comparative results for York. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.

(c) The credit strategies segment, consisting of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds, was previously included within other.

(d) 2014 other includes the consolidated earnings of Tropicana Las Vegas, SGS International, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II (Mister Car Wash sold in August 2014) and ONCAP III, Flushing Town Center and the parent company. In addition, consolidated earnings include the changes in fair value of AIT (since December 2014), Allison Transmission (up to September 2014), BBAM, Mavis Discount Tire (since October 2014), Tomkins (up to December 2014) and certain Onex Real Estate investments. 2013 other includes the consolidated earnings of Tropicana Las Vegas, SGS International, KraussMaffei, Meridian Aviation (since February 2013), Emerald Expositions (since June 2013), the operating companies of ONCAP II (BSN SPORTS sold in June 2013 and Caliber Collision sold in November 2013) and ONCAP III, Flushing Town Center 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), transaction costs of KraussMaffei, Center for Diagnostic Imaging (up to July 2012), the operating companies of ONCAP II and ONCAP III, Flushing Town Center and the parent company. In addition, consolidated earnings include the changes in fair value of Allison Transmission, BBAM, Hawker Beechcraft, RSI, Tomkins and certain Onex Real Estate investments.

The loss from continuing operations in the other segment totalled \$702 million in 2014 compared to \$540 million in 2013 and \$307 million in 2012. Table 10 shows the major components of the earnings (loss) from continuing operations recorded in the other segment for the years ended December 31, 2014, 2013 and 2012.

TABLE 10	(\$ millions)	2014	2013	2012
Earnings (loss) from continuing operations – other:				
	Limited Partners' Interests charge	\$ (1,069)	\$ (1,855)	\$ (929)
	Stock-based compensation expense	(154)	(272)	(156)
	Unrealized carried interest due to Onex and ONCAP management	(160)	(262)	(91)
	Interest expense of operating companies	(194)	(180)	(60)
	Impairment of intangible assets and long-lived assets, net	(3)	(201)	(17)
	Other gains	317	561	59
	Non-cash recovery of deferred income taxes by Onex, the parent company	-	480	-
	Increase in value of investments in joint ventures and associates at fair value, net	412	1,098	863
	Other	149	91	24
Loss from Continuing Operations – Other		\$ (702)	\$ (540)	\$ (307)

Table 11 presents the earnings (loss) from continuing operations attributable to equity holders of Onex Corporation and non-controlling interests for the years ended December 31, 2014, 2013 and 2012.

Earnings (Loss) from Continuing Operations

TABLE 11	(\$ millions)	2014	2013	2012
Earnings (loss) from continuing operations attributable to:				
Equity holders of Onex				
	Corporation	\$ (872)	\$ (590)	\$ (216)
	Non-controlling interests	49	27	42
Loss from Continuing Operations		\$ (823)	\$ (563)	\$ (174)

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, Celestica's public shareholders' share of the net earnings in the business would be reported in the non-controlling interests line.

Earnings (loss) from discontinued operations

Discontinued operations for the years ended December 31, 2014, 2013 and 2012 includes the operations of The Warranty Group, Spirit AeroSystems and Skilled Healthcare Group. In addition, earnings from discontinued operations for the years ended December 31, 2013 and 2012 includes the operations of TMS International. After-tax earnings from discontinued operations were \$982 million during 2014 compared to an after-tax loss from discontinued operations of \$250 million in 2013 and earnings from discontinued operations of \$190 million in 2012. Onex' portion of the after-tax results from discontinued operations during 2014 was earnings of \$757 million (\$6.87 per share) compared to \$236 million (\$2.08 per share) in 2013 and \$88 million (\$0.77 per share) in 2012.

Table 12 presents after-tax earnings (loss), gain on sale, net of tax, and earnings (loss) from discontinued operations for the years ended December 31, 2014, 2013 and 2012.

Discontinued Operations for the Year Ended December 31

	After-Tax Earnings (Loss)			Gain on Sale, Net of Tax			Earnings (Loss) from Discontinued Operations		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Earnings (loss) from discontinued operations:									
The Warranty Group	\$ 49	\$ 112	\$ 109	\$ 368	\$ -	\$ -	\$ 417	\$ 112	\$ 109
Spirit AeroSystems	250	(540)	45	310	-	-	560	(540)	45
Skilled Healthcare Group	5	(83)	10	-	-	-	5	(83)	10
TMS International	-	19	26	-	242	-	-	261	26
Total	\$ 304	\$ (492)	\$ 190	\$ 678	\$ 242	\$ -	\$ 982	\$ (250)	\$ 190

The Warranty Group

In August 2014, the Onex Partners I and Onex Partners II Groups sold their investments in The Warranty Group, as described on page 28 of this MD&A. Onex' consolidated results include a gain of \$368 million related to the sale based on the excess of the proceeds over the carrying value of the investment.

Spirit AeroSystems

On June 4, 2014, the Onex Partners I Group sold 8.0 million shares of Spirit AeroSystems, as discussed on page 26 of this MD&A. The June 2014 sale resulted in a loss of control by Onex. A gain of \$310 million associated with the loss of control was recorded based on the excess of the proceeds and the interest retained at fair value over the carrying value of the investment.

Skilled Healthcare Group

In August 2014, Skilled Healthcare Group entered into an agreement to combine with Genesis HealthCare. The transaction was completed in February 2015, as discussed on page 30 of this MD&A. Onex no longer controls the combined company following the loss of its multiple voting rights and therefore, the operations of Skilled Healthcare Group are presented as discontinued in the audited annual consolidated statements of earnings and cash flows, and the years ended December 31, 2013 and 2012 have been restated to report the results of Skilled Healthcare Group as discontinued on a comparative basis.

TMS International

In October 2013, the Onex Partners II Group completed the sale of its remaining interest in TMS International as part of an offer made for all outstanding shares of TMS International. Total cash proceeds to the Onex Partners II Group from the sale were \$410 million, of which Onex' share was \$172 million, including carried interest. As a result of the sale, the operations of TMS International and the gain recorded on the sale are presented as discontinued in the 2013 audited annual consolidated statements of earnings and cash flows, and the year ended December 31, 2012 has been restated to report the results of TMS International as discontinued on a comparative basis.

Note 6 to the audited annual consolidated financial statements provides additional information on earnings from discontinued operations.

Consolidated net earnings (loss)

For the year ended December 31, 2014, Onex recorded consolidated net earnings of \$159 million compared to a consolidated net loss of \$813 million in 2013 and consolidated net earnings of \$16 million in 2012.

Table 13 shows the net earnings (loss) by industry segment for the years ended December 31, 2014, 2013 and 2012.

Consolidated Net Earnings (Loss) by Industry Segment

TABLE 13	(\$ millions)	2014	2013	2012
Net earnings (loss):				
	Electronics Manufacturing Services	\$ 108	\$ 118	\$ 118
	Healthcare Imaging ^(a)	41	(86)	15
	Health and Human Services ^(a)	29	52	39
	Customer Care Services	(69)	(21)	(20)
	Building Products	(123)	(85)	(67)
	Insurance Services ^(b)	(76)	(63)	3
	Credit Strategies ^(c)	(31)	62	45
	Other ^(d)	(702)	(540)	(307)
Earnings (loss) from discontinued operations		982	(250)	190
Consolidated Net Earnings (Loss)		\$ 159	\$ (813)	\$ 16

(a) The healthcare imaging segment, consisting of Carestream Health, and the health and human services segment, consisting of ResCare, were previously included within the healthcare segment, which consisted of Carestream Health, ResCare, Skilled Healthcare Group and Center for Diagnostic Imaging (up to July 2012). Skilled Healthcare Group is recorded as a discontinued operation for the years ended December 31, 2014, 2013 and 2012. Center for Diagnostic Imaging is included within the other segment for the year ended December 31, 2012.

(b) The insurance services segment consists of USI and York. USI was previously included within other. There are no comparative results for York. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.

(c) The credit strategies segment, consisting of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds, was previously included within other.

(d) 2014 other includes the consolidated earnings of Tropicana Las Vegas, SGS International, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II (Mister Car Wash sold in August 2014) and ONCAP III, Flushing Town Center and the parent company. In addition, consolidated earnings include the changes in fair value of AIT (since December 2014), Allison Transmission (up to September 2014), BBAM, Mavis Discount Tire (since October 2014), Tomkins (up to December 2014) and certain Onex Real Estate investments. 2013 other includes the consolidated earnings of Tropicana Las Vegas, SGS International, KraussMaffei, Meridian Aviation (since February 2013), Emerald Expositions (since June 2013), the operating companies of ONCAP II (BSN SPORTS sold in June 2013 and Caliber Collision sold in November 2013) and ONCAP III, Flushing Town Center 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), transaction costs of KraussMaffei, Center for Diagnostic Imaging (up to July 2012), the operating companies of ONCAP II and ONCAP III, Flushing Town Center and the parent company. In addition, consolidated earnings include the changes in fair value of Allison Transmission, BBAM, Hawker Beechcraft, RSI, Tomkins and certain Onex Real Estate investments.

Table 14 presents the net earnings (loss) attributable to equity holders of Onex Corporation and non-controlling interests for the years ended December 31, 2014, 2013 and 2012.

Net Earnings (Loss)

TABLE 14	(\$ millions)	2014	2013	2012
Net earnings (loss) attributable to:				
Equity holders of				
	Onex Corporation	\$ (115)	\$ (354)	\$ (128)
	Non-controlling interests	274	(459)	144
Net Earnings (Loss)		\$ 159	\$ (813)	\$ 16

Table 15 presents the net earnings (loss) per subordinate voting share of Onex Corporation.

Net Earnings (Loss) per Subordinate Voting Share

TABLE 15	(\$ per share)	2014	2013	2012
Basic and Diluted:				
	Continuing operations	\$ (7.91)	\$ (5.20)	\$ (1.89)
	Discontinued operations	6.87	2.08	0.77
Net Loss		\$ (1.04)	\$ (3.12)	\$ (1.12)

Other comprehensive earnings (loss)

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 the year ended December 31, 2014, Onex reported an other comprehensive loss of \$280 million compared to earnings of \$78 million in 2013. The loss in 2014 was due primarily to unfavourable currency translation adjustments on foreign operations of \$197 million (2013 – \$29 million) and unfavourable remeasurements for post-employment benefit plans of \$81 million (2013 – favourable remeasurements of \$102 million).

FOURTH QUARTER RESULTS

Table 16 presents the statements of loss for the fourth quarters ended December 31, 2014 and 2013.

Fourth Quarter Statements of Loss

TABLE 16 (\$ millions)	2014	2013
Revenues	\$ 5,213	\$ 4,996
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(3,628)	(3,643)
Operating expenses	(1,063)	(928)
Interest income	40	32
Amortization of property, plant and equipment	(106)	(101)
Amortization of intangible assets and deferred charges	(135)	(124)
Interest expense of operating companies	(269)	(191)
Increase in value of investments in joint ventures and associates at fair value, net	22	534
Stock-based compensation expense	(64)	(82)
Other gains	-	391
Other items	(83)	(155)
Impairment of goodwill, intangible assets and long-lived assets, net	(83)	(91)
Limited Partners' Interests charge	(229)	(657)
Loss before income taxes and discontinued operations	(385)	(19)
Recovery of income taxes	14	30
Earnings (loss) from continuing operations	(371)	11
Earnings (loss) from discontinued operations	4	(234)
Net Loss for the Period	\$ (367)	\$ (223)

Table 17 provides a breakdown of the 2014 and 2013 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

Three months ended December 31	Revenues			Cost of Sales		
	2014	2013	Change	2014	2013	Change
Electronics Manufacturing Services	\$ 1,424	\$ 1,437	(1)%	\$ 1,303	\$ 1,317	(1)%
Healthcare Imaging ^(a)	669	680	(2)%	385	389	(1)%
Health and Human Services ^(a)	446	421	6 %	335	307	9 %
Customer Care Services	382	371	3 %	254	241	5 %
Building Products	893	889	-	715	730	(2)%
Insurance Services ^(b)	402	197	104 %	-	-	-
Other ^(c)	997	1,001	-	636	659	(3)%
Total	\$ 5,213	\$ 4,996	4 %	\$ 3,628	\$ 3,643	-

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

- (a) The healthcare imaging segment, consisting of Carestream Health, and the health and human services segment, consisting of ResCare, were previously included within the healthcare segment, which consisted of Carestream Health, ResCare and Skilled Healthcare Group. Skilled Healthcare Group is recorded as a discontinued operation for the years ended December 31, 2014 and 2013.
- (b) The insurance services segment consists of USI and York. USI and York report their costs in operating expenses. USI was previously included within other. There are no comparative results for York. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.
- (c) 2014 other includes Flushing Town Center, Tropicana Las Vegas, SGS International, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II (Mister Car Wash up to August 2014) and ONCAP III and the parent company. 2013 other includes Flushing Town Center, Tropicana Las Vegas, SGS International, KraussMaffei, Meridian Aviation (since February 2013), 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 and the parent company.

Fourth quarter consolidated revenues and cost of sales

Consolidated revenues were up 4 percent, or \$217 million, to \$5.2 billion in the fourth quarter of 2014 compared to the same quarter of 2013. Consolidated cost of sales at \$3.6 billion for the three months ended December 31, 2014 were relatively unchanged compared to the same period of 2013.

During the fourth quarter of 2014, revenues in the health and human services segment, consisting of ResCare, increased by \$25 million, or 6 percent, compared to the same quarter of 2013. The increase in revenues was due to acquisitions and organic growth in all segments, primarily Residential Services, HomeCare and Pharmacy Services. Cost of sales for the three months ended December 31, 2014

increased by \$28 million, or 9 percent, compared to the same period of 2013 primarily due to the increase in revenues, in addition to an increase in bad debt in the ResCare HomeCare segment.

Revenues in the insurance services segment, consisting of USI and York, increased by \$205 million compared to the fourth quarter of 2013. The increase was due primarily to the inclusion of the revenues of York, acquired by the Onex Partners III Group in October 2014. In addition, revenues of USI increased by \$52 million primarily due to organic growth and acquisitions. USI and York record their costs in operating expenses.

Fourth quarter interest expense

Fourth quarter 2014 interest expense totalled \$269 million compared to \$191 million during the fourth quarter of 2013. Fourth quarter interest expense increased by \$78 million primarily due to the inclusion of interest expense of York, acquired during the fourth quarter of 2014, and debt prepayment charges associated with ResCare's December 2014 redemption of its senior subordinated notes and JELD-WEN's October 2014 redemption of its senior secured notes. The increase was partially offset by the sales of Mister Car Wash in August 2014 and Caliber Collision in November 2013.

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

The 2014 fourth quarter increase in value of investments in joint ventures and associates at fair value was \$22 million compared to an increase of \$534 million during 2013. The decrease in the income recorded in 2014 compared to 2013 is primarily due to the sales of Allison Transmission and Tomkins during 2014, as discussed in the significant transactions section starting on page 26 of this MD&A.

Fourth quarter stock-based compensation expense

During the fourth quarter of 2014, Onex recorded a consolidated stock-based compensation expense of \$64 million compared to \$82 million for the same quarter of 2013. Onex, the parent company, recorded a stock-based compensation expense of approximately \$38 million in the fourth quarter of 2014 related to its stock options and MIP equity interests. That expense was primarily due to the 8 percent increase in the market value of Onex' shares in the fourth quarter.

Fourth quarter other gains

Onex did not record any other gains during the fourth quarter of 2014. 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 41 of this MD&A.

Fourth quarter other items expense

During the fourth quarter of 2014, Onex recorded an \$83 million charge for other items compared to a charge of \$155 million during the same quarter of 2013. The charge for carried interest due to management of Onex and ONCAP contributed \$37 million (2013 – \$145 million) to the other items expense during the fourth quarter. The charge for carried interest was driven primarily by an increase in the fair value of certain of the investments in the Onex Partners and ONCAP Funds during the fourth quarter of 2014. The charge for other items was partially offset by other income recorded during the fourth quarter of 2014, which includes \$9 million of gains on the sale of tax losses, as discussed below.

In December 2014, 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 (2013 – \$9 million) in cash for tax losses of \$84 million (2013 – \$89 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 audited annual consolidated financial statements for the tax losses sold. In connection with the 2014 and 2013 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.

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

During the fourth quarter of 2014, there was \$83 million of impairments of goodwill, intangible assets and long-lived assets recorded by Onex' operating companies compared to \$91 million during the same quarter of 2013. A discussion of these impairments by company is provided on page 45 of this MD&A.

Fourth quarter Limited Partners' Interests charge

During the fourth quarter of 2014, Onex recorded a \$229 million charge for Limited Partners' Interests compared to a \$657 million charge during 2013. The increase in the fair value of certain of the private 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 \$56 million (2013 – \$218 million) increase in carried interest for the three months ended December 31, 2014.

Fourth quarter earnings (loss) from discontinued operations

During the fourth quarter of 2014, Onex recorded earnings from discontinued operations of \$4 million related to Skilled Healthcare Group, as discussed on page 47 of this MD&A. For the three months ended December 31, 2013, Onex recorded a loss from discontinued operations of \$234 million related to The Warranty Group, Spirit AeroSystems, Skilled Healthcare Group and TMS International.

Fourth quarter cash flow

Table 18 presents the major components of cash flow for the fourth quarter of 2014 and 2013.

Major Cash Flow Components for the Three Months Ended December 31

TABLE 18	(\$ millions)		
	Three months ended December 31	2014	2013
Cash from operating activities	\$	275	\$ 511
Cash from (used in) financing activities	\$	730	\$ (935)
Cash from (used in) investing activities	\$	(1,176)	\$ 828
Consolidated cash and cash equivalents held by continuing operations	\$	3,764	\$ 2,618

Cash from operating activities totalled \$275 million in the fourth quarter of 2014 compared to \$511 million in 2013.

Cash from financing activities was \$730 million in the fourth quarter of 2014 compared to cash used in financing activities of \$935 million in 2013. Cash from financing activities included \$777 million of net debt issuances by the operating companies and contributions of \$348 million from (i) the limited partners of Onex Partners III for their add-on investment in Meridian; (ii) certain limited partners of Onex Partners III for their co-invest-

ment in York; (iii) the limited partners of ONCAP III for their investment in Mavis Discount Tire; (iv) the limited partners of Onex Partners IV for their investment in AIT; and (v) the limited partners of the Onex Partners Funds for management fees and partnership expenses. Partially offsetting the cash from financing activities were (i) cash interest paid of \$213 million; (ii) share repurchases of \$95 million by Onex, the parent company, and Onex' operating companies; and (iii) distributions of \$41 million to the limited partners of the Onex Partners Funds, primarily related to Tomkins.

Included in the \$935 million of cash used in financing activities in the fourth quarter of 2013 was (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 \$152 million; (iii) \$123 million of cash used in financing activities of discontinued operations; and (iv) share repurchases of \$117 million by Onex, the parent company, and Onex' operating companies. Partially offsetting the cash used in financing activities were \$155 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.

Cash used in investing activities was \$1.2 billion in the fourth quarter of 2014, primarily consisting of (i) \$694 million used to fund acquisitions, of which \$596 million related to the Onex Partners III Group's acquisition of York and acquisitions completed by York during the quarter; (ii) net purchases of investments and securities of \$511 million mainly by Onex Credit CLO-7; (iii) \$309 million for investments in joint ventures and associates, of which \$204 million related to the Onex Partners IV Group's investment in AIT and \$105 million related to the ONCAP III Group's investment in Mavis Discount Tire; and (iv) \$96 million in purchases of property, plant and equipment by Onex' operating companies. This was partially offset by \$304 million from restricted cash related to the capital called from the limited partners of Onex Partners III in September 2014 for their investment in York.

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 the shares of Allison Transmission; and (iii) \$277 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 \$256 million mainly by Onex Credit CLO-4; (ii) \$180 million in purchases of property, plant and equipment by Onex' operating companies; and (iii) \$85 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 in addition to cash used for investing activities of The Warranty Group, Spirit Aero-Systems and Skilled Healthcare Group.

Consolidated cash at December 31, 2014 totaled \$3.8 billion. Onex, the parent company, accounted for approximately \$2.5 billion of the cash on hand. Table 19 provides a reconciliation of the change in cash at Onex, the parent company, from September 30, 2014 to December 31, 2014.

Change in Cash at Onex, the Parent Company

Cash on hand at September 30, 2014	\$ 2,770
Net Onex Real Estate activity, including	
Flushing Town Center	42
Net Onex Credit activity, including warehouse facility associated with Onex Credit CLO-8	31
Investment in York	(173)
Investment in AIT	(45)
Investment in Mavis Discount Tire	(30)
Add-on investment in Meridian Aviation	(5)
Onex share repurchases	(32)
Other, net, including dividends, management fees and operating costs	(27)
Cash on hand at December 31, 2014	\$ 2,531

SUMMARY QUARTERLY INFORMATION

Table 20 summarizes Onex' key consolidated financial information for the last eight quarters. The financial information has been restated for discontinued operations.

	2014				2013			
	Dec.	Sept.	June	March	Dec.	Sept.	June	March
Revenues	\$ 5,213	\$ 5,003	\$ 4,988	\$ 4,589	\$ 4,996	\$ 5,129	\$ 5,035	\$ 4,664
Earnings (loss) from continuing operations	\$ (371)	\$ 23	\$ (406)	\$ (69)	\$ 11	\$ 413	\$ (627)	\$ (360)
Net earnings (loss)	\$ (367)	\$ 388	\$ 39	\$ 99	\$ (223)	\$ 399	\$ (718)	\$ (271)
Net earnings (loss) attributable to:								
Equity holders of Onex Corporation	\$ (350)	\$ 364	\$ (89)	\$ (40)	\$ 200	\$ 366	\$ (612)	\$ (308)
Non-controlling Interests	(17)	24	128	139	(423)	33	(106)	37
Net earnings (loss)	\$ (367)	\$ 388	\$ 39	\$ 99	\$ (223)	\$ 399	\$ (718)	\$ (271)
Earnings (loss) per Subordinate Voting Share of Onex Corporation								
Earnings (loss) from continuing operations	\$ (3.21)	\$ (0.02)	\$ (3.93)	\$ (0.75)	\$ 0.15	\$ 3.22	\$ (5.49)	\$ (3.06)
Earnings from discontinued operations	0.01	3.33	3.13	0.39	1.62	-	0.11	0.35
Net earnings (loss)	\$ (3.20)	\$ 3.31	\$ (0.80)	\$ (0.36)	\$ 1.77	\$ 3.22	\$ (5.38)	\$ (2.71)

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

CONSOLIDATED FINANCIAL POSITION

Consolidated assets

Consolidated assets totaled \$28.9 billion at December 31, 2014 compared to \$36.9 billion at December 31, 2013. Onex' consolidated assets at December 31, 2014 decreased from December 31, 2013 due primarily to the sales of Allison Transmission, Tomkins, Mister Car Wash, Spirit AeroSystems and The Warranty Group during 2014. The decrease in

consolidated assets was partially offset by the investments in York, Mavis Discount Tire and AIT, in addition to acquisitions completed by Emerald Expositions, USI and EnGlobe and the inclusion of the investments held in the asset portfolios of three Onex Credit CLOs that closed during 2014.

Table 21 shows the consolidated assets by industry segment as at December 31, 2014, 2013 and 2012. The industry segment's percentage of consolidated assets held by continuing operations is also shown.

Consolidated Assets by Industry Segment as at December 31

TABLE 21	(\$ millions)	2014	Percentage breakdown	2013	Percentage breakdown	2012	Percentage breakdown
Electronics Manufacturing Services		\$ 2,584	9%	\$ 2,639	10%	\$ 2,659	11%
Healthcare Imaging ^(a)		1,803	6%	1,966	8%	2,153	9%
Health and Human Services ^(a)		1,110	4%	1,078	4%	1,041	4%
Customer Care Services		640	2%	613	2%	632	3%
Building Products		2,351	8%	2,483	9%	2,626	11%
Insurance Services ^(b)		5,088	18%	3,099	12%	3,146	13%
Credit Strategies ^(c)		4,373	16%	2,499	10%	1,426	6%
Other ^(d)		10,307	37%	11,776	45%	10,579	43%
Assets held by continuing operations		28,256	100%	26,153	100%	24,262	100%
Other – assets held by discontinued operations ^(e)		680		10,714		12,040	
Total consolidated assets		\$ 28,936		\$ 36,867		\$ 36,302	

(a) The healthcare imaging segment, consisting of Carestream Health, and the health and human services segment, consisting of ResCare, were previously included within the healthcare segment, which consisted of Carestream Health, ResCare, Skilled Healthcare Group and Center for Diagnostic Imaging (up to July 2012). Skilled Healthcare Group is recorded as a discontinued operation for the years ended December 31, 2014, 2013 and 2012. Center for Diagnostic Imaging is included within the other segment for the year ended December 31, 2012.

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

(c) The credit strategies segment, consisting of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds, was previously included within other.

(d) December 2014 other includes the consolidated operations of Tropicana Las Vegas, SGS International, KraussMaffei, Emerald Expositions, the operating companies of ONCAP II and ONCAP III, Flushing Town Center, Meridian Aviation and the parent company. In addition, other includes the investments in AIT, BBAM, Mavis Discount Tire and certain Onex Real Estate Partners investments at fair value. December 2013 other includes the consolidated operations of Tropicana Las Vegas, SGS International, KraussMaffei, Emerald Expositions (since June 2013), the operating companies of ONCAP II and ONCAP III, Flushing Town Center, Meridian Aviation (since February 2013) 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, KraussMaffei, 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, BBAM, Hawker Beechcraft, RSI, Tomkins and certain Onex Real Estate Partners investments at fair value.

(e) At December 31, 2014, the assets of Skilled Healthcare Group are included in the other segment as the company has been presented as a discontinued operation. At December 31, 2013, the assets of The Warranty Group, Spirit AeroSystems and Skilled Healthcare Group are included in the other segment as the companies have been presented as discontinued operations. At December 31, 2012, the assets of The Warranty Group, Spirit AeroSystems, Skilled Healthcare Group and TMS International are included in the other segment as the companies have been presented as discontinued operations.

Consolidated long-term debt, without recourse to Onex Corporation

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

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

including those resulting from changes in financial markets and economic conditions generally, may result in non-compliance with certain covenants by that operating company.

Total consolidated long-term debt (consisting of the current and long-term portions of long-term debt, net of financing charges) was \$13.3 billion at December 31, 2014 compared to \$12.0 billion at December 31, 2013. Consolidated long-term debt does not include the debt of operating businesses that are included in investments in joint ventures and associates as the investment in those businesses is accounted for at fair value and not consolidated. In addition, when operating companies are reported as discontinued operations, their long-term debt is excluded from consolidated long-term debt on a prospective basis. Prior periods are not restated. For example, consolidated long-term debt at December 31, 2014 does not include the debt of Skilled Healthcare Group; however, the debt of Skilled Healthcare Group is included in consolidated long-term debt at December 31, 2013 as the company was presented as a discontinued operation beginning in September 2014.

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

TABLE 22 (\$ millions)	As at December 31, 2014	As at December 31, 2013	As at December 31, 2012
Electronics Manufacturing Services	\$ -	\$ -	\$ 55
Healthcare Imaging ^(a)	2,115	2,248	1,735
Health and Human Services ^(a)	455	353	364
Customer Care Services	750	740	725
Building Products	804	661	547
Insurance Services ^(b)	2,644	1,605	1,626
Credit Strategies ^(c)	3,431	1,723	801
Other ^{(d)(e)}	3,083	4,640	4,617
	13,282	11,970	10,470
Current portion of long-term debt of operating companies	(408)	(651)	(286)
Total	\$ 12,874	\$ 11,319	\$ 10,184

- (a) The healthcare imaging segment, consisting of Carestream Health, and the health and human services segment, consisting of ResCare, were previously included within the healthcare segment, which consisted of Carestream Health, ResCare and Skilled Healthcare Group. Skilled Healthcare Group is recorded as a discontinued operation for the years ended December 31, 2014 and 2013.
- (b) The insurance services segment consists of USI and York. USI was previously included within other. There are no comparative results for York. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.
- (c) The credit strategies segment, consisting of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds, was previously included within other.
- (d) At December 31, 2013, the long-term debt of The Warranty Group, Spirit AeroSystems and Skilled Healthcare Group are included in the other segment as the companies have been presented as discontinued operations. At December 31, 2012, the long-term debt of The Warranty Group, Spirit AeroSystems, Skilled Healthcare Group and TMS International are included in the other segment as the companies have been presented as discontinued operations.
- (e) December 31, 2014 other includes the consolidated operations of Tropicana Las Vegas, SGS International, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II and ONCAP III and Flushing Town Center. December 31, 2013 other includes the consolidated operations of Tropicana Las Vegas, SGS International, KraussMaffei, Meridian Aviation (since February 2013), Emerald Expositions (since June 2013), the operating companies of ONCAP II and ONCAP III and Flushing Town Center. December 31, 2012 other includes the consolidated operations of Tropicana Las Vegas, SGS International, KraussMaffei, the operating companies of ONCAP II and ONCAP III and Flushing Town Center.

Celestica (Electronics Manufacturing Services segment)

In October 2014, Celestica amended its revolving credit facility to reduce the credit limit to \$300 million and extend the maturity to October 2018. The revolving credit facility has an accordion feature that allows the company to increase the credit limit by an additional \$150 million upon satisfaction of certain terms and conditions. At December 31, 2014 and 2013, no amounts were outstanding under the revolving credit facility. Celestica has issued \$29 million (2013 – \$30 million) of letters of credit under its revolving credit facility at December 31, 2014.

ResCare (Health and Human Services segment)

In April 2014, ResCare entered into a new \$650 million senior secured credit facility, which is available through April 2019. The senior secured credit facility consists of a \$250 million revolving credit facility, a \$200 million term loan and a \$200 million delayed draw term loan. The senior secured credit facility bears interest at LIBOR plus a margin of 2.25 percent. The term loan requires quarterly principal repayments of \$3 million beginning in September 2014. The required quarterly principal repayments increase throughout the term until they reach \$6 million in 2018.

The proceeds from the new senior secured credit facility were used to repay ResCare's former senior secured credit facility, fund a \$130 million distribution to shareholders, pay fees and expenses associated with the transaction and for general corporate purposes. The Onex Partners I and Onex Partners III Groups' share of the distribution to shareholders was \$120 million, of which Onex' share was \$25 million.

In December 2010, ResCare issued \$200 million of senior subordinated notes. The senior subordinated notes bore interest at a rate of 10.75 percent and were repayable at maturity in January 2019. In December 2014, ResCare drew on its entire \$200 million delayed draw term loan and a portion of its revolving credit facility to redeem all of the outstanding senior subordinated notes and pay accrued interest, fees, closing costs and other third-party expenses.

As a result of the redemption of its senior subordinated notes, ResCare recognized a \$15 million charge during the fourth quarter of 2014, which is included in interest expense in the consolidated statements of earnings.

At December 31, 2014, \$70 million and \$392 million were outstanding under the revolving credit facility and term loans, respectively. The term loans are recorded net of the unamortized discount of \$1 million.

JELD-WEN (Building Products segment)

In October 2014, JELD-WEN entered into new credit facilities consisting of a \$775 million term loan and a \$300 million revolving credit facility. The offering price of the term loan was 99 percent of par. Borrowings under the term loan bear interest at LIBOR (subject to a floor of 1 percent) plus a margin of 4.25 percent. The term loan has no financial maintenance covenants and matures in October 2021. The revolving credit facility bears interest at LIBOR plus a margin of between 1.5 percent and 2 percent based on the amount drawn under the revolving credit facility. There are no financial maintenance covenants on the revolving credit facility unless the facility is 90 percent drawn. The revolving credit facility matures in October 2019. The proceeds from the credit facilities were primarily used to repay JELD-WEN's former senior secured credit facility and to redeem all of the outstanding senior secured notes that bore interest at 12.25 percent.

As a result of the redemption of its senior secured notes, JELD-WEN recognized a \$50 million charge during the fourth quarter of 2014, which is included in interest expense in the consolidated statements of earnings.

At December 31, 2014, the term loan with \$775 million outstanding was recorded net of the unamortized discount of \$7 million. JELD-WEN had no amounts outstanding under its revolving credit facility at December 31, 2014. The amount available under the revolving credit facility was reduced by \$39 million of letters of credit outstanding at December 31, 2014.

USI (Insurance Services segment)

In May 2014, USI increased the senior secured term loan under its senior secured credit facility by \$125 million. The new term loan has the same terms as its existing senior secured term loan including a maturity date of December 2019 and an interest rate of LIBOR (subject to a floor of 1 percent) plus a margin of 3.25 percent or a base rate plus a margin of 2.25 percent.

The proceeds from the increased senior secured term loan were used to fund the company's acquisition of 40 insurance brokerage and consulting offices across the United States from Wells Fargo Insurance.

At December 31, 2014, \$1.1 billion and \$20 million (2013 – \$1.0 billion and nil) 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 million

(2013 – \$5 million). In addition, USI had \$1 million (2013 – \$1 million) of letters of credit outstanding that were issued under its senior secured revolving credit facility at December 31, 2014.

York (Insurance Services segment)

In October 2014, York entered into a senior secured credit facility consisting of a \$555 million first-lien term loan, a \$60 million delayed draw term loan and a \$100 million revolving credit facility. Borrowings under the term loans bear interest at LIBOR (subject to a floor of 1 percent) plus a margin of 3.75 percent. The term loans require quarterly amortization repayments, and can be repaid in whole or in part without premium or penalty at any time before maturity in October 2021. The revolving credit facility bears interest at LIBOR plus a margin of 3.75 percent and matures in October 2019. At December 31, 2014, the term loans with \$613 million outstanding were recorded net of unamortized discounts of \$4 million and \$22 million was outstanding under the revolving credit facility.

During the fourth quarter of 2014, York completed offerings of \$315 million in aggregate principal amount of 8.5 percent senior unsecured notes due in October 2022. Interest is payable semi-annually beginning in April 2015. The senior unsecured notes may be redeemed by the company at any time at various premiums above face value. At December 31, 2014, the senior unsecured notes with \$315 million outstanding were recorded net of an embedded derivative of \$13 million associated with the senior unsecured notes.

Onex Credit CLO-5 (Credit Strategies segment)

In November 2013, Onex Credit established a warehouse facility in connection with its fifth CLO (“Onex Credit CLO-5”). In November 2013 and February 2014, Onex purchased a total of \$40 million of notes to support the warehouse facility’s total return swap (“TRS”). The notes did not have a stated rate of interest, but received excess available funds from the termination of the TRS upon the closing of Onex Credit CLO-5 in March 2014. Onex Credit CLO-5 issued notes and equity in a private placement transaction in an aggregate amount of \$420 million. Upon closing, Onex received \$40 million plus interest for the notes supporting the warehouse facility and invested \$43 million to acquire all of the equity of Onex Credit CLO-5, which is the most subordinated capital in Onex Credit CLO-5.

The secured notes were offered in an aggregate principal amount of \$377 million, are due in April 2026 and bear interest at a rate of LIBOR plus a margin of 1 percent to 5.25 percent, payable beginning in October 2014. At December 31, 2014, the fair value of the notes of Onex Credit CLO-5 was \$359 million.

Onex Credit CLO-6 (Credit Strategies segment)

In June 2014, Onex Credit closed its sixth CLO (“Onex Credit CLO-6”). Onex Credit CLO-6 issued notes and a secured loan (together, the “Secured Obligations”), subordinated notes and equity in a private placement transaction in an aggregate amount of \$1.0 billion. The subordinated notes and equity are equally subordinated to the Secured Obligations of Onex Credit CLO-6. Onex invested \$83 million to acquire all of the equity of Onex Credit CLO-6 and \$7 million for all of the subordinated notes of Onex Credit CLO-6. In July 2014, Onex sold its investment in the subordinated notes at the same cost basis as its original investment.

The Secured Obligations were offered in an aggregate principal amount of \$910 million, are due in July 2026 and bear interest at a rate of LIBOR plus a margin of 1.35 percent to 5.60 percent, payable beginning in January 2015.

At December 31, 2014, the fair value of the Secured Obligations and subordinated notes of Onex Credit CLO-6 was \$892 million.

Onex Credit CLO-7 (Credit Strategies segment)

In November 2014, Onex Credit closed its seventh CLO (“Onex Credit CLO-7”). Onex Credit CLO-7 issued notes and a secured loan (together, the “Secured Obligations”), subordinated notes and equity in a private placement transaction in an aggregate amount of \$514 million. The subordinated notes and equity are equally subordinated to the Secured Obligations of Onex Credit CLO-7. Onex invested \$32 million to acquire all of the equity of Onex Credit CLO-7 and \$9 million for all of the Class E notes of Onex Credit CLO-7.

The Secured Obligations were offered in an aggregate principal amount of \$472 million, are due in October 2026 and bear interest at a rate of LIBOR plus a margin of 1.60 percent to 5.75 percent, payable beginning in April 2015.

At December 31, 2014, the fair value of the Secured Obligations and subordinated notes of Onex Credit CLO-7 was \$461 million.

Emerald Expositions (Other segment)

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 LIBOR (subject to a floor of 1.25 percent) plus a margin of 4.25 percent and requires quarterly repayments until maturity in June 2020.

In July 2014, Emerald Expositions amended its credit facility to reduce the rate at which borrowings under its term loan bear interest to LIBOR (subject to a floor of 1.00 percent) plus a margin of 3.75 percent. The amendment resulted in a total interest rate reduction of 0.75 percent on the company's term loan.

At December 31, 2014, the term loan with \$577 million (2013 – \$428 million) outstanding was recorded net of the unamortized discount of \$9 million (2013 – \$4 million).

PURE Canadian Gaming (Other segment)

In May 2014, PURE Canadian Gaming entered into a new credit facility consisting of a C\$150 million term loan and a C\$60 million revolving credit facility. Borrowings under the credit facility bear interest at a bankers' acceptance rate plus a margin of up to 3.75 percent, depending on PURE Canadian Gaming's leverage ratio, until maturity in May 2019. The net proceeds from the credit facility were used to repay existing debt facilities, to repurchase \$31 million (C\$34 million) of subordinate notes held primarily by the ONCAP II Group and the ONCAP III Group and to fund a \$10 million (C\$11 million) distribution to shareholders. The ONCAP II and III Groups' share of the repurchase of subordinated notes and the distribution to shareholders was \$41 million (C\$45 million), of which Onex' share was \$18 million (C\$20 million).

At December 31, 2014, \$129 million (C\$150 million) and \$10 million (C\$12 million) were outstanding under the term loan and revolving credit facility, respectively.

Flushing Town Center (Other segment)

In May 2014, Flushing Town Center entered into new credit facilities with third-party lenders consisting of a \$195 million mortgage loan and \$70 million of mezzanine loans. Borrowings under the mortgage loan bear interest at LIBOR (subject to a floor of 0.15 percent) plus 2.25 percent. The mezzanine loans consist of two loans: (i) \$20 million bearing interest at LIBOR (subject to a floor of 0.15 percent) plus 6.25 percent ("mezzanine A loan") and (ii) \$50 million bearing interest at LIBOR (subject to a floor of 0.15 percent) plus 10.72 percent ("mezzanine B loan"). The mortgage and mezzanine loans mature in June 2016 and have three one-year extension options.

At December 31, 2014, \$195 million was outstanding under the mortgage loan, \$20 million was outstanding under the mezzanine A loan and \$50 million was outstanding under the mezzanine B loan.

The proceeds from the new credit facilities, along with a \$95 million equity investment from Onex Real Estate Partners, were used to repay the third-party lenders of the existing senior construction loan. Onex' share of Onex Real Estate Partners' equity investment was \$84 million.

At December 31, 2014, Onex Real Estate Partners continued to hold a total of \$82 million, including accrued interest, of the existing senior construction and mezzanine loans of Flushing Town Center, which are subordinate to the new credit facilities.

Meridian Aviation (Other segment)

In December 2014, Meridian Aviation entered into loan agreements in connection with the purchase of an aircraft. The loan agreements consist of a \$138 million senior debt loan, a \$42 million (¥4.9 billion) senior Yen loan and a \$50 million revolving credit facility. The senior debt loan and senior Yen loan mature in December 2026 and are secured by the aircraft. Borrowings under the revolving credit facility mature in April 2015 and are guaranteed and reimbursable by capital calls from the limited partners of Onex Partners III. At December 31, 2014, \$138 million was outstanding under the senior debt loan, \$41 million (¥4.9 billion) was outstanding under the senior Yen loan and \$50 million was outstanding under the revolving credit facility.

Table 23 details the aggregate debt maturities at December 31, 2014 for Onex' consolidated operating businesses for each of the years up to 2020 and in total thereafter. As investments in joint ventures and associates are also 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 2019 and thereafter.

Debt Maturity Amounts by Year

TABLE 23	(\$ millions)	2015	2016	2017	2018	2019	2020	Thereafter	Total
Consolidated operating companies ^(a)		\$ 408	\$ 642	\$ 695	\$ 952	\$ 4,088	\$ 1,426	\$ 2,407	\$ 10,618
Investments in joint ventures and associates		2	2	2	2	2	212	-	222
Total		\$ 410	\$ 644	\$ 697	\$ 954	\$ 4,090	\$ 1,638	\$ 2,407	\$ 10,840

(a) Includes debt amounts of subsidiaries held by Onex, the parent company, and are gross of financing fees. Excludes debt of the Onex Credit CLOs, which are collateralized by the asset portfolio held by each respective CLO, and debt amounts of Skilled Healthcare Group, which is a discontinued operation.

Limited Partners' Interests

Limited Partners' Interests liability represents the fair value of limited partners' invested capital in the Onex Partners 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, 2014, Limited Partners' Interests liability totalled \$5.2 billion, a decrease of \$1.8 billion from the balance at December 31, 2013.

Table 24 shows the change in Limited Partners' Interests from December 31, 2012 to December 31, 2014.

Limited Partners' Interests

TABLE 24	(\$ millions)
Balance – December 31, 2012	\$ 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
Limited Partners' Interests charge	1,069
Contributions by Limited Partners	867
Distributions paid to Limited Partners	(3,719)
Balance – December 31, 2014	5,176
Current portion of Limited Partners' Interests	(23)
	\$ 5,153

The current portion of the Limited Partners' Interests was \$23 million at December 31, 2014 and represented the Limited Partners' share of proceeds on the sale of the residual assets of Tomkins.

The Limited Partners' Interests liability increased by \$867 million for contributions made in 2014, which consisted primarily of amounts received from (i) the limited partners of Onex Partners III for their acquisition of York, their add-on investment in Emerald Expositions, their investment in common stock of JELD-WEN and their add-on investment in Meridian Aviation; (ii) the limited partners of Onex Partners IV for their investment in AIT; (iii) the limited partners of ONCAP III for their investment in Mavis Discount Tire; and (iv) the limited partners of the Onex Partners and ONCAP Funds for management fees and partnership expenses.

Contributions totalled \$401 million for the year ended December 31, 2013 primarily 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.

During 2014, the Limited Partners' Interests liability was reduced by \$3.7 billion of distributions. The Onex Partners I Group distributed \$857 million to its limited partners primarily for their share of the sales of Spirit AeroSystems and The Warranty Group and the distribution

received from ResCare. The Onex Partners II Group distributed \$1.2 billion to its limited partners primarily for their share of the proceeds on the sales of Allison Transmission and The Warranty Group and dividends received from Allison Transmission. The Onex Partners III Group distributed \$1.4 billion to its limited partners for their share of the distributions received from ResCare and BBAM and their share of the proceeds on the sale of Tomkins. The ONCAP II Group and ONCAP III Group distributed a total of \$23 million to their limited partners for their share of the distribution received from PURE Canadian Gaming. In addition, the ONCAP II Group distributed \$178 million to its limited partners for the proceeds on the sale of Mister Car Wash.

During the year ended December 31, 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 partial sale of 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 of 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.

At December 31, 2014, total carried interest netted against the Limited Partners' Interests in Onex' audited annual consolidated balance sheets was \$315 million, of which Onex' share was \$115 million.

The Limited Partners' Interests charge recorded for 2014 is discussed in detail on page 45 of this MD&A.

Equity

Total equity was \$2.5 billion at December 31, 2014 compared to \$4.3 billion at December 31, 2013. Table 25 provides a reconciliation of the change in equity from December 31, 2013 to December 31, 2014. Onex' audited annual consolidated statements of equity also show the changes to the components of equity for the years ended December 31, 2014 and 2013.

Change in Equity

TABLE 25 | (\$ millions)

Balance – December 31, 2013	\$ 4,345
Dividends declared	(18)
Shares repurchased and cancelled	(150)
Investments by shareholders other than Onex	275
Distributions to non-controlling interests	(11)
Repurchase of shares of operating companies	(167)
Sale of interests in operating company under continuing control	171
Investment in operating company under continuing control	(65)
Non-controlling interests on sale of investment in operating company	(1,761)
Net earnings for the period	159
Other comprehensive loss for the period, net of tax	(280)
Equity as at December 31, 2014	\$ 2,498

Investments by shareholders other than Onex

Onex recorded an increase in consolidated equity of \$275 million during 2014 due to an increase in investments in operating companies by shareholders other than Onex, including \$71 million associated with York and its acquisitions. In addition, stock-based compensation provided to employees at the operating companies contributed to the increase during 2014.

Repurchase of shares of operating companies

Onex reported a decrease in equity of \$167 million during 2014 due primarily to Celestica's repurchase of its shares in the open market.

Sale of interests in operating company under continuing control

During the first quarter of 2014, Onex recorded an equity increase of \$171 million as a result of the Onex Partners I Group's March 2014 sale of a portion of its ownership interest in Spirit AeroSystems. This sale did not result in a loss

of control of Spirit AeroSystems by Onex at the time of the transaction. Therefore, of the \$171 million of net proceeds received in this offering, \$69 million was transferred to the non-controlling interests, representing the historical accounting carrying value attributable to the portion of the investment sold, with the remaining \$102 million of proceeds in excess of the historical accounting carrying value recorded directly to retained earnings. The amount transferred to the non-controlling interests was removed from equity in June 2014 when the Onex Partners I Group sold shares of Spirit AeroSystems, as discussed below.

Non-controlling interests on sale of investment in operating company

Onex recorded a decrease in equity of \$1.8 billion during 2014 related primarily to non-controlling interests in Spirit AeroSystems. Under IFRS, non-controlling interests represent the ownership interests of shareholders, other than Onex and its third-party limited partners in the Onex Partners and ONCAP Funds, in Onex' controlled operating companies. Prior to the June 2014 sale of shares of Spirit AeroSystems, the non-controlling interests balance included the ownership interests of Spirit AeroSystems' public shareholders. The June 2014 sale of shares of Spirit AeroSystems by the Onex Partners I Group resulted in a loss of control of the investment. The non-controlling interests attributable to Spirit AeroSystems have been removed from equity since the operations of Spirit AeroSystems are no longer consolidated.

Shares outstanding

At December 31, 2014, Onex had 108,858,066 Subordinate Voting Shares issued and outstanding. Table 26 shows the change in the number of Subordinate Voting Shares outstanding from December 31, 2013 to January 31, 2015.

Change in Subordinate Voting Shares Outstanding

TABLE 26

Subordinate Voting Shares outstanding	
at December 31, 2013	111,444,100
Shares repurchased under Onex' Normal Course	
Issuer Bids	(3,026,686)
Issuance of shares – Dividend Reinvestment Plan	10,053
Issuance of shares – Onex Credit transaction	111,393
Subordinate Voting Shares outstanding	
at January 31, 2015	108,538,860

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 17 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 2014.

In January 2015, in connection with acquiring control of the Onex Credit asset management platform as discussed on page 31 of this MD&A, Onex issued 111,393 of its Subordinate Voting Shares as part of the consideration in the transaction.

Dividend policy

In May 2014, Onex increased its quarterly dividend by 33 percent to C\$0.05 per Subordinate Voting Share beginning with the dividend declared by the Board of Directors in July 2014. In May 2013, Onex increased its quarterly dividend by 36 percent to C\$0.0375 per Subordinate Voting Share beginning in July 2013. Registered shareholders can elect to receive dividend payments in U.S. dollars by submitting a completed currency election form to CST Trust Company five business days before the record date of the dividend. Non-registered shareholders who wish to receive dividend payments in U.S. dollars should contact their broker to submit their currency election.

Dividend Reinvestment Plan

Onex' Dividend Reinvestment Plan enables Canadian shareholders to reinvest cash dividends to acquire new Subordinate Voting Shares of Onex at a market-related price at the time of reinvestment. During 2014, Onex issued 7,952 Subordinate Voting Shares at an average cost of C\$61.18 per Subordinate Voting Share, creating a cash savings of less than \$1 million (less than C\$1 million). During the year ended December 31, 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).

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 a total of 6,775,000 options, which vest at a rate of 15 percent per year during the first four years and 40 percent in the fifth year. The exercise 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.

At December 31, 2014, Onex had 12,411,542 options outstanding to acquire Subordinate Voting Shares, of which 3,082,791 options were vested and exercisable. Table 27 provides information on the activity during 2014 and 2013.

Change in Stock Options Outstanding

TABLE 27	Number of Options	Weighted Average Exercise Price
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
Granted	4,928,500	C\$ 58.65
Surrendered	(377,483)	C\$ 19.47
Expired	(6,650)	C\$ 41.35
Outstanding at December 31, 2014	12,411,542	C\$ 48.88

During 2014, 377,483 options were surrendered at a weighted average exercise price of C\$19.47 for aggregate cash consideration of \$15 million (C\$16 million) and 6,650 options expired. In addition, during 2014, 4,928,500 options were issued at a weighted average exercise price of C\$58.65 per share, of which 903,500 options were issued during the fourth quarter of 2014. The options issued during 2014 vest at a rate of 20 percent per year from the date of grant, with the exception of 4,025,000 options issued in January 2014 and December 2014 that vest at a rate of 15 percent per year during the first four years and 40 percent in the fifth year.

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 2015, in connection with acquiring control of the Onex Credit asset management platform as discussed on page 31 of this MD&A, Onex issued 60,000 options to acquire Subordinate Voting Shares to Onex Credit's chief executive officer. The options have an exercise price of C\$68.57 per share and vest at a rate of 20 percent per year from the date of grant. The options are subject to the same terms and conditions as the Company's existing Stock Option Plan; however, the options are also subject to an additional performance threshold specific to the Onex Credit asset management platform.

Normal Course Issuer Bids

Onex had Normal Course Issuer Bids (the "Bids") in place during 2014 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, 2014, Onex renewed its Normal Course Issuer Bid ("NCIB") following the expiry of its previous NCIB on April 15, 2014. Under the new NCIB, Onex is permitted to purchase up to 10 percent of its public float of Subordinate Voting Shares, or 8,620,038 Subordinate Voting Shares. Onex may purchase up to 31,274 Subordinate Voting Shares during any trading day, being 25 percent of its average daily trading volume for the six-month period ended March 31, 2014. 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, 2014 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 15, 2015. A copy of the Notice of Intention to make the NCIB filed with the Toronto Stock Exchange is available at no charge to shareholders by contacting Onex.

In November 2014, Onex announced that it had received an order from the Ontario Securities Commission permitting it to make private agreement purchases of Onex' Subordinate Voting Shares from an arm's length third-party seller. Any purchases of Subordinate Voting Shares made pursuant to the order will be at a discount to the prevailing market price and may be made in one or more tranches. The purchases must otherwise comply with the terms of the order, including that only one such purchase is permitted per calendar week, the purchases cannot occur after the expiry of Onex' NCIB on April 15, 2015, and the total number of shares which may be purchased under the order is limited to 2,873,346, being one-third of the total number of Subordinate Voting Shares that otherwise could have been purchased under the NCIB.

Under the previous NCIB that expired on April 15, 2014, Onex repurchased 1,567,614 Subordinate Voting Shares at a total cost of \$82 million (C\$86 million), or an average purchase price of C\$54.92 per share. For the year ended December 31, 2014, Onex repurchased 2,593,986 Subordinate Voting Shares under its Bids for a total cost of \$150 million (C\$163 million), or an average cost per share of C\$62.98. In addition, Onex repurchased 432,700 Subordinate Voting Shares under its NCIB in January 2015 for a total cost of \$24 million (C\$30 million), or an average

cost per share of C\$69.93. Under similar Bids, Onex repurchased 2,060,400 Subordinate Voting Shares at a total cost of \$100 million (C\$102 million) during 2013.

Included in the shares repurchased under the NCIB during the year ended December 31, 2014 was Onex' July 2014 repurchase of 1,000,000 of its Subordinate Voting Shares in a private transaction for a cash cost of C\$65.99 per Subordinate Voting Share, or \$62 million (C\$66 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.

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. These shares are excluded from the shares repurchased under the NCIB during the year ended December 31, 2013.

The shares repurchased in a private transaction during the year ended December 31, 2014 are included in the shares repurchased under the NCIB due to a change in regulation.

Included in table 28 below is a summary of Onex' repurchases of Subordinate Voting Shares under its NCIB for the last 10 years.

TABLE 28	Shares Repurchased	Total Cost of Shares Repurchased (in C\$ millions)	Average Share Price (in C\$ per share)
2005	939,200	C\$ 18	C\$ 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
2014	2,593,986	163	62.98
Total	30,225,974	C\$ 979	C\$ 32.40

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

Director Deferred Share Unit Plan

During the second quarter of 2014, an annual grant of 29,537 Deferred Share Units (“DSUs”) was issued to directors having an aggregate value, at the date of grant, of \$2 million (C\$2 million) in lieu of that amount of cash compensation for directors’ fees (2013 – 30,537 DSUs at a cost of approximately \$2 million (C\$2 million)). During 2014, an additional 11,710 DSUs (2013 – 11,969 DSUs) were issued to directors in lieu of cash directors’ fees and for dividends on outstanding DSUs. At December 31, 2014, there were 584,507 (2013 – 543,260) Director DSUs outstanding. In June 2014, 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 325,000 of the outstanding Director DSUs for a cash payment of \$20 million (C\$21 million), or C\$65.97 per share. Including a prior forward agreement, Onex has hedged substantially all of the outstanding Director DSUs with a counterparty financial institution.

Change in Outstanding Deferred Share Units

TABLE 29	Director DSU Plan		Management DSU Plan	
	Number of DSUs	Weighted Average Price	Number of MDSUs	Weighted Average Price
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	
Granted	29,537	C\$ 63.00	–	–
Additional units issued in lieu of compensation and cash dividends	11,710	C\$ 64.01	99,264	C\$ 58.40
Outstanding at December 31, 2014	584,507		566,494	
Hedged with a counterparty financial institution	(577,051)		(566,494)	
Outstanding at December 31, 2014 – Unhedged	7,456		–	

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. Onex also manages the capital from other investors in the Onex Partners, ONCAP and Onex Credit Funds. Onex’ objectives in managing capital are to:

Management Deferred Share Unit Plan

In early 2014, Onex issued 97,704 Management Deferred Share Units (“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. During 2014, an additional 1,560 MDSUs (2013 – 1,226) were issued to management in lieu of cash dividends on outstanding MDSUs. At December 31, 2014, there were 566,494 (2013 – 467,230) MDSUs outstanding. In early 2015, Onex issued 116,037 MDSUs to management having an aggregate value, at the date of grant, of \$7 million (C\$8 million) in lieu of that amount of cash compensation for Onex’ 2014 fiscal year. Forward agreements were entered into with a counterparty financial institution to hedge Onex’ exposure to changes in the value of all the outstanding MDSUs.

DSUs and MDSUs must be held until leaving the employment of Onex or retirement from the Board. Table 29 reconciles the changes in the DSUs and MDSUs outstanding at December 31, 2014 from December 31, 2012.

- 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, 2014, Onex, the parent company, had approximately \$2.5 billion of cash on hand and \$346 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, 2014, Onex had access to \$4.3 billion of uncalled committed limited partners' capital for acquisitions through Onex Partners IV (\$4.0 billion) and ONCAP III (C\$289 million). The strategy for risk management of capital did not change in 2014.

Non-controlling interests

Non-controlling interests in equity in Onex' audited annual consolidated balance sheets as at December 31, 2014 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, 2014 decreased to \$1.7 billion from \$3.2 billion at December 31, 2013. The decrease was primarily due to the Onex Partners I Group's June 2014 sale of shares of Spirit AeroSystems, which resulted in Onex no longer consolidating Spirit AeroSystems as it lost control of the investment, and accordingly decreased the non-controlling interests balance by \$1.7 billion. The decrease in non-controlling interests was partially offset by the non-controlling interests' share of net earnings of \$274 million in 2014. Additional information about non-controlling interests is provided in note 18 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 30 summarizes the major consolidated cash flow components for the years ended December 31, 2014 and 2013.

Major Cash Flow Components

TABLE 30	(\$ millions)	2014	2013
		\$ 989	\$ 1,586
Cash from operating activities			
Cash used in financing activities		\$ (1,624)	\$ (858)
Cash from (used in) investing activities		\$ 1,236	\$ (192)
Consolidated cash and cash equivalents held by continuing operations		\$ 3,764	\$ 2,618

Cash from operating activities

Table 31 provides a breakdown of cash from operating activities by cash generated from operations and changes in non-cash working capital items, other operating activities and operating activities of discontinued operations for the years ended December 31, 2014 and 2013.

Components of Cash from Operating Activities

TABLE 31	(\$ millions)	2014	2013
Cash generated from operations		\$ 1,140	\$ 920
Changes in non-cash working capital items:			
Accounts receivable		(238)	29
Inventories		(146)	51
Other current assets		(122)	22
Accounts payable, accrued liabilities and other current liabilities		60	(2)
Increase (decrease) in cash and cash equivalents due to changes in non-cash working capital items		(446)	100
Decrease in other operating activities		(55)	(99)
Cash flows from operating activities of discontinued operations		350	665
Cash from Operating Activities		\$ 989	\$ 1,586

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

The significant changes in non-cash working capital items for the year ended December 31, 2014 were:

- a \$238 million increase in accounts receivable primarily at Celestica, KraussMaffei, Sitel Worldwide and USI;
- a \$146 million increase in inventories primarily at Meridian Aviation due to the purchase of an aircraft, partially offset by a decrease in inventory at Celestica; and
- a \$122 million increase in other current assets primarily at USI due to an increase in restricted cash.

Cash from operating activities for the year ended December 31, 2014 also included \$350 million (2013 – \$665 million) of cash flows from the operating activities of discontinued operations. Discontinued operations for the year ended December 31, 2014 represent the operations of The Warranty Group, Spirit AeroSystems and Skilled Healthcare Group. Discontinued operations for the year ended December 31, 2013 represent the operations of The Warranty Group, Spirit AeroSystems, Skilled Healthcare Group and TMS International.

Cash used in financing activities

Cash used in financing activities was \$1.6 billion for 2014 compared to \$858 million for 2013. Cash used in financing activities for 2014 included:

- \$3.7 billion of distributions primarily to the limited partners of the Onex Partners Funds and ONCAP II, as discussed under the Limited Partners' Interests on page 61 of this MD&A;
- \$720 million of cash interest paid;
- \$220 million of cash used in financing activities of discontinued operations primarily related to an increase of restricted cash by Spirit AeroSystems for its share repurchase;
- \$165 million of cash used by Celestica for purchases of its shares in the open market;
- \$150 million of cash used by Onex, the parent company, for purchases of its shares under its Bids; and
- \$65 million invested to acquire common stock of JELD-WEN from existing shareholders.

Partially offsetting these were:

- \$2.5 billion of net new long-term debt primarily from the note issuances by three new Onex Credit CLOs and debt raised by Emerald Expositions, JELD-WEN, Meridian Aviation and USI;
- \$867 million of cash received primarily from the limited partners of Onex Partners III, Onex Partners IV and ONCAP III, as discussed under the Limited Partners' Interests on page 61 of this MD&A; and
- \$171 million of cash received from the Onex Partners I Group's March 2014 sale of shares of Spirit AeroSystems.

For the year ended December 31, 2013, cash used in financing activities was \$858 million. Included in cash used in financing activities for 2013 were:

- \$1.5 billion of distributions primarily to the limited partners of Onex Partners II and ONCAP II, as discussed under the Limited Partners' Interests on page 61 of this MD&A;
- \$564 million of cash interest paid;
- \$256 million of cash used in financing activities of discontinued operations;
- \$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:

- \$1.4 billion of net new long-term debt primarily from the note issuance of Onex Credit CLO-3 and Onex Credit 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.

Cash from (used in) investing activities

Cash from investing activities totalled \$1.2 billion for the year ended December 31, 2014 compared to cash used in investing activities of \$192 million during 2013. Cash from investing activities primarily consisted of:

- \$5.7 billion of cash proceeds received primarily from the sale of Tomkins (\$2.0 billion), the sales of Allison Transmission shares (\$1.5 billion), the sale of The Warranty Group (\$1.1 billion), the sales of Spirit AeroSystems shares (\$729 million) and the sale of Mister Car Wash (\$375 million);
- \$226 million of proceeds received from the sale of property, plant and equipment consisting primarily of proceeds on the sale of two aircraft by Meridian Aviation; and
- \$125 million of cash interest received.

Partially offsetting these were:

- \$2.0 billion of net purchases of investments and securities mainly by the Onex Credit CLOs;
- \$1.3 billion used to fund acquisitions, of which \$596 million related to the Onex Partners III Group's acquisition of York and acquisitions completed by York during the fourth quarter of 2014;
- \$696 million of cash used in investing activities of discontinued operations; and
- \$309 million for investments in joint ventures, of which \$204 million related to the Onex Partners IV Group's investment in AIT and \$105 million related to the ONCAP III Group's investment in Mavis Discount Tire.

Cash used in investing activities totalled \$192 million for the year ended December 31, 2013 and consisted primarily of:

- \$1.0 billion of net purchases of investments and securities mainly by the Onex Credit CLOs;
- \$513 million used primarily to fund acquisitions, of which \$338 million related to the Onex Partners III Group's acquisition of Emerald Expositions by the Onex Partners III Group; and
- \$437 million of cash used in investing activities of discontinued operations.

Partially offsetting these were:

- \$1.1 billion received primarily 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
- \$277 million of proceeds on the sale of property, plant and equipment consisting primarily of proceeds on the sale of two aircraft by Meridian Aviation.

In addition, there was \$526 million (2013 – \$568 million) of cash used for purchases of property, plant and equipment by Onex' operating companies during 2014. Table 32 details the property, plant and equipment expenditures by industry segment.

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

TABLE 32	(\$ millions)	2014	2013
Electronics Manufacturing Services		\$ 58	\$ 53
Healthcare Imaging ^(a)		66	63
Health and Human Services ^(a)		23	17
Customer Care Services		29	28
Building Products		69	80
Insurance Services ^(b)		11	7
Credit Strategies ^(c)		-	-
Other ^(d)		270	320
Total		\$ 526	\$ 568

(a) The healthcare imaging segment, consisting of Carestream Health, and the health and human services segment, consisting of ResCare, were previously included within the healthcare segment, which consisted of Carestream Health, ResCare and Skilled Healthcare Group. Skilled Healthcare Group is recorded as a discontinued operation for the years ended December 31, 2014 and 2013.

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

(c) The credit strategies segment, consisting of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds, was previously included within other.

(d) 2014 other includes Tropicana Las Vegas, SGS International, KraussMaffei, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II and ONCAP III and Flushing Town Center. 2013 other includes Tropicana Las Vegas, SGS International, KraussMaffei, Meridian Aviation (since February 2013), Emerald Expositions (since June 2013), the operating companies of ONCAP II and ONCAP III and Flushing Town Center.

During 2014, Celestica invested \$58 million in property, plant and equipment, primarily to enhance manufacturing capabilities and to support new customer programs.

Carestream Health invested \$66 million in property, plant and equipment primarily to support growth initiatives and invest in rental capital.

JELD-WEN invested \$69 million in property, plant and equipment, primarily for improvements and upgrades for its production machinery.

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.

Consolidated cash resources

At December 31, 2014, consolidated cash held by continuing operations increased to \$3.8 billion from \$2.6 billion at December 31, 2013. The major components at December 31, 2014 were:

- approximately \$2.5 billion of cash on hand at Onex, the parent company (December 31, 2013 – \$1.4 billion); and
- approximately \$565 million of cash at Celestica (December 31, 2013 – \$545 million).

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 \$2.5 billion of cash at the parent company at December 31, 2014, there was \$346 million (2013 – \$343 million) of near-cash items that are invested in a segregated unleveraged fund managed by Onex Credit.

Table 33 provides a reconciliation of the change in cash at Onex, the parent company, from December 31, 2013 to December 31, 2014.

Change in Cash at Onex, the Parent Company

TABLE 33 | (\$ millions)

Cash on hand at December 31, 2013	\$ 1,398
Sale of Tomkins	554
Sale of shares of Allison Transmission and dividends	461
Sale of The Warranty Group	382
Sale of shares of Spirit AeroSystems	222
Sale of Mister Car Wash	149
Sale of Cypress Insurance Group and dividend	50
Net Onex Real Estate activity, including investment in Flushing Town Center	29
ResCare dividend	25
PURE Canadian Gaming distribution received	18
BBAM distributions received	7
Investment in York	(173)
Net Onex Credit activity, including investment in Onex Credit CLO-8 warehouse facility	(113)
Investment in preferred shares of Sitel Worldwide	(69)
Investment in AIT	(45)
Add-on investment in Emerald Expositions	(34)
Investment in Mavis Discount Tire	(30)
Investment in common stock of JELD-WEN	(16)
Add-on investment in Meridian Aviation	(5)
Onex share repurchases	(150)
Other, net, including dividends, management fees and operating costs	(129)
Cash on hand at December 31, 2014	\$ 2,531

Recent events and pending transactions

Pending acquisition of SIG

In November 2014, Onex agreed to acquire SIG in a transaction valued at up to €3.75 billion. On closing of the transaction, €3,575 million will be paid, less amounts for certain retained liabilities, with an additional amount of up to €175 million payable based on the financial performance of SIG in 2015 and 2016. Based in Switzerland, SIG provides beverage and food producers with a comprehensive product portfolio of aseptic carton sleeves and closures, as well as the filling machines used to fill, form and seal the sleeves. The equity investment in SIG is expected to be approximately \$1.25 billion and will be comprised of \$600 million from Onex Partners IV and \$650 million from Onex and certain other limited partners. The balance of the purchase price will be financed with debt financing, without recourse to Onex Corporation. The transaction is expected to close during the first quarter of 2015, subject to customary conditions and regulatory approvals.

Pending acquisition of Survitec

In January 2015, Onex agreed to acquire Survitec for an enterprise value of £450 million (\$680 million). Based in the United Kingdom, Survitec is a provider of mission-critical marine, defence and aerospace survival equipment. The Onex Partners IV Group will make an investment of approximately \$320 million for substantially all of the equity, with the remainder of the equity owned by Survitec's management. The balance of the purchase price will be financed with debt financing, without recourse to Onex Corporation.

The acquisition is subject to customary conditions and regulatory approvals and is expected to close in the first quarter of 2015.

Onex Credit asset management platform

In January 2015, Onex acquired control of the Onex Credit asset management platform. The Onex Credit asset management platform was previously jointly controlled with Onex Credit's co-founder and chief executive officer, and Onex previously held a 70 percent economic interest in the business.

Onex Credit's management team remains in place with its chief executive officer continuing to participate in the performance of the Onex Credit asset management platform. Onex will consolidate 100 percent of the Onex Credit asset management platform with a reduced allocation of the net earnings to Onex Credit's chief executive officer to be recognized as compensation expense.

As a result of the above transaction, beginning with the first quarter of 2015, the Company will now consolidate the Onex Credit asset management platform and certain funds managed by Onex Credit in which Onex, the parent company, holds an investment. The Company's previous interest in the Onex Credit asset management platform was equity-accounted and will be derecognized at fair value, resulting in the recognition of a non-cash gain during the first quarter of 2015. The consolidation of the Onex Credit asset management platform and certain of the funds managed by Onex Credit will increase Onex' consolidated assets and liabilities.

ADDITIONAL USES OF CASH

Contractual obligations

Table 34 presents the contractual obligations of Onex and its operating companies as at December 31, 2014:

Contractual Obligations

TABLE 34 (\$ millions)	Total	Payments Due by Period			
		Less than 1 year	1-3 years	4-5 years	After 5 years
Long-term debt, without recourse to Onex ^(a)	\$ 13,465	\$ 408	\$ 1,202	\$ 4,740	\$ 7,115
Finance and operating leases	1,091	317	415	201	158
Purchase obligations	296	270	24	2	-
Total contractual obligations	\$ 14,852	\$ 995	\$ 1,641	\$ 4,943	\$ 7,273

(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 charges.

In addition to the obligations in table 34, certain of Onex' consolidated operating companies have funding obligations related to their defined benefit pension plans. The operating companies estimate that \$36 million of contributions will be required in 2015 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 22 on page 57 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, 2014, Onex and its operating companies had total commitments of \$4.9 billion. 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 \$317 million of the total commitments in 2014 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.

In addition, commitments at December 31, 2014 include \$4.5 billion related to the pending acquisition of SIG, as discussed on page 31. On closing of the transaction, €3,575 million will be paid, less amounts for certain retained liabilities, with an additional amount of up to €175 million payable based on the financial performance of SIG in 2015 and 2016. The equity investment in SIG is expected to be approximately \$1.25 billion and will

be comprised of \$600 million from Onex Partners IV and \$650 million from Onex and certain other limited partners. The balance of the purchase price will be financed with debt financing, without recourse to Onex Corporation. The transaction is expected to close during the first quarter of 2015, subject to customary conditions and regulatory approvals.

Onex' commitment to the Funds

Onex, the parent company, is the largest limited partner in each of the Onex Partners and ONCAP Funds. Table 35 presents the commitment and the uncalled committed capital of Onex, the parent company, in these Funds at December 31, 2014:

TABLE 35	(\$ 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	\$ 128
Onex Partners IV ^(b)		\$ 5,150	\$ 1,200	\$ 1,135
ONCAP II		C\$ 574	C\$ 252	C\$ 2
ONCAP III ^(c)		C\$ 800	C\$ 252	C\$ 122

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

(b) Onex' commitment will be increased to \$1,700 for new Onex Partners IV investments completed after June 3, 2015.

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

In December 2014, Onex notified the limited partners of Onex Partners IV that it would be increasing its commitment by \$500 million to \$1.7 billion. The increased commitment will apply to new Onex Partners IV investments completed after June 3, 2015, and will not change Onex' ownership of businesses acquired prior to that date.

Pension plans

Six of Onex' operating companies have defined benefit pension plans, of which the more significant plans are those of Celestica, Carestream Health, JELD-WEN and KraussMaffei. Spirit AeroSystems, which was sold in August 2014, as discussed on page 26 of this MD&A, had a defined benefit pension plan which is included in the 2013 comparative information. At December 31, 2014, the defined benefit pension plans of the six Onex operating companies

had combined assets of \$872 million (2013 – \$2.2 billion) against combined obligations of \$1.2 billion (2013 – \$2.3 billion), with a net deficit of \$339 million (2013 – \$33 million). A surplus in any plan is not available to offset deficiencies in others.

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

At December 31, 2014, Celestica's defined benefit pension plans were overfunded on a net basis by \$39 million (2013 – \$15 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 \$14 million of contributions will be required for its defined benefit pension plans in 2015 based on the most recent actuarial valuations.

Carestream Health's defined benefit pension plans were in an underfunded position of approximately \$83 million at December 31, 2014 (2013 – \$65 million). The company's pension plan assets are broadly diversified in equity and debt investment funds, as well as other investments. Carestream Health expects to contribute approximately \$2 million in 2015 to its defined benefit pension plans, and it does not believe that future pension contributions will materially impact its liquidity.

At December 31, 2014, JELD-WEN's defined benefit pension plans were in an underfunded position of approximately \$153 million (2013 – \$112 million). The company's pension plan assets are broadly diversified in equity and debt securities, as well as other investments. JELD-WEN estimates that \$14 million of contributions will be required for its defined benefit pension plans in 2015.

KraussMaffei grants pensions to the majority of its employees in Germany and to certain employees in Switzerland and the United Kingdom. At December 31, 2014, KraussMaffei's defined benefit pension plans had a net pension liability of approximately \$123 million (€102 million) compared to \$109 million (€79 million) at December 31, 2013. KraussMaffei expects to contribute approximately \$4 million (€4 million) to its defined benefit pension plans in 2015.

ADDITIONAL SOURCES OF CASH

Private equity Funds

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

Table 36 provides a summary of the remaining commitments available from limited partners primarily for future Onex-sponsored acquisitions in the Onex Partners and ONCAP Funds as of December 31, 2014.

Private Equity Funds' Uncalled Limited Partners' Committed Capital

TABLE 36	(\$ millions)	Available Uncalled Committed Capital (excluding Onex)
Onex Partners I		\$ 62
Onex Partners II		\$ 241 ^(a)
Onex Partners III		\$ 404 ^(a)
Onex Partners IV		\$ 4,048 ^(a)
ONCAP II		C\$ 2 ^(a)
ONCAP III		C\$ 289 ^(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.

The committed amounts from 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, investing \$1.5 billion, including Onex. While Onex Partners I has concluded its investment period, the Fund still has uncalled limited partners' committed capital of \$62 million for future funding of management fees and partnership expenses.

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, including Onex. While Onex Partners II has concluded its investment period, the Fund still has uncalled limited partners' committed capital of \$241 million for possible future funding for Onex Partners II's remaining business and for management fees and partnership expenses.

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. Onex' commitment to Onex Partners III was as follows:

- \$500 million for new acquisitions completed from July 1, 2009 to June 15, 2010;
- \$800 million for new acquisitions completed from June 16, 2010 to May 14, 2012; and
- \$1.2 billion for new investments completed since May 15, 2012.

Changes to Onex' commitment did not alter Onex' ownership of businesses acquired prior to the effective dates of the changes. Onex Partners III has completed 10 investments or acquisitions, investing \$4.2 billion, including Onex. While Onex Partners III has concluded its investment period, the Fund still has uncalled limited partners' committed capital of \$404 million for possible future funding for any of Onex Partners III's remaining businesses and for management fees and partnership expenses.

In May 2014, Onex completed fundraising for its fourth large-cap private equity fund, Onex Partners IV, a \$5.2 billion private equity fund. Onex' initial commitment to the fund was \$1.2 billion. In December 2014, Onex

notified its limited partners that it would be increasing its commitment to the Fund by \$500 million to \$1.7 billion. The increased commitment will apply to new Onex Partners IV investments completed after June 3, 2015, and will not change Onex' ownership of businesses acquired prior to that date. At December 31, 2014, Onex Partners IV had completed one investment, investing \$208 million, including Onex. The amount invested includes capitalized costs. At December 31, 2014, Onex Partners IV had \$4.0 billion of uncalled limited partners' capital available for future acquisitions and for management fees and partnership expenses.

During 2006, Onex 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\$483 million, including Onex. At December 31, 2014, this Fund had uncalled committed limited partners' capital of C\$2 million, which is largely reserved for possible future funding for any of ONCAP II's remaining businesses.

During 2011, Onex completed fundraising for its third mid-market private equity fund, ONCAP III, an C\$800 million private equity fund, including committed capital of C\$252 million from Onex. ONCAP III has completed five investments or acquisitions, investing C\$369 million, including Onex. At December 31, 2014, this Fund has uncalled committed limited partners' capital of C\$289 million available for future acquisitions and for management fees and partnership expenses.

Related party transactions

Related party transactions are primarily investments by the Onex management team and of the operating companies in the equity of the operating companies acquired. The investment programs are designed to align the Onex management team'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 37.

Investment Programs

TABLE 37	Minimum Stock Price Appreciation/ Return Threshold	Vesting	Associated Investment by Management
Management Investment Plan	15% Compounded Return	Vests equally over 6 years	<ul style="list-style-type: none"> 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 Fully vested Onex Partners IV Vests equally over 6 years ending in August 2020	<ul style="list-style-type: none"> corresponds to participation in minimum "at risk" Onex Partners management equity investment for Onex Partners I through 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	<ul style="list-style-type: none"> corresponds to participation in minimum "at risk" ONCAP management equity investment
Stock Option Plan	25% Price Appreciation	Vests equally over 5 years, except for 6,775,000 options which vest at a rate of 15% per year during the first four years and 40% in the fifth year	<ul style="list-style-type: none"> satisfaction of exercise price (market value at grant date)
Management DSU Plan	n/a	n/a	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> investment of elected portion of annual directors' fees in Director DSUs value reflects changes in Onex' share price units not redeemable until retirement

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 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 2014, management invested \$13 million (2013 – \$4 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 \$117 million under the MIP in 2014 (2013 – \$39 million). Notes 1 and 30 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 the 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 Partners III's acquisition of York in October 2014 was the final new investment in that Fund. The Onex management team and directors have committed to invest 8 percent of the total capital invested by Onex Partners IV for new investments completed in 2015. 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 2015. Management of Onex and ONCAP as well as directors invest in any add-on investments in existing businesses pro-rata with their initial investment in the relevant business.

The total amount invested in 2014 by management of Onex and ONCAP and directors on acquisitions and investments completed through the Onex Partners and ONCAP Funds was \$60 million (2013 – \$22 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. Onex management is allocated 60 percent of the carried interest realized in the Onex Partners Funds. ONCAP management is entitled to that portion of the carried interest realized in the ONCAP Funds that equates to a 12 percent carried interest on both limited partners' and Onex' capital. Under the terms of the partnership agreements, Onex may receive carried interest as realizations occur. The ultimate amount of carried interest earned will be based on the overall performance of each Fund, independently, and includes typical catch-up and claw-back provisions within each Fund, but not between Funds.

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

Management of Onex and ONCAP has the potential to receive \$204 million of carried interest on businesses in the Onex Partners and ONCAP Funds based on their values determined at December 31, 2014.

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 sale 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.

Table 38 shows the amount of net carried interest received by Onex, the parent company, by year up to December 31, 2014.

Carried Interest

TABLE 38	(\$ 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
Carried interest – 2014		171
Total		\$ 486

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

Onex has the potential to receive \$115 million of carried interest on its businesses in the Onex Partners and ONCAP Funds based on their fair values determined at December 31, 2014.

During the year ended December 31, 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 sale 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.

Incentive fees

Onex Credit is entitled to incentive fees on \$4.0 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, 2014, Onex Credit earned \$1 million (2013 – \$10 million) of incentive fees, of which Onex' share as an owner of Onex Credit was \$1 million (2013 – \$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 a total of 6,775,000 options, 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 27 on page 64 of this MD&A provides details of the change in the stock options outstanding at December 31, 2014 and 2013.

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 29 on page 66 of this MD&A provides details of the change in the MDSUs outstanding during 2014 and 2013.

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. To hedge Onex' exposure to changes in the trading price of Onex shares associated with the Director DSU Plan, the Company enters into forward agreements with a counterparty financial institution

for substantially all grants under the Director DSU Plan. Table 29 on page 66 of this MD&A provides details of the change in the DSUs outstanding during 2014 and 2013.

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 Onex Partners' 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 2014, Onex management reinvested C\$55 million (2013 – C\$18 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, including co-investment opportunities, at the same time and cost as Onex and other outside investors. During 2014, \$10 million (2013 – \$2 million) in investments were made by the Onex management team and directors.

Repurchase of shares

In July 2014, 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\$65.99 per Subordinate Voting Share, or \$62 million (C\$66 million), which represents a slight discount to the trading price of Onex shares at that date.

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. The shares were held indirectly by Mr. Gerald W. Schwartz. The private transaction was approved by the Board of Directors of the Company.

Tax loss transaction

During 2014, 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 this transaction, Onex recorded a gain of \$9 million (2013 – \$9 million) in other items in 2014. A discussion of these transactions is included on page 53 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.

In addition, during 2014 and 2013 Onex utilized certain tax losses associated with distributions of carried interest to management of Onex, for which Onex received cash of \$4 million (2013 – \$2 million).

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. As Onex consolidates the Onex Partners and ONCAP Funds, the management fees received in respect of limited partners' capital represent related party transactions. In addition, Onex Credit receives 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, 2014, the management fees of Onex Partners IV and ONCAP III are determined based on limited partners' committed capital.

Following the termination of the initial fee period, Onex becomes entitled to a management fee based upon limited partners' invested capital. At December 31, 2014, the management fees of Onex Partners I, II, III and ONCAP II are determined based upon their limited partners' invested capital. As realizations occur in these Funds, the management fees calculated based on invested limited partners' capital will decline.

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 May 2014, Onex successfully completed fundraising for Onex Partners IV, reaching aggregate commitments of \$5.2 billion. Onex began to receive management fees from Onex Partners IV in August 2014 once it was determined that York would be the final new investment made by Onex Partners III. During the initial fee period of Onex Partners IV, Onex will receive annual management fees of 1.7 percent on \$3.8 billion of capital committed by limited partners.

During 2014, Onex Credit closed Onex Credit CLO-5, Onex Credit CLO-6 and Onex Credit CLO-7. The increase in investors' capital associated with these new CLOs will result in an increase in the management fees earned by Onex Credit.

For the year ended December 31, 2014, Onex, ONCAP and Onex Credit earned management fees of \$99 million.

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 \$584 million at December 31, 2014 compared to \$873 million at December 31, 2013. Note 12 to the audited annual consolidated financial statements provides information on the debt of operating companies held by Onex.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

Limitation on scope of design

Management has limited the scope of the design of internal controls over financial reporting and disclosure controls and procedures to exclude the controls, policies and procedures of York, which was acquired in October 2014 and the operating results of which are included in the December 31, 2014 audited annual consolidated financial statements of Onex, the parent company. The scope limitation is in accordance with Section 3.3 of National Instrument 52-109, *Certification of Disclosure in Issuer's Annual and Interim Filings*, which allows an issuer to limit its design of internal controls over financial reporting and disclosure controls and procedures to exclude the controls, policies and procedures of a company acquired not more than 365 days before the end of the financial period to which the certificate relates.

Table 39 shows a summary of the financial information for York, which is included in the December 31, 2014 audited annual consolidated financial statements of Onex, the parent company.

TABLE 39	(\$ millions)	York
Period ended December 31, 2014		
Revenue		\$ 153
Net loss		\$ (15)
As at December 31, 2014		
Current assets		\$ 177
Non-current assets		\$ 1,620
Current liabilities		\$ 116
Non-current liabilities		\$ 1,104

OUTLOOK

2014 was a busy year for Onex, with the first three quarters of the year being a record period for realizations and acquisition activity gaining momentum during the fourth quarter.

Onex and its partners realized proceeds of \$6.1 billion by the end of the year, primarily on the sales of The Warranty Group, Spirit AeroSystems, Allison Transmission, Tomkins and Mister Car Wash. We had acquired and built these businesses over the past five to 10 years and given the development stage of these businesses, the strong equity markets and a favourable financing environment made it an opportune time to realize on these businesses. During our ownership, these investments have generated aggregate proceeds of \$10.3 billion for Onex and our partners compared to a combined invested capital of \$2.9 billion. We were very pleased to have partnered with the management teams of these businesses to build value through operational improvement and growth. We wish all of these companies continued success in the years to come.

During the fourth quarter of 2014, we completed three investments – York Risk Services Holding Corp. (“York”), Mavis Discount Tire and AIT – investing a total of \$827 million, including \$248 million from Onex. During this period, Onex shifted from investing through Onex Partners III to Onex Partners IV for larger transactions as York represented the final new investment in Onex Partners III and AIT marked Onex Partners IV’s first investment.

In addition to the investments completed during the year, Onex recently announced two acquisitions in Europe that are expected to close in the first quarter of 2015. We first opened our office in London in September 2012 with the view of better positioning us for European acquisitions. We are pleased our local presence in Europe helped to secure deals with SIG and Survitec. In November 2014, Onex entered into an agreement to acquire SIG in a transaction valued at up to €3.75 billion. SIG is a global manufacturer of aseptic carton sleeves and closures, as well as the filling machines used to fill, form and seal the sleeves. In January 2015, Onex entered into an agreement to acquire Survitec for £450 million (\$680 million). Survitec is a market-leading provider of mission-critical marine, defence and aerospace survival equipment. With the continued economic difficulties in Europe, we believe there remain great investment opportunities for investors like us.

Our credit investing platform, Onex Credit, is also expanding its presence overseas with the opening of an office in London to focus on the placement of European CLOs. While the timing of the next CLO offering will depend on market conditions, the current team and infrastructure have the capability to place a number of offerings each year. During 2014, Onex Credit completed three CLO offerings and began to warehouse assets for its next CLO, bringing other investors assets under management related to CLOs to \$3.5 billion at December 31, 2014.

Onex remains in a very strong financial position to capitalize on new investment opportunities as they arise. In addition to our \$2.9 billion of cash and near-cash items, we have approximately \$4.3 billion of undrawn committed capital from our limited partners in Onex Partners IV and ONCAP III. Combined, we have the resources to pursue just about any attractive opportunity.

We believe Onex is well-positioned for continued growth in 2015. 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.

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 businesses. Accordingly, it is very difficult to predict future consolidated financial results of Onex.

The substantial majority of Onex’ assets are based upon the U.S. dollar. Accordingly, the overall value of Onex expressed in Canadian dollars will fluctuate based upon the relative value of the Canadian dollar to the U.S. dollar.

This printed report is by its nature current only at the point in time when it is issued. We encourage readers 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 an acquisition opportunity meets Onex' criteria, for example, typically a fair price is paid 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 is also 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 8 percent of its capital. The table in note 33 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 \$135 million in annualized management fees that are expected to be earned by Onex Partners, ONCAP and Onex Credit in 2015 will be used to offset the costs of running the parent company.

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.

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 investment bank-led auction processes with multiple potential purchasers. These processes are 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, 2014, Onex Partners IV has \$4.0 billion of undrawn committed limited partners' capital and ONCAP III has C\$289 million of such undrawn capital.

Once the investment period for ONCAP III has expired in 2017, Onex will need to have raised or be in the process of raising additional other investors' capital to continue its program of investing new other investors' capital in mid-market investments. 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 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' refinancings will take place in 2019 and thereafter. Table 23 on page 61 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 2020 and in total thereafter.

Interest rate risk 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, 2014, excluding Onex Credit CLOs, approximately 50 percent (2013 – 50 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 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 in annual interest income.

Currency fluctuations The functional currency of Onex, the parent company, and a majority of Onex' operating companies, is the U.S. dollar. A number of Onex' operating companies conduct business outside the United States and as a result are exposed to currency risk on the portion of their business which is not based on U.S. currency. In addition, the acquisition of operating companies with global operations increases the exposure to changes in many other currency exchange rates. Fluctuations in the value of the U.S. dollar relative to these 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 2014, Onex' equity balance reflected a \$150 million decrease in the value of Onex' equity for the translation of its operating companies with non-U.S. dollar functional currencies (2013 – \$43 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.

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. 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 for periods generally up to a year.

Regulatory risk

Certain of Onex' operating companies may be subject to extensive government 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, the future value of goodwill, intangible assets and intellectual property. There are also risk factors associated with the industry and the combined business more generally. Onex works with company management to understand and attempt to mitigate such risks as much as possible.

Dependence on government funding

Some of the revenues of businesses in the U.S. healthcare industry are partially dependent on funding from federal, state and local government agencies, especially those agencies responsible for 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. Ongoing pressure on government appropriations is a normal aspect of business for companies in the U.S. healthcare industry. Productivity improvements and other initiatives are utilized to minimize the effect of possible funding reductions.

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. None of the major customers of the operating companies represents more than 10 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 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. Environmental consultants are 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 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 taxes, 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 taxes and the taxation of deferred amounts.

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' audited annual 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 CONSOLIDATED 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 consolidated 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 19, 2015

[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, 2014 and 2013, the consolidated statements of earnings, comprehensive earnings, equity and cash flows for the years ended December 31, 2014 and 2013 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, 2014 and 2013 and their financial performance and their cash flows for the years ended December 31, 2014 and 2013 in accordance with International Financial Reporting Standards.

[signed]

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

February 19, 2015

CONSOLIDATED BALANCE SHEETS

<i>(in millions of U.S. dollars)</i>	As at December 31, 2014	As at December 31, 2013
Assets		
Current assets		
Cash and cash equivalents (note 3)	\$ 3,764	\$ 3,191
Short-term investments (note 6)	-	754
Accounts receivable	3,085	3,639
Inventories (note 4)	2,013	3,872
Other current assets (note 5)	803	1,478
Assets held by discontinued operations (note 6)	680	-
	10,345	12,934
Property, plant and equipment (note 7)	2,902	5,105
Long-term investments (note 8)	5,026	7,564
Other non-current assets (note 9)	666	2,100
Intangible assets (note 10)	5,069	4,695
Goodwill (note 10)	4,928	4,469
	\$ 28,936	\$ 36,867
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,353	\$ 4,342
Current portion of provisions (note 11)	273	331
Other current liabilities	965	1,621
Current portion of long-term debt of operating companies, without recourse to Onex Corporation (note 12)	408	651
Current portion of warranty reserves and unearned premiums (note 6)	-	1,350
Liabilities held by discontinued operations (note 6)	545	-
	5,544	8,295
Non-current portion of provisions (note 11)	324	419
Long-term debt of operating companies, without recourse to Onex Corporation (note 12)	12,874	11,319
Non-current portion of warranty reserves and unearned premiums (note 6)	-	1,779
Other non-current liabilities (note 14)	1,302	2,526
Deferred income taxes (note 15)	1,241	1,225
Limited Partners' Interests (note 16)	5,153	6,959
	26,438	32,522
Equity		
Share capital (note 17)	336	346
Non-controlling interests (note 18)	1,692	3,191
Retained earnings and accumulated other comprehensive earnings	470	808
	2,498	4,345
	\$ 28,936	\$ 36,867

See accompanying notes to the consolidated financial statements.

Signed on behalf of the Board of Directors

[signed]

[signed]

Director

Director

CONSOLIDATED STATEMENTS OF EARNINGS

Year ended December 31 <i>(in millions of U.S. dollars except per share data)</i>	2014	2013
Revenues	\$ 19,793	\$ 19,824
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(14,208)	(14,630)
Operating expenses	(3,737)	(3,553)
Interest income	142	106
Amortization of property, plant and equipment (note 7)	(410)	(429)
Amortization of intangible assets and deferred charges	(495)	(496)
Interest expense of operating companies (note 20)	(830)	(699)
Increase in value of investments in joint ventures and associates at fair value, net (note 8(a))	412	1,098
Stock-based compensation expense (note 21)	(230)	(320)
Other gains (note 22)	317	561
Other items (note 23)	(378)	(435)
Impairment of goodwill, intangible assets and long-lived assets, net (note 24)	(51)	(223)
Limited Partners' Interests charge (note 16)	(1,069)	(1,855)
Loss before income taxes and discontinued operations	(744)	(1,051)
Recovery of (provision for) income taxes (note 15)	(79)	488
Loss from continuing operations	(823)	(563)
Earnings (loss) from discontinued operations (note 6)	982	(250)
Net Earnings (Loss) for the Year	\$ 159	\$ (813)

Earnings (Loss) from Continuing Operations attributable to:		
Equity holders of Onex Corporation	\$ (872)	\$ (590)
Non-controlling Interests	49	27
Loss from Continuing Operations for the Year	\$ (823)	\$ (563)

Net Earnings (Loss) attributable to:		
Equity holders of Onex Corporation	\$ (115)	\$ (354)
Non-controlling Interests	274	(459)
Net Earnings (Loss) for the Year	\$ 159	\$ (813)

Net Earnings (Loss) per Subordinate Voting Share of Onex Corporation (note 25)		
Basic and Diluted:		
Continuing operations	\$ (7.91)	\$ (5.20)
Discontinued operations	6.87	2.08
Net Loss for the Year	\$ (1.04)	\$ (3.12)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

Year ended December 31 <i>(in millions of U.S. dollars)</i>	2014	2013
Net earnings (loss) for the year	\$ 159	\$ (813)
Other comprehensive earnings (loss), net of tax		
Items that may be reclassified to net earnings (loss):		
Currency translation adjustments	(197)	(29)
Change in fair value of derivatives designated as hedges	(13)	(26)
	(210)	(55)
Items that will not be reclassified to net earnings (loss):		
Remeasurements for post-employment benefit plans	(81)	102
Other comprehensive earnings from discontinued operations, net of tax (note 6)	11	31
Other comprehensive earnings (loss), net of tax	(280)	78
Total Comprehensive Loss for the Year	\$ (121)	\$ (735)
Total Comprehensive Earnings (Loss) attributable to:		
Equity holders of Onex Corporation	\$ (366)	\$ (336)
Non-controlling Interests	245	(399)
Total Comprehensive Loss for the Year	\$ (121)	\$ (735)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF EQUITY

<i>(in millions of U.S. dollars except per share data)</i>	Share Capital (note 17)	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Total Equity Attributable to Equity Holders of Onex Corporation	Non- controlling Interests	Total Equity
Balance – December 31, 2012	\$ 358	\$ 1,252	\$ 17 ^(b)	\$ 1,627	\$ 3,822	\$ 5,449
Dividends declared ^(a)	-	(15)	-	(15)	-	(15)
Purchase and cancellation of shares (note 17)	(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 6 and 22)	-	-	-	-	(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	-	-	(17)	(17)	(12)	(29)
Change in fair value of derivatives designated as hedges	-	-	(12)	(12)	(14)	(26)
Remeasurements for post-employment benefit plans (note 31)	-	76	-	76	26	102
Other comprehensive earnings (loss) from discontinued operations, net of tax (note 6)	-	11	(40)	29	60	31
Balance – December 31, 2013	\$ 346	\$ 860	\$ (52)^(d)	\$ 1,154	\$ 3,191	\$ 4,345
Dividends declared ^(a)	-	(18)	-	(18)	-	(18)
Purchase and cancellation of shares (note 17)	(10)	(140)	-	(150)	-	(150)
Investments by shareholders other than Onex	-	21	-	21	254	275
Distributions to non-controlling interests	-	-	-	-	(11)	(11)
Repurchase of shares of operating companies ^(c)	-	40	-	40	(207)	(167)
Sale of interests in operating companies under continuing control (note 26)	-	102	-	102	69	171
Investments in operating companies under continuing control (notes 2 and 12)	-	23	-	23	(88)	(65)
Non-controlling interests on sale of investments in operating companies (notes 6 and 22)	-	-	-	-	(1,761)	(1,761)
Comprehensive Earnings (Loss)						
Net earnings (loss) for the year	-	(115)	-	(115)	274	159
Other comprehensive earnings (loss) for the year, net of tax:						
Currency translation adjustments	-	-	(171)	(171)	(26)	(197)
Change in fair value of derivatives designated as hedges	-	-	(11)	(11)	(2)	(13)
Remeasurements for post-employment benefit plans (note 31)	-	(81)	-	(81)	-	(81)
Other comprehensive earnings (loss) from discontinued operations, net of tax (note 6)	-	-	12	12	(1)	11
Balance – December 31, 2014	\$ 336	\$ 692	\$ (222)^(e)	\$ 806	\$ 1,692	\$ 2,498

(a) Dividends declared per Subordinate Voting Share during 2014 totalled C\$0.1875 (2013 – C\$0.14). In 2014, shares issued under the dividend reinvestment plan amounted to less than \$1 (2013 – 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 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 \$28 of net earnings 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.

(d) 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. Accumulated Other Comprehensive Earnings (Loss) as at December 31, 2013 included \$12 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, 2014 consisted of currency translation adjustments of negative \$200 and unrealized losses on the effective portion of cash flow hedges of \$22. Accumulated Other Comprehensive Earnings (Loss) as at December 31, 2014 did not include any amounts related to discontinued operations. Income taxes did not have a significant effect on these items.

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended December 31 <i>(in millions of U.S. dollars)</i>	2014	2013
Operating Activities		
Loss for the year from continuing operations	\$ (823)	\$ (563)
Adjustments to loss from continuing operations:		
Provision for (recovery of) income taxes (note 15)	79	(488)
Interest income	(142)	(106)
Interest expense of operating companies (note 20)	830	699
Net loss before interest and provision for (recovery of) income taxes	(56)	(458)
Cash taxes paid	(147)	(100)
Items not affecting cash and cash equivalents:		
Amortization of property, plant and equipment	410	429
Amortization of intangible assets and deferred charges	495	496
Increase in value of investments in joint ventures and associates at fair value, net (note 8(a))	(412)	(1,098)
Stock-based compensation	98	(16)
Other gains (note 22)	(317)	(561)
Impairment of goodwill, intangible assets and long-lived assets, net (note 24)	51	223
Limited Partners' Interests charge (note 16)	1,069	1,855
Change in provisions	86	25
Other	(137)	125
	1,140	920
Changes in non-cash working capital items:		
Accounts receivable	(238)	29
Inventories	(146)	51
Other current assets	(122)	22
Accounts payable, accrued liabilities and other current liabilities	60	(2)
Increase (decrease) in cash and cash equivalents due to changes in working capital items	(446)	100
Decrease in other operating activities	(55)	(99)
Cash flows from operating activities of discontinued operations (note 6)	350	665
	989	1,586
Financing Activities		
Issuance of long-term debt	4,611	3,956
Repayment of long-term debt	(2,142)	(2,601)
Cash interest paid	(720)	(564)
Cash dividends paid	(17)	(14)
Repurchase of share capital of Onex Corporation	(150)	(153)
Repurchase of share capital of operating companies	(167)	(109)
Financing provided by Limited Partners (note 16)	867	401
Issuance of share capital by operating companies	19	47
Proceeds from sale of interests in operating company under continuing control (note 26)	171	-
Purchase of shares of operating company under continuing control (note 2)	(65)	-
Distributions paid to non-controlling interests and Limited Partners (note 16)	(3,730)	(1,542)
Change in restricted cash for distribution to Limited Partners	-	35
Decrease due to other financing activities	(81)	(58)
Cash flows used in financing activities of discontinued operations (note 6)	(220)	(256)
	(1,624)	(858)
Investing Activities		
Acquisitions, net of cash and cash equivalents in acquired companies of \$46 (2013 - \$14) (note 2)	(1,315)	(513)
Purchase of property, plant and equipment	(526)	(568)
Proceeds from sale of property, plant and equipment	226	277
Proceeds from sale of investment in joint ventures and associates at fair value and other investments (notes 8 and 23)	3,960	908
Proceeds from sales of operating investments no longer controlled (notes 6 and 22)	1,759	1,060
Distributions received from investments in joint ventures and associates (note 8)	43	56
Purchase of investments in joint ventures of Onex Partners and ONCAP (note 8)	(309)	-
Cash interest received	125	72
Net purchases of investments and securities (note 8)	(2,036)	(1,021)
Increase (decrease) due to other investing activities	5	(26)
Cash flows used for investing activities of discontinued operations (note 6)	(696)	(437)
	1,236	(192)
Increase in Cash and Cash Equivalents for the Year	601	536
Decrease in cash due to changes in foreign exchange rates	(24)	(1)
Cash and cash equivalents, beginning of the year - continuing operations	2,618	2,056
Cash and cash equivalents, beginning of the year - discontinued operations (note 6)	573	600
Cash and Cash Equivalents	3,768	3,191
Cash and cash equivalents held by discontinued operations (note 6)	4	573
Cash and Cash Equivalents Held by Continuing Operations	\$ 3,764	\$ 2,618

See accompanying notes to the consolidated financial statements.

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, healthcare imaging, health and human services, customer care services, building products, insurance services, credit strategies, aerospace automation, tooling and components, aircraft leasing and management, business services/tradeshows, plastics processing equipment, business services/packaging and gaming. Additionally, the Company has investments in mid-market private equity opportunities and real estate. Note 33 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, 2014.

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 19, 2015.

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 Onex’ 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 30). In addition, Onex indirectly controls and consolidates the operations of the collateralized loan obligations of Onex Credit. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, 2014			December 31, 2013		
	Onex' Ownership	Onex' and Limited Partners' Ownership	Voting	Onex' Ownership	Onex' and Limited Partners' Ownership	Voting
<i>Investments made through Onex</i>						
Celestica Inc. ("Celestica")	11%	11%	75%	11%	11%	75%
SITEL Worldwide Corporation ("Sitel Worldwide") ^(a)	86%	86%	89%	70%	70%	89%
<i>Investments made through Onex and Onex Partners I</i>						
Skilled Healthcare Group, Inc. ("Skilled Healthcare Group") ^{(b)(c)}	9%	39%	86%	9%	39%	86%
Spirit AeroSystems, Inc. ("Spirit AeroSystems") ^(c)	-	-	-	5%	16%	63%
<i>Investments made through Onex and Onex Partners II</i>						
Allison Transmission Holdings, Inc. ("Allison Transmission") ^(d)	-	-	-	8%	27%	(e)
Carestream Health, Inc. ("Carestream Health")	36%	91%	100%	36%	92%	100%
<i>Investments made through Onex, Onex Partners I and Onex Partners II</i>						
The Warranty Group, Inc. ("The Warranty Group") ^(c)	-	-	-	29%	91%	100%
<i>Investments made through Onex and Onex Partners III</i>						
BBAM Limited Partnership ("BBAM")	13%	50%	50% ^(e)	13%	50%	50% ^(e)
Emerald Expositions, LLC ("Emerald Expositions")	24%	99%	99%	24%	99%	99%
JELD-WEN Holding, inc. ("JELD-WEN") ^(f)	20%	81%	81%	18%	72%	72%
KraussMaffei Group GmbH ("KraussMaffei")	24%	96%	100%	24%	96%	100%
Meridian Aviation Partners Limited and affiliates ("Meridian Aviation")	25%	100%	100%	25%	100%	100%
SGS International, Inc. ("SGS International")	23%	93%	93%	23%	93%	93%
Tomkins Limited ("Tomkins") ^(g)	-	-	-	14%	56%	50% ^(e)
Tropicana Las Vegas, Inc. ("Tropicana Las Vegas")	18%	82%	82%	18%	82%	82%
USI Insurance Services ("USI")	25%	89%	100%	26%	92%	100%
York Risk Services Holding Corp. ("York") ^(h)	29%	88%	100%	-	-	-
<i>Investments made through Onex, Onex Partners I and Onex Partners III</i>						
Res-Care, Inc. ("ResCare")	20%	98%	100%	20%	98%	100%
<i>Investments made through Onex and Onex Partners IV</i>						
Advanced Integration Technology LP ("AIT") ⁽ⁱ⁾	9%	40%	50% ^(e)	-	-	-
<i>Investments made through Onex Real Estate Partners</i>						
Flushing Town Center	88%	88%	100%	88%	88%	100%
<i>Other investments</i>						
ONCAP II Fund ("ONCAP II")	46% ^(j)	100%	100%	46% ^(j)	100%	100%
ONCAP III Fund ("ONCAP III")	29%	100%	100%	29%	100%	100%
Onex Credit ^(k)	70%	70%	50%	70%	70%	50%

(a) Onex made an investment in mandatorily redeemable Class D preferred shares of Sitel Worldwide during the second quarter of 2014, as described in note 12.

The economic ownership interests of Sitel Worldwide at December 31, 2014 are presented based on preferred share holdings. The allocation of net earnings and comprehensive earnings attributable to equity holders of Onex Corporation and non-controlling interests is calculated using a common share economic ownership of 70% at December 31, 2014 (2013 - 70%).

(b) In February 2015, Skilled Healthcare Group combined with Genesis HealthCare, LLC ("Genesis HealthCare"), as described in note 6.

(c) Skilled Healthcare Group, Spirit AeroSystems and The Warranty Group are recorded as discontinued operations, as described in note 6.

(d) Onex sold its investment in Allison Transmission during 2014, as described in note 8 and note 23.

(e) 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.

(f) The economic ownership and voting interests of JELD-WEN are presented on an as-converted basis as a portion of 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 86% at December 31, 2014 (2013 - 77%) to reflect certain JELD-WEN shares that are recorded as liabilities at fair value. Onex, Onex Partners III, Onex management and others made an investment to acquire common stock of JELD-WEN from existing shareholders during the first quarter of 2014, as described in note 2.

(g) Tomkins was sold during the second half of 2014, as described in note 8.

(h) York was acquired during the fourth quarter of 2014, as described in note 2.

(i) The investment in AIT was made late in the fourth quarter of 2014, as described in note 8.

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

(k) Represents Onex' share of the Onex Credit asset management platform. In January 2015, Onex acquired control of the Onex Credit asset management platform, as described in note 32.

The ownership percentages are before the effect of any potential dilution relating to the Management Investment Plan (the “MIP”), as described in note 30(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, 2014. These changes were made in accordance with the applicable transitional provisions.

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 Company determined that the adoption of these amendments on January 1, 2014 did not result in any change in the consolidation status of any of its subsidiaries and investees.

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. The Company adopted this standard on January 1, 2014. The effects on the consolidated financial statements of adopting IFRIC 21 were not significant.

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. The balance at December 31, 2013 related to short-term investments held by The Warranty Group, which was sold in August 2014, as described in note 6.

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. Certain inventories in the healthcare imaging segment are stated using an average cost method. For substantially all other inventories, cost is determined on a first-in, first-out basis.

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, 2014 was \$385 (2013 – \$398), which is pledged as collateral for the outstanding third-party long-term debt of Flushing Town Center. Flushing Town Center's investment property at December 31, 2013 included land that is currently under pre-development and is not included within investment property at December 31, 2014 or included as amounts pledged as collateral for the outstanding third-party long-term debt. 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 rate of 6.50% and terminal capitalization rate of 5.75%. For the year ended December 31, 2014, property, plant and equipment additions included \$8 (2013 – \$5) 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 at 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 will 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.

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.

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 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.

c) Restructuring

Restructuring provisions are recognized only when a detailed formal plan for the restructuring – including the business or part of the business concerned, 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 or 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 in the consolidated statements of earnings.

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

Note 31 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 16 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 judgments 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 15 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.

Healthcare Imaging

Revenue from the healthcare imaging segment consists primarily of product sales and services. 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. Revenue is recorded net of provisions for estimated customer returns, rebates and other similar allowances. 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.

Health and Human Services

Revenue from the health and human services segment consists primarily of services. 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 examination of expenses by agencies administering contracts and services.

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.

Insurance Services

Revenue from the insurance services segment primarily consists of commission, fee and service revenues. Commission revenues on premiums billed and collected directly by insurance companies are recognized after the policy effective date and when the company has sufficient information to reasonably determine that the amount is owed. Commission revenues on policies billed and collected by the company are recognized on the later of the billing or the policy effective date. Commission revenues related to instalment premiums are recognized on the effective date of each instalment. Fee revenues are charged for policy placement in lieu of commissions, which are recognized in the same manner as commission revenues. Fee revenues from claims management are recognized as claims are processed using an estimate of services provided and costs incurred. Fee revenues are also earned from other risk management, administrative and consulting services, which are provided over a period of time. These fee revenues are recognized when revenues and costs can be reliably measured and economic benefits are expected to be received by the company. Revenues from managed care, specialized loss adjusting services and field investigations are recognized at the time of service if revenues and costs can be reliably measured and economic benefits are expected to be received. Service revenues from fixed price contracts are recognized on each contract in accordance with the percentage-of-completion method of accounting.

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.
- Revenue from construction contracts is 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 revenue is recognized only to the extent that those costs are recoverable. When the outcome of the construction of such contracts becomes reliably estimable, revenue is recognized prospectively.

For arrangements where the operating companies derive 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 the 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 to determine if 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 2014, \$198 (2013 – \$177) of research and development costs was expensed and \$23 (2013 – \$38) of development costs was capitalized.

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 17(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 30(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 the 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 substantially all of the Company's exposure to changes in the trading price of Onex shares, the Company entered into forward agreements for outstanding Director DSUs with a counterparty financial institution. The change in value of the forward agreements will be recorded to substantially offset the amounts recorded as stock-based compensation under the Director DSU Plan. Details of the Director DSUs outstanding under the plan and the amount hedged by the Company are provided in note 17(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 the 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 17(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. Onex management is entitled to the remaining 60% of the carried interest realized in the Onex Partners Funds. ONCAP management is entitled to that portion of the carried interest realized in the ONCAP Funds that equates to a 12% 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 Collateralized Loan Obligations ("Onex Credit CLOs") are designated at fair value through net earnings upon initial recognition to eliminate a measurement inconsistency, as the asset portfolio of the Onex Credit 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 Onex Credit CLOs, which has 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.

Assets held-for-sale and discontinued operations

An asset is classified as held-for-sale if its carrying amount will be recovered by the asset's 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, substantially 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. 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 at December 31, 2014 and 2013. 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 2014 and 2013, Onex invested capital in the Onex Credit 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’s eighth CLO, Onex Credit CLO-8. The collateral to be provided for the warehouse facility of Onex Credit CLO-8 is expected to be substantially reinvested in the most subordinate capital of Onex Credit CLO-8 upon closing.

Fair value of investments and debt of CLOs not quoted in an active market

The fair value of investments and debt of CLOs not quoted in an active market may be determined by Onex Credit using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The company would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, Onex Credit may value positions using models, which are usually based on valuation methods and techniques generally recognized as standard within the industry.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations may require the company to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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 16. 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, which was 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 24 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.

Revenue recognition

Revenues for ResCare in the health and human services segment are substantially derived from U.S. federal, state and local government agency programs, including 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 ResCare 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 or application of tax laws in multiple jurisdictions within these countries. Significant judgement is 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 30(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 31 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

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*, which provides a comprehensive five-step revenue recognition model for all contracts with customers. IFRS 15 requires management to exercise significant judgement and make estimates that affect revenue recognition. IFRS 15 is effective for annual periods beginning on or after January 1, 2017, with earlier application permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

IFRS 9 – Financial Instruments

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

2. ACQUISITIONS

During 2014 and 2013 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 consolidated 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.

2014 ACQUISITIONS

Details of the purchase price allocation for the 2014 acquisitions are as follows:

	Emerald Expositions ^(a)	USI ^(b)	ONCAP ^(c)	York ^(d)	Other ^(e)	Total
Cash and cash equivalents	\$ -	\$ -	\$ 1	\$ 45	\$ -	\$ 46
Other current assets	16	29	55	157	-	257
Intangible assets with limited life	82	160	39	616	14	911
Intangible assets with indefinite life	76	-	1	148	-	225
Goodwill	200	86	39	833	10	1,168
Property, plant and equipment and other non-current assets	1	2	12	30	1	46
	375	277	147	1,829	25	2,653
Current liabilities	(40)	(18)	(18)	(121)	-	(197)
Non-current liabilities	(3)	-	(3)	(991)	-	(997)
	332	259	126	717	25	1,459
Non-controlling interests in net assets	-	-	-	(71)	-	(71)
Interest in net assets acquired	\$ 332	\$ 259	\$ 126	\$ 646	\$ 25	\$ 1,388

a) In January 2014, Emerald Expositions completed the acquisition of George Little Management, LLC (“GLM”) for cash consideration of \$332. GLM is an operator of business-to-business trade-shows 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(c).

b) In May 2014, USI completed the acquisition of 40 insurance brokerage and consulting offices across the United States from Wells Fargo Insurance. The purchase price for the acquisition was \$133, which was financed with a \$125 incremental term loan, as described in note 12(p), and cash from USI.

In October 2014, USI completed the acquisition of seven retail insurance brokerage locations across the United States from Willis North America Inc. The purchase price for the acquisition was \$66, which was financed with cash from USI.

In addition, USI completed 12 other acquisitions during 2014 for total consideration of \$60, of which \$19 was non-cash consideration.

c) In June 2014, EnGlobe Corp. (“EnGlobe”), an ONCAP II operating company that provides integrated environmental services, completed the acquisition of LVM Inc., a leading Canadian geotechnical, materials and environmental engineering firm. The purchase price for the acquisition was \$104, which was financed with debt financing and an equity investment from non-controlling interests. The purchase price includes deferred consideration of \$3. ONCAP II owned 81% of EnGlobe following this transaction.

In addition, ONCAP includes acquisitions made by Bradshaw International, Inc., CiCi’s Pizza and Mister Car Wash (up to the date of disposition in August 2014) for total consideration of \$22.

d) In October 2014, the Company completed the acquisition of York, an integrated provider of insurance solutions to property, casualty and workers’ compensation specialty markets in the United States, for \$1,325. The Company’s equity investment in York was \$521 and was comprised of \$400 from Onex, Onex Partners III and Onex Management and \$121 as a co-investment from Onex and certain limited partners. Onex’ total investment in York is \$173 and is comprised of \$96 through Onex Partners III and \$77 as a co-investment. The balance of the purchase price was substantially financed with debt financing, without recourse to Onex Corporation. At December 31, 2014, the Company had an 88% ownership interest, of which Onex’ ownership was 29%. York is included in the insurance services segment with USI.

In December 2014, York acquired MCMC, LLC (“MCMC”), a leading managed care services company, for \$142. MCMC is a U.S.-based company offering a variety of managed care programs that offer assistance in the assessment, review and evaluation of medical claims. In connection with this transaction, York completed an offering of \$45 in aggregate principal amount of its 8.50% senior unsecured notes due in October 2022. The acquisition of MCMC was financed by York with the senior unsecured notes offering together with a delayed draw on its term loan and revolving credit facility and a \$38 rollover equity contribution from certain equity and option holders of MCMC.

In addition, York completed one other acquisition during the fourth quarter of 2014 for total consideration of \$21, of which \$5 was deferred consideration.

e) Other includes acquisitions made by Carestream Health and ResCare for total consideration of \$25, which was funded by the respective companies.

Included in the acquisitions above were gross receivables due from customers of \$206, of which \$8 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 \$198.

Revenue and net earnings from the date of acquisition to December 31, 2014 for these acquisitions were \$507 and \$54, respectively.

Goodwill of the acquisitions is attributable primarily to the acquired workforce and non-contractual established customer bases of the acquired companies. Goodwill of the acquisitions that is expected to be deductible for tax purposes is \$463.

In addition to the acquisitions described above, in March 2014, Onex, Onex Partners III, Onex management and others invested \$66 to acquire common stock of JELD-WEN from existing shareholders, of which Onex’ investment was \$16. In August 2014, Onex, Onex Partners III, Onex management and others sold a portion of the common stock purchased in March 2014 to certain members of JELD-WEN management for \$1, of which Onex’ share was less than \$1. JELD-WEN did not receive any proceeds and the total number of shares of common stock outstanding did not change as a result of these transactions. These transactions are recorded as a net transfer of equity from the non-controlling interests within the consolidated statements of equity. The excess of the carrying value of the transfer of equity over the net investment of \$16 was recorded as an increase directly to retained earnings. As a result of these transactions, Onex’, Onex Partners III’s, Onex management’s and others’ as-converted economic interest in JELD-WEN at the date of the transaction increased to 79% from 72% and Onex’ as-converted economic ownership increased to 20% from 18%.

In December 2014, Onex, Onex Partners III and Onex management invested \$20 in Meridian Aviation, an aircraft investment company based in Ireland, of which Onex' investment was \$5. The investment was made to support additional aircraft investments

being made by Meridian Aviation. Onex, Onex Partners III and Onex management continue to have a 100% economic interest in Meridian Aviation.

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 deferred 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 deferred 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 was attributable primarily to non-contractual established customer bases of the acquired companies. Goodwill of the acquisitions that was expected to be deductible for tax purposes was \$126.

In addition to the acquisitions described above, in February 2013, Onex and Onex Partners III established Meridian Aviation. 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. 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 were primarily for deposits, fees and other expenses associated with the purchase of commercial passenger aircraft.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following:

As at December 31	2014	2013
Cash at bank and on hand	\$ 984	\$ 1,165
Bank term deposits	165	276
Commercial paper	1,319	1,184
Money market funds	1,296	566
	\$ 3,764	\$ 3,191

4. INVENTORIES

Inventories comprised the following:

As at December 31	2014	2013
Raw materials	\$ 836	\$ 1,150
Work in progress	415	2,168
Finished goods	743	539
Real estate held for sale	19	15
	\$ 2,013	\$ 3,872

During the year ended December 31, 2014, \$8,539 (2013 – \$9,024) of inventory was expensed in cost of sales. Note 11(b) provides details on inventory provisions recorded by the Company.

6. DISCONTINUED OPERATIONS

The following tables show revenue, expenses and net after-tax results from discontinued operations. The sale of Mister Car Wash in August 2014 and the 2013 sales of BSN SPORTS and Caliber Collision did not represent separate major lines of business, and as a result, have not been presented as discontinued operations.

Year ended December 31, 2014	The Warranty Group ^(a)	Spirit AeroSystems ^(b)	Skilled Healthcare Group ^(c)	Total
Revenues	\$ 648	\$ 2,945	\$ 833	\$ 4,426
Expenses	(577)	(2,677)	(831)	(4,085)
Earnings before income taxes	71	268	2	341
Recovery of (provision for) income taxes	(22)	(18)	3	(37)
Gain, net of tax	368	310	-	678
Net earnings for the year	\$ 417	\$ 560	\$ 5	\$ 982

5. OTHER CURRENT ASSETS

Other current assets comprised the following:

As at December 31	2014	2013
Income and value added taxes receivable	\$ 123	\$ 169
Prepaid expenses	171	144
Restricted cash	174	139
Current portion of ceded claims recoverable held by The Warranty Group ^(a)	-	129
Current portion of prepaid premiums of The Warranty Group ^(a)	-	424
Current portion of deferred costs of The Warranty Group ^(a)	-	128
Other	335	345
	\$ 803	\$ 1,478

(a) The Warranty Group was sold in August 2014 and is presented as a discontinued operation, as described in note 6.

Year ended December 31, 2013	The Warranty Group ^(a)	Spirit AeroSystems ^(b)	Skilled Healthcare Group ^(c)	TMS International ^(d)	Total
Revenues	\$ 1,168	\$ 5,961	\$ 856	\$ 1,828	\$ 9,813
Expenses	(997)	(6,400)	(944)	(1,797)	(10,138)
Earnings (loss) before income taxes	171	(439)	(88)	31	(325)
Recovery of (provision for) income taxes	(59)	(101)	5	(12)	(167)
Gain, net of tax	-	-	-	242	242
Net earnings (loss) for the year	\$ 112	\$ (540)	\$ (83)	\$ 261	\$ (250)

a) The Warranty Group

In August 2014, the Company sold its entire investment in The Warranty Group for an enterprise value of approximately \$1,500. Onex, Onex Partners I, Onex Partners II and Onex management received net proceeds of \$1,126, resulting in a gain of \$368 based on the excess of the proceeds over the carrying value of the investment. Onex' portion of the net proceeds was \$382, including carried interest of \$51 and after the reduction for amounts on account of the MIP. 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 \$127. Consistent with the terms of Onex Partners, Onex is allocated 40% of the carried interest with 60% allocated to management. Onex' share of the carried interest received was \$51 and is included in the net proceeds to Onex. Management's share of the carried interest was \$76. Amounts paid on account of the MIP totalled \$23 for this transaction and have been deducted from the net proceeds to Onex.

The operations of The Warranty Group up to the date of disposition are presented as discontinued in the consolidated statements of earnings and cash flows and the prior year has been restated to report the results of The Warranty Group as discontinued on a comparative basis. Short-term investments and warranty reserves and unearned premiums at December 31, 2013 related to The Warranty Group.

b) Spirit AeroSystems

On June 4, 2014, under a secondary public offering and share repurchase of Spirit AeroSystems, Onex, Onex Partners I, Onex management and certain limited partners sold 8.0 million shares of Spirit AeroSystems, of which Onex' portion was approximately 2.1 million shares. The offering was completed at a price of \$32.31 per share. Onex' cash cost for these shares was \$3.33 per share. The sale was completed for net proceeds of \$258, of which Onex' share was \$79, including carried interest of \$10 and after the reduction for distributions paid on account of the MIP.

As a result of this transaction, Onex, Onex Partners I, Onex management and certain limited partners' economic interest in Spirit AeroSystems was reduced to 6% from 11%. Onex' economic ownership was reduced to 2% from 3%. The Company lost its multiple voting rights, which reduced its voting interest in Spirit AeroSystems to 6% from 55%. This transaction resulted in a loss of control of Spirit AeroSystems by the Company. The remaining interest held by the Company was recorded as a long-term investment at fair value, with changes in fair value recorded in other items, before being sold in August 2014, as discussed in note 23(f). Non-controlling interests of the Company decreased by \$1,690 as a result of no longer consolidating Spirit AeroSystems.

A gain of \$310 was recorded within discontinued operations during the second quarter of 2014 based on the excess of the proceeds and the interest retained at fair value over the carrying value of the investment. The portion of the gain associated with measuring the interest retained in Spirit AeroSystems at fair value was \$159. The portion of the gain associated with the shares sold was \$151.

Amounts received on account of the carried interest related to the June 4, 2014 transaction totalled \$24. Consistent with 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 the net proceeds to Onex. Management's share of the carried interest was \$14. Amounts paid on account of the MIP totalled \$6 for this transaction and have been deducted from the net proceeds to Onex.

The operations of Spirit AeroSystems up to June 4, 2014 are presented as discontinued in the December 31, 2014 consolidated statements of earnings and cash flows and the prior year has been restated to report the results of Spirit AeroSystems as discontinued on a comparative basis.

c) Skilled Healthcare Group

In August 2014, Skilled Healthcare Group entered into an agreement to combine with Genesis HealthCare, LLC ("Genesis HealthCare"), a leading U.S. operator of long-term care facilities. The transaction was completed in February 2015. Under the terms of the purchase and combination agreement, each share of Skilled Healthcare Group common stock issued and outstanding immediately prior to the closing of the combination was converted into shares of the newly combined company. Skilled Healthcare Group shareholders own approximately 26% of the combined company and Genesis HealthCare shareholders own the remaining approximately 74% of the combined company. The combined company now operates under the Genesis Healthcare name and continues to be publicly traded (NYSE: GEN). Onex, Onex Partners I and Onex management have a 10% economic interest in the newly combined company compared to 39% owned in Skilled Healthcare Group before the combination. The Company lost its multiple voting rights, which reduced its voting ownership to 10% from 86% before the combination. Onex no longer controls Skilled Healthcare Group with the loss of the multiple voting rights and therefore, the operations of Skilled Healthcare Group are presented as discontinued in

the consolidated statements of earnings and cash flows for the year ended December 31, 2014, and the prior year has been restated to report the results of Skilled Healthcare Group as discontinued on a comparative basis. As of the February 2015 transaction date, the Company's investment in the combined company is recorded as a long-term investment at fair value through earnings, with changes in fair value recorded in other items.

d) TMS International

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 was 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. Non-controlling interests of the Company decreased by \$156 as a result of no longer consolidating TMS International.

Amounts received on account of the carried interest related to this transaction totalled \$25. Consistent with 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 return hurdle for Onex was not met. As a result, the operations up to the date of disposition are presented as discontinued in the consolidated statements of earnings and cash flows.

The following table shows the summarized assets and liabilities of discontinued operations. The balances represent those of The Warranty Group, Spirit AeroSystems and Skilled Healthcare Group as TMS International was sold in October 2013.

	December 31, 2014	December 31, 2013			Total
	Skilled Healthcare Group	The Warranty Group	Spirit AeroSystems	Skilled Healthcare Group	
Cash and cash equivalents	\$ 4	\$ 148	\$ 421	\$ 4	\$ 573
Other current assets	140	1,701	2,609	128	4,438
Long-term investments	5	1,578	4	6	1,588
Intangible assets	20	61	159	20	240
Goodwill	141	306	3	142	451
Property, plant and equipment and other non-current assets	370	1,104	1,958	362	3,424
	680	4,898	5,154	662	10,714
Current portion of warranty reserves and unearned premiums	-	(1,350)	-	-	(1,350)
Other current liabilities	(115)	(471)	(1,342)	(98)	(1,911)
Non-current portion of warranty reserves and unearned premiums	-	(1,779)	-	-	(1,779)
Other non-current liabilities	(430)	(541)	(2,147)	(441)	(3,129)
Net assets of discontinued operations	\$ 135	\$ 757	\$ 1,665	\$ 123	\$ 2,545

The following tables present the summarized aggregate cash flows from (used in) discontinued operations of The Warranty Group (up to August 2014), Skilled Healthcare Group, Spirit AeroSystems (up to June 4, 2014) and TMS International (up to October 2013).

For the year ended December 31, 2014	The Warranty Group	Spirit AeroSystems	Skilled Healthcare Group	Total
Operating activities	\$ 103	\$ 194	\$ 53	\$ 350
Financing activities	(4)	(174)	(42)	(220)
Investing activities	(247)	(438)	(11)	(696)
Decrease in cash and cash equivalents for the year	(148)	(418)	-	(566)
Decrease in cash due to changes in foreign exchange rates	-	(3)	-	(3)
Cash and cash equivalents, beginning of the year	148	421	4	573
Cash and cash equivalents, end of the year	-	-	4	4
Proceeds from sales of operating companies no longer controlled	1,126	258	-	1,384
	\$ 1,126	\$ 258	\$ 4	\$ 1,388

For the year ended December 31, 2013	The Warranty Group	Spirit AeroSystems	Skilled Healthcare Group	TMS International	Total
Operating activities	\$ 149	\$ 319	\$ 80	\$ 117	\$ 665
Financing activities	(72)	(79)	(77)	(28)	(256)
Investing activities	(59)	(262)	(1)	(115)	(437)
Increase (decrease) in cash and cash equivalents for the year	18	(22)	2	(26)	(28)
Increase (decrease) in cash due to changes in foreign exchange rates	-	2	-	(1)	1
Cash and cash equivalents, beginning of the year	130	441	2	27	600
Cash and cash equivalents, end of the year	148	421	4	-	573
Proceeds from sales of operating companies no longer controlled	-	-	-	410	410
	\$ 148	\$ 421	\$ 4	\$ 410	\$ 983

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprised the following:

	Land	Buildings	Machinery and Equipment	Construction in Progress	Total
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	-	(102)	(327)	-	(429)
Amortization charge (discontinued operations)	-	(39)	(200)	-	(239)
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
Year ended December 31, 2014					
Opening net book amount	\$ 596	\$ 1,824	\$ 2,431	\$ 254	\$ 5,105
Additions	-	42	322	189	553
Disposals	(3)	(21)	(198)	(1)	(223)
Amortization charge	-	(91)	(319)	-	(410)
Amortization charge (discontinued operations)	-	(21)	(63)	-	(84)
Acquisition of subsidiaries	-	6	24	1	31
Disposition of operating companies	(22)	(340)	(1,124)	(131)	(1,617)
Transfer to discontinued operations	(63)	(192)	(33)	(9)	(297)
Impairment recovery (charge)	2	34	(3)	-	33
Transfer to inventories	(39)	(29)	-	-	(68)
Transfers from construction in progress	-	35	138	(173)	-
Foreign exchange	(18)	(48)	(47)	(5)	(118)
Other	2	5	(10)	-	(3)
Closing net book amount	\$ 455	\$ 1,204	\$ 1,118	\$ 125	\$ 2,902
At December 31, 2014					
Cost	\$ 464	\$ 1,707	\$ 2,749	\$ 125	\$ 5,045
Accumulated amortization and impairments	(9)	(503)	(1,631)	-	(2,143)
Net book amount	\$ 455	\$ 1,204	\$ 1,118	\$ 125	\$ 2,902

Property, plant and equipment cost and accumulated amortization and impairments have been reduced for components retired during 2013 and 2014. At December 31, 2014, property, plant and equipment includes amounts under finance leases of \$96 (2013 – \$126) and related accumulated amortization of \$57 (2013 – \$59). During 2014, borrowing costs of \$6 (2013 – \$12) were capitalized and are included in the cost of additions.

8. LONG-TERM INVESTMENTS

Long-term investments comprised the following:

	December 31, 2014	December 31, 2013
Investments in joint ventures and associates at fair value through earnings ^(a)	\$ 540	\$ 3,504
Long-term investments held by The Warranty Group ^(b)	-	1,550
Onex Credit CLOs' investments in corporate loans ^(c)	3,596	1,810
Investment in Onex Credit funds ^(d)	475	469
Other ^(e)	415	231
	\$ 5,026	\$ 7,564

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.

Investments in joint ventures and associates include investments in AIT (since December 2014), Allison Transmission (up to June 2014), BBAM, Mavis Tire Supply LLC ("Mavis Discount Tire") (since October 2014), RSI (up to February 2013) and Tomkins (up to April 2014), and 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, which was 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.

Details of those investments designated at fair value included in long-term investments are as follows:

	Total
Balance – December 31, 2012	\$ 3,370
Sale of investments	(908)
Distributions received	(56)
Increase in fair value of investments, net	1,098
Balance – December 31, 2013	\$ 3,504
Purchase of investments	309
Sale of investments	(3,561)
Distributions received	(43)
Transfer to other Onex Partners investments (note 23)	(81)
Increase in fair value of investments, net	412
Balance – December 31, 2014	\$ 540

AIT

In December 2014, the Company acquired a 40% economic interest in AIT, a leading provider of automation and tooling, maintenance services and aircraft components to the aerospace industry. The Company's investment of \$204 was made by Onex, Onex Partners IV and Onex management. Onex' share of the investment was \$45 for a 9% economic interest. The investment in AIT has been designated at fair value through earnings. Additionally, the Company entered into a put and call arrangement with the existing ownership of AIT to acquire an additional 10% economic interest at the same relative value as the Company's original investment.

Allison Transmission

During 2013, Allison Transmission completed secondary offerings to the public of 46.6 million shares of common stock and repurchased 4.7 million shares of common stock. The secondary offerings included the full exercise of the over-allotment options. As part of the offering and share repurchase, Onex, Onex Partners II, Onex management and certain limited partners sold 25.7 million shares of common stock. Onex, Onex Partners II, Onex management and certain limited partners received net proceeds of \$585, of which Onex' portion was \$195, 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 \$369, of which Onex' share was \$114. 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.

In February 2014, Allison Transmission completed a secondary offering to the public of 25.32 million shares of common stock and repurchased 3.43 million shares of common stock. The secondary offering included the full exercise of the over-allotment option. As part of the secondary offering and share repurchase, Onex, Onex Partners II, Onex management and certain limited partners sold 14.4 million shares of common stock. Onex, Onex Partners II, Onex management and certain limited partners received net proceeds of \$419 for their 14.4 million shares of common stock, of which Onex' portion was \$141, including carried interest. Amounts received related to the carried interest totalled \$26, of which Onex' portion was \$11 and management's portion was \$15. 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 April 2014, Allison Transmission completed a secondary offering to the public of 25.0 million shares of common stock. As part of the offering, Onex, Onex Partners II, Onex management and certain limited partners sold 12.5 million shares of common stock. Onex, Onex Partners II, Onex management and certain limited partners received net proceeds of \$372 for their 12.5 million shares of common stock, of which Onex' portion was \$125, including carried interest. Amounts received related to the carried interest totalled \$24, of which Onex' portion was \$10 and management's portion was \$14. 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 June 2014, Allison Transmission completed a secondary offering to the public of 35.25 million shares of common stock and repurchased 5.0 million shares of common stock. The secondary offering included the full exercise of the over-allotment option. As part of the secondary offering and share repurchase, Onex, Onex Partners II, Onex management and certain limited partners sold 20.1 million shares of common stock. Onex, Onex Partners II, Onex management and certain limited partners received net proceeds of \$603 for their 20.1 million shares of common stock, of which Onex' portion was \$167, including carried interest and after the reduction for distributions paid on account of the MIP. Amounts received related to the carried interest totalled \$39, of which Onex' portion was \$15 and management's portion was \$24. Amounts paid on account of the MIP totalled \$36, which represents amounts received for this transaction as well as a share of the proceeds from previous sales and dividends received by Onex.

After completion of the June 2014 secondary offering and share repurchase, Onex, Onex Partners II, Onex management and certain limited partners continued to own 2.7 million shares of common stock, or approximately 2% in the aggregate, of Allison Transmission's outstanding common stock. As a result, the Company no longer had the right to appoint members to Allison Transmission's board of directors and no longer had a significant influence over Allison Transmission. The Company then recorded its investment in Allison Transmission within other long-term investments at fair value through earnings, with changes in fair value recorded in other items, until the Company sold its remaining interest in Allison Transmission in September 2014, as described in note 23(f).

The realized gains on the portion of Allison Transmission sold by Onex, Onex Partners II, Onex management and certain limited partners during 2014, including the September 2014 sale as described in note 23(f), totalled \$1,056, of which Onex' share was \$329.

BBAM

During 2014, BBAM completed total distributions of \$63 (2013 – \$49), of which Onex, Onex Partners III and Onex management's share of the distributions was \$28 (2013 – \$24). Onex' share of the BBAM distributions was \$7 (2013 – \$6).

Cypress Insurance Group and Onex Real Estate

During 2014, the Company received proceeds of \$46 on the sale of Cypress Insurance Group, of which Onex' share was \$43, and \$95 on the sale of certain Onex Real Estate investments. The sale of Onex Real Estate investments during 2014 primarily consisted of properties sold in the Urban Housing platform.

Mavis Discount Tire

In October 2014, the Company acquired a 46% economic interest in Mavis Discount Tire. Mavis Discount Tire is a leading regional tire retailer operating in the tire and light vehicle service industry with over 150 retail locations. The Company's preferred investment of \$102 was made by Onex, ONCAP III, Onex management and ONCAP management. Onex' share of the preferred investment was \$30 for a 14% economic interest. The investment in Mavis Discount Tire has been designated at fair value through earnings.

In addition, the consolidated financial statements include a \$3 equity investment in Mavis Discount Tire by a third-party investor.

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 the 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 changes in tax law as described in note 15. Amounts received on account of the carried interest related to this transaction totalled \$8. Onex' share of the carried interest received was \$3 and was included in 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 April 2014, Onex, together with Canada Pension Plan Investment Board ("CPPIB"), entered into an agreement to sell Gates Corporation ("Gates"), Tomkins' principal remaining business. As a result, at that time, Onex' investment in Tomkins was recorded in assets held for sale and was recorded at fair value in the consolidated balance sheets, with changes in fair value recognized within other items in the consolidated statements of earnings, as described in note 23(f). The sale was completed in July 2014 for an enterprise value of \$5,400. Proceeds from the sale to Onex, Onex Partners III, certain limited partners, Onex management and others were \$2,001. Onex' share of the proceeds was \$542, including carried interest and after the reduction for distributions paid on account of the MIP. Included in these proceeds was \$27 held in escrow primarily for working capital adjustments, of which Onex' share was \$7. In September 2014, \$30 was received for amounts held in escrow and an additional amount as a closing adjustment, of which Onex' share was \$8, including carried interest and after the reduction for amounts paid on account of the MIP.

After the sale of Gates, Onex continued to own residual assets of Tomkins. Through December 2014, Onex, Onex Partners III, certain limited partners, Onex management and others sold the residual assets for proceeds of \$46. Included in the proceeds amount is \$7 which is expected to be received in the first half of 2015, of which Onex' share is \$2.

The realized gain on Tomkins, including a prior distribution, was \$1,494, of which Onex' share was \$386. Amounts received on account of the carried interest related to the transactions during 2014 totalled \$136. In accordance with the terms of

Onex Partners, Onex is allocated 40% of the carried interest with 60% allocated to management. Onex' share of the carried interest received was \$54 and is included in the proceeds to Onex. Management's share of the carried interest was \$82. Amounts paid on account of the MIP totalled \$28 for these transactions and have been deducted from the proceeds to Onex.

b) Long-term investments held by The Warranty Group

The Warranty Group was sold in August 2014 and is presented as a discontinued operation, as described in note 6.

c) Onex Credit's investments in corporate loans

In March 2012, Onex Credit 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, 2014, Onex Credit had established seven CLOs (2013 – four CLOs), which were funded through the issuance of secured notes and/or equity in private placement transactions in an initial aggregate amount of \$3,810 (2013 – \$1,874), as described in note 12(h). Onex' remaining total investment at original cost in the Onex Credit CLOs at December 31, 2014 was \$268 (2013 – \$122) and has been made in the most subordinated capital of each respective CLO. During 2014, Onex received distributions from the CLOs of \$24 (2013 – \$13), 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 three to four years, during which reinvestment can be made in collateral. Onex is required to consolidate the operations and results of the Onex Credit CLOs, as more fully described in note 1.

At December 31, 2014, the asset portfolio of the Onex Credit CLOs included \$3,596 (2013 – \$1,810) of corporate loans as follows:

	Closing Date	As at December 31, 2014	As at December 31, 2013
CLO-1	March 2012	\$ 319	\$ 323
CLO-2	November 2012	491	499
CLO-3	March 2013	488	495
CLO-4	October 2013	484	493
CLO-5	March 2014	389	-
CLO-6	June 2014	937	-
CLO-7	November 2014	488	-
		\$ 3,596	\$ 1,810

d) Investments in Onex Credit funds

The investments in Onex Credit funds are recorded at fair value and classified as fair value through earnings. At December 31, 2014, Onex had \$346 (2013 – \$343) invested at fair value in a segregated Onex Credit unleveraged senior secured loan strategy fund and \$129 (2013 – \$126) invested in other Onex Credit funds. Onex' maximum exposure to losses from its investments in the Onex Credit funds is limited to its current investments. During 2014 and 2013, Onex did not provide any other support to the Onex Credit funds and Onex has no contractual obligation to provide such support in the future.

e) Other

Other includes a warehouse facility established by Onex Credit in December 2014 in connection with its eighth CLO (“Onex Credit CLO-8”). Onex purchased \$20 of subordinated notes to support the warehouse facility and a financial institution provided an initial borrowing capacity of up to \$100, as described in note 12(h). The subordinated notes do not have a stated rate of interest, but will receive any excess available funds after payment of principal, accrued interest and certain expenses upon closing of Onex Credit CLO-8. Onex consolidates the warehouse facility for Onex Credit CLO-8, and at December 31, 2014, the asset portfolio included \$87 of corporate loans.

9. OTHER NON-CURRENT ASSETS

Other non-current assets comprised the following:

As at December 31	2014	2013
Deferred income taxes (note 15)	\$ 215	\$ 308
Defined benefit pensions (note 31)	64	301
Restricted cash	60	40
Non-current portion of ceded claims recoverable held by The Warranty Group ^(a)	-	241
Non-current portion of prepaid premiums of The Warranty Group ^(a)	-	556
Non-current portion of deferred costs of The Warranty Group ^(a)	-	171
Other	327	483
	\$ 666	\$ 2,100

(a) The Warranty Group was sold in August 2014 and is presented as a discontinued operation, as described in 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 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	\$ 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)	(318)	(50)	(78)	-	(485)
Amortization charge (discontinued operations)	-	-	(17)	(28)	(5)	-	(50)
Acquisition of subsidiaries	750	194	341	4	6	-	545
Disposition of operating companies	(457)	(8)	(205)	(18)	(10)	(38)	(279)
Impairment charge	(41)	(24)	(9)	-	(3)	-	(36)
Impairment charge (discontinued operations)	(93)	-	-	(1)	-	(2)	(3)
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
Year ended December 31, 2014							
Opening net book amount	\$ 4,469	\$ 1,058	\$ 2,674	\$ 168	\$ 287	\$ 508	\$ 4,695
Additions	-	-	-	55	18	-	73
Disposals	-	(1)	-	(1)	-	-	(2)
Amortization charge	-	(27)	(337)	(50)	(64)	-	(478)
Amortization charge (discontinued operations)	-	-	(3)	(12)	(2)	-	(17)
Acquisition of subsidiaries	1,168	243	763	108	22	-	1,136
Disposition of operating companies	(433)	(23)	(17)	(52)	(124)	-	(216)
Transfer to discontinued operations	(141)	(14)	-	(1)	(1)	(4)	(20)
Impairment charge	(70)	(11)	(3)	-	-	-	(14)
Foreign exchange	(63)	(45)	(38)	(4)	(5)	(1)	(93)
Other	(2)	(1)	7	-	(1)	-	5
Closing net book amount	\$ 4,928	\$ 1,179	\$ 3,046	\$ 211	\$ 130	\$ 503	\$ 5,069
At December 31, 2014							
Cost	\$ 5,069	\$ 1,455	\$ 4,489	\$ 674	\$ 500	\$ 503	\$ 7,621
Accumulated amortization and impairments	(141)	(276)	(1,443)	(463)	(370)	-	(2,552)
Net book amount⁽¹⁾	\$ 4,928	\$ 1,179	\$ 3,046	\$ 211	\$ 130	\$ 503	\$ 5,069

(1) At December 31, 2014, trademarks and licenses include amounts determined to have indefinite useful lives of \$977 (2013 – \$833).

Additions to goodwill and intangible assets primarily arose through business combinations (note 2). Additions to intangible assets through internal development were \$25 (2013 – \$25) and those acquired separately were \$48 (2013 – \$65). Included in the balance of intangible assets at December 31, 2014 were \$45 (2013 – \$176) 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, 2013	\$ 89	\$ 117	\$ 206
Charged (credited) to statements of earnings:			
Additional provisions	49	53	102
Unused amounts reversed during the year	(12)	(18)	(30)
Disposition of operating companies	(3)	(18)	(21)
Transfer to discontinued operations	(17)	–	(17)
Amounts used during the year	(18)	(10)	(28)
Other adjustments	(4)	(6)	(10)
Balance – December 31, 2014	\$ 84	\$ 118	\$ 202

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	\$ 42	\$ 85	\$ 81	\$ 123	\$ 331
Non-current portion of provisions	6	90	125	198	419
Balance – December 31, 2013	\$ 48	\$ 175	\$ 206	\$ 321	\$ 750
Charged (credited) to statements of earnings:					
Additional provisions	74	195	77	117	463
Unused amounts reversed during the year	(4)	(1)	(15)	(46)	(66)
Acquisition of subsidiaries	-	2	-	35	37
Disposition of operating companies	(1)	(43)	(69)	(5)	(118)
Transfer to discontinued operations	-	(41)	-	(4)	(45)
Amounts used during the year	(85)	(186)	(64)	(78)	(413)
Increase in provisions due to passage of time and changes in discount rates	-	-	-	7	7
Other adjustments	-	(1)	(8)	(9)	(18)
Balance – December 31, 2014	\$ 32	\$ 100	\$ 127	\$ 338	\$ 597
Current portion of provisions	(26)	(47)	(71)	(129)	(273)
Non-current portion of provisions	\$ 6	\$ 53	\$ 56	\$ 209	\$ 324

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 judgments 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 2015 and 2019.

The closing balance of restructuring provisions consisted of the following:

As at December 31	2014	2013
Employee termination costs	\$ 23	\$ 23
Lease and other contractual obligations	8	22
Facility exit costs and other	1	3
	\$ 32	\$ 48

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.

f) Other includes contingent consideration (note 23(e)), 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		2014	2013
Carestream Health^(a)	Revolving credit facility and term loans due 2018 and 2019	\$ 2,133	\$ 2,270
Celestica^(b)	Revolving credit facility due 2018	-	-
Emerald Expositions^(c)	Revolving credit facility and term loan due 2018 and 2020	568	424
	Senior notes due 2021	200	200
		768	624
Flushing Town Center^(d)	Mortgage loan due 2016	195	-
	Mezzanine A and B loans due 2016	70	-
	Senior construction loan due 2016	46	407
	Mezzanine loan due 2016	36	44
		347	451
JELD-WEN^(e)	Revolving credit facility and term loan due 2019 and 2021	768	-
	Senior secured notes due 2017	-	452
	Senior secured revolving credit facility and term loan due 2016	-	169
	Other	48	59
		816	680
KraussMaffei^(f)	Senior secured notes due 2020	354	448
	Other	2	2
		356	450
Meridian Aviation^(g)	Revolving credit facility due 2015	50	-
	Senior debt loan and senior Yen loan due 2026	179	-
		229	-
Onex Credit CLOs^(h)	Secured notes due 2023 and 2026	3,431	1,723
ResCare⁽ⁱ⁾	Senior secured revolving credit facility and term loans due 2019	461	-
	Senior secured revolving credit facility and term loan due 2017	-	158
	Senior subordinated notes due 2019	-	200
	Other	1	2
		462	360
SGS International^(j)	Senior secured revolving credit facility and term loan due 2017 and 2019	375	385
	Senior notes due 2020	210	210
		585	595
Sitel Worldwide^(k)	Revolving credit facility and term loan due 2016 and 2017	255	246
	Senior unsecured notes due 2018	292	290
	Senior secured notes due 2017	193	191
	Mandatorily redeemable preferred shares	228	128
		968	855
Skilled Healthcare Group^(l)	Revolving credit facility and term loan due 2016	-	261
	Insured loans due 2043 and 2048	-	87
	Mortgage-backed revolving credit facility and term loan due 2016	-	67
	Other	-	4
		-	419
Spirit AeroSystems^(m)	Revolving credit facility and term loan due 2017 and 2019	-	538
	Senior subordinated notes due 2017	-	296
	Senior subordinated notes due 2020	-	300
	Other	-	18
		-	1,152
The Warranty Group⁽ⁿ⁾	Revolving credit facility and term loan due 2016	-	246
	Redeemable preferred shares	-	380
		-	626
Tropicana Las Vegas^(o)	Revolving credit facilities due 2018	62	59
USI^(p)	Senior secured revolving credit facility and term loan due 2017 and 2019	1,144	1,010
	Senior notes due 2021	630	630
	Other	11	16
		1,785	1,656
York^(q)	Senior secured revolving credit facility and term loans due 2019 and 2021	631	-
	Senior unsecured notes due 2022	302	-
		933	-
ONCAP companies^(r)	Revolving credit facilities and term loans due 2016 to 2019	788	772
	Subordinated notes due 2018 to 2024	372	311
	Other	9	8
		1,169	1,091
Other		5	45
Less: long-term debt held by the Company		(584)	(873)
Long-term debt, December 31		13,465	12,183
Less: financing charges		(183)	(213)
Current portion of long-term debt of operating companies, without recourse to Onex Corporation		(408)	(651)
Consolidated long-term debt of operating companies, without recourse to Onex Corporation		\$ 12,874	\$ 11,319

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. 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. 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% or an alternative base rate plus a margin of 3.00% 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 changes in tax law, as described in note 15.

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 \$1,070, reducing to \$920 during the term of the agreements.

At December 31, 2014, the first-lien term loan with \$1,673 (2013 – \$1,804) outstanding was recorded net of the unamortized discount of \$19 (2013 – \$25). At December 31, 2014, the second-lien term loan with \$487 (2013 – \$500) outstanding was recorded net of the unamortized discount of \$8 (2013 – \$9). At December 31, 2014 and 2013, no amounts were outstanding under the revolving facility.

As a result of the refinancing in 2013, Carestream Health recognized debt prepayment charges of \$16 in the second quarter of 2013, which were included in interest expense in the consolidated statements of earnings.

b) Celestica

Celestica had a \$400 revolving credit facility that was scheduled to mature in January 2015. In October 2014, Celestica amended its revolving credit facility to reduce the credit limit to \$300 and extend the maturity to October 2018. The revolving credit facility has an accordion feature that allows the company to increase the credit limit by an additional \$150 upon satisfaction of certain terms and conditions. At December 31, 2014 and 2013, no amounts were outstanding under the revolving credit facility. Celestica has issued \$29 (2013 – \$30) of letters of credit under its revolving credit facility at December 31, 2014.

The facility has restrictive covenants, including those relating to debt incurrence, the sale 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 (2013 – \$70) at December 31, 2014.

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. 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 at 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.

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 2. 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 July 2014, Emerald Expositions amended its credit facility to reduce the rate at which borrowings under its term loan bear interest to LIBOR (subject to a floor of 1.00%) plus a margin of 3.75%. The amendment resulted in a total interest rate reduction of 0.75% on the company's term loan.

At December 31, 2014, the term loan with \$577 (2013 – \$428) outstanding was recorded net of the unamortized discount of \$9 (2013 – \$4) and no amounts (2013 – nil) were outstanding under the revolving facility.

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, 2014, senior notes of \$200 (2013 – \$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 bore interest at LIBOR plus a margin that ranged 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 could 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.

At December 31, 2013, \$409 and \$46 of principal plus accrued interest were outstanding under the senior construction and mezzanine loans, respectively, of which a total of \$90 was held by the Company. The senior construction and mezzanine loans were recorded net of unamortized debt extinguishment gains of \$2 and \$2, respectively. In addition, at December 31, 2013 letters of credit of \$5 were outstanding, which partially reduced the amount available to be drawn under the senior construction loan.

In May 2014, Flushing Town Center entered into new credit facilities with third-party lenders consisting of a \$195 mortgage loan and \$70 of mezzanine loans. Borrowings under the mortgage loan bear interest at LIBOR (subject to a floor of 0.15%) plus 2.25%. The mezzanine loans consist of two loans: (i) \$20 bearing interest at LIBOR (subject to a floor of 0.15%) plus 6.25% ("mezzanine A loan") and (ii) \$50 bearing interest at LIBOR (subject to a floor of 0.15%) plus 10.72% ("mezzanine B loan"). During 2014, the company entered into interest rate caps to limit the variable rate portion of the mortgage loan and mezzanine loans. The interest rate cap agreements limit the increase in LIBOR for the mortgage loan and mezzanine loans to 2% per annum through June 2016. The mortgage and mezzanine loans mature in June 2016 and have three one-year extension options. The majority of Flushing Town Center's assets, with the exception of land that is currently under pre-development, are pledged as collateral under the new credit facilities. At December 31, 2014, \$195 was outstanding under the mortgage loan, \$20 was outstanding under the mezzanine A loan and \$50 was outstanding under the mezzanine B loan.

The proceeds from the new credit facilities, along with a \$95 equity investment from the Company, were used to repay the third-party lenders of the existing senior construction loan. Onex' share of the equity investment was \$84. At December 31, 2014, \$46 and \$36 of principal plus accrued interest were outstanding under the existing senior construction and mezzanine loans, respectively, all of which was held by the Company. The existing senior construction and mezzanine loans are subordinate to the new credit facilities.

e) JELD-WEN

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 contained 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 bore 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 was added to the Eurodollar and base rate that varied based on JELD-WEN's consolidated leverage ratio; base rate loan margins ranged from 1.50% to 3.00% and Eurodollar-based loan margins ranged from 2.50% to 4.00%. In addition, JELD-WEN paid 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 was scheduled to mature 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 bore interest at the Eurodollar rate plus a margin of up to 3.50% or a base rate plus a margin of up to 2.50%, and required 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 were 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 was outstanding under the revolving credit facility and \$99 was outstanding under the term loan. The amount available under the revolving credit facility was reduced by \$38 of letters of credit outstanding at December 31, 2013.

In October 2014, JELD-WEN entered into new credit facilities consisting of a \$775 term loan and a \$300 revolving credit facility. The offering price of the term loan was 99.00% of par. Borrowings under the term loan bear interest at LIBOR (subject to a floor of 1.00%) plus a margin of 4.25%. The term loan has no financial maintenance covenants and matures in October 2021. The revolving credit facility bears interest at LIBOR plus a margin of between 1.50% and 2.00% based on the amount drawn under the revolving credit facility. There are no financial maintenance covenants on the revolving credit facility unless the facility is 90% drawn. The revolving credit facility matures in October 2019. Substantially all of JELD-WEN's North American assets are pledged as collateral under the credit facilities. The proceeds from the credit facilities were primarily used to repay JELD-WEN's former senior secured credit facility and to redeem all of the outstanding senior secured notes that bore interest at 12.25%. At December 31, 2014, the term loan with \$775 outstanding was recorded net of the unamortized discount of \$7. JELD-WEN had no amounts outstanding under its revolving credit facility at December 31, 2014. The amount available under the revolving credit facility was reduced by \$39 of letters of credit outstanding at December 31, 2014.

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 was payable semi-annually and the senior secured notes were secured by a second priority lien on the collateral securing the senior secured revolving credit facility. The senior secured notes were redeemed in October 2014. At December 31, 2013, the senior secured notes with \$460 outstanding were recorded net of the unamortized discount of \$8.

As a result of the redemption of its senior secured notes, JELD-WEN recognized a charge of \$50 during the fourth quarter of 2014, which is included in interest expense in the consolidated statements of earnings.

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. During 2013, JELD-WEN paid \$60, 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, 2014, \$354 (€293) (2013 – \$448 (€325)) was outstanding under the senior secured notes.

In December 2012, KraussMaffei established a €75 revolving credit facility that matures in December 2017. During 2013, KraussMaffei increased the revolving credit facility capacity by €25 to a total capacity of €100. Prior to an amendment in October 2014, the revolving credit facility could be used for revolving cash advances of up to €25 as well as for letters of guarantee and credit. Subsequent to the amendment in October 2014, the revolving credit facility could be used for revolving cash advances of up to €50 as well as for letters of guarantee and credit. Revolving loans drawn on the facility bear interest at LIBOR or EURIBOR plus a margin of 5.00% or an alternate base rate plus a margin of 4.00%. Letters of guarantee and 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 guarantee and credit issued.

No amounts were drawn under the revolving credit facility at December 31, 2014 and 2013. The amount available under the revolving credit facility was reduced by \$60 (€49) (2013 – \$70 (€51)) of letters of guarantee and credit outstanding at December 31, 2014.

Substantially all of KraussMaffei's assets are pledged as collateral under its senior secured notes and revolving credit facility.

g) Meridian Aviation

In December 2014, Meridian Aviation entered into loan agreements in connection with the purchase of an aircraft, which is included in inventory at December 31, 2014 as the aircraft is under contract to be sold in the first quarter of 2015. The loan agreements consist of a \$138 senior debt loan, a \$42 (¥4,937) senior Yen loan and a \$50 revolving credit facility. The senior debt loan and senior Yen loan mature in December 2026 and are secured by the aircraft. Borrowings under the revolving credit facility mature in April 2015.

and are guaranteed and reimbursable by capital calls from the Limited Partners of Onex Partners III. At December 31, 2014, \$138 was outstanding under the senior debt loan, \$41 (¥4,937) was outstanding under the senior Yen loan and \$50 was outstanding under the revolving credit facility.

h) Onex Credit's CLOs

In March 2012, Onex Credit 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, 2014, Onex Credit had established seven CLOs (2013 – four CLOs) which had secured notes and equity outstanding in the aggregate amount of \$3,806 (2013 – \$1,870) as follows:

	Closing Date	As at December 31, 2014	As at December 31, 2013
CLO-1	March 2012	\$ 327	\$ 327
CLO-2	November 2012	517	517
CLO-3	March 2013	512	512
CLO-4	October 2013	514	514
CLO-5	March 2014	420	-
CLO-6	June 2014	1,002	-
CLO-7	November 2014	514	-
		3,806	1,870
Onex' investment		(271)	(122)
		\$ 3,535	\$ 1,748

The secured notes bear interest at a rate of LIBOR plus a margin and mature between March 2023 and October 2026. The notes and equity of the Onex Credit CLOs are designated at fair value through net earnings upon initial recognition. At December 31, 2014, the fair value of the notes and equity held by investors other than Onex was \$3,431 (2013 – \$1,723).

The notes of Onex Credit 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.

In addition, Onex Credit established a warehouse facility in December 2014 in connection with its eighth CLO. Onex purchased \$20 of subordinated notes to support the warehouse facility and a financial institution provided an initial borrowing capacity of up to \$100. The subordinated notes do not have a stated rate of interest, but will receive any excess available funds after payment of principal, accrued interest and certain expenses upon

the closing of Onex Credit CLO-8. The warehouse facility matures on the earlier of the closing of Onex Credit CLO-8 and December 2015. In January 2015, Onex purchased an additional \$40 of subordinated notes to increase the borrowing capacity of the warehouse facility up to \$300 for Onex Credit CLO-8.

i) ResCare

In April 2012, ResCare entered into a \$375 senior secured credit facility, which is available through April 2017. The senior secured credit facility consisted of a \$200 revolving credit facility and a \$175 term loan. The senior secured credit facility bore interest at LIBOR plus a margin of 2.75%. The term loan required quarterly principal repayments of \$2. The required quarterly principal repayments increased throughout the term until they reach \$7 in 2015. Substantially all of ResCare's assets were pledged as collateral under the senior secured credit facility.

At December 31, 2013, nil and \$158 were outstanding under the revolving credit facility and term loan, respectively.

In April 2014, ResCare entered into a new \$650 senior secured credit facility, which is available through April 2019. The senior secured credit facility consists of a \$250 revolving credit facility, a \$200 term loan and a \$200 delayed draw term loan. The senior secured credit facility bears interest at LIBOR plus a margin of 2.25%. The term loan requires quarterly principal repayments of \$3 beginning in September 2014. The required quarterly principal repayments increase throughout the term until they reach \$6 in 2018. 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 credit facility, fund a \$130 distribution to shareholders, pay fees and expenses associated with the transaction and for general corporate purposes. The Company's portion of the distribution to shareholders was \$120, of which Onex' portion was \$25.

In December 2010, ResCare issued \$200 of senior subordinated notes. The senior subordinated notes bore interest at a rate of 10.75% and were repayable at maturity in January 2019. At December 31, 2013, \$200 was outstanding under the senior subordinated notes. In December 2014, ResCare drew on its entire \$200 delayed draw term loan and a portion of its revolving credit facility to redeem all of the outstanding senior subordinated notes and pay accrued interest, fees, closing costs and other third-party expenses.

As a result of the redemption of its senior subordinated notes, ResCare recognized a charge of \$15 during the fourth quarter of 2014, which is included in interest expense in the consolidated statements of earnings.

At December 31, 2014, \$70 and \$392 were outstanding under the revolving credit facility and term loans, respectively. The term loans are recorded net of the unamortized discount of \$1.

j) 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 bore 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, 2014, \$375 and nil (2013 – \$385 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, 2014, senior notes of \$210 (2013 – \$210) were outstanding.

k) 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. In 2011 and 2012, Sitel Worldwide amended the credit facility that governs its term loan and revolving credit facility. The amendments included extending the maturity date of its term loan from January 2014 to January 2017 and extending the maturity on \$61 of commitments for its revolving credit facility from January 2013 to January 2016. In January 2013, the non-extended portion of the revolving credit facility expired, which reduced the borrowing capacity under the revolving credit facility to \$61. Borrowings under the extended term loan and revolving credit facility bear interest at a rate of LIBOR plus a margin of up to 7.25% or prime plus a margin of 6.25%. In addition, the credit agreement was amended to lessen restrictions with respect to certain covenant levels. At December 31, 2014, \$223 and \$32 (2013 – \$228 and \$18) 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, 2014 and 2013, the 2018 senior unsecured notes with \$300 outstanding were recorded net of the unamortized discount of \$4 (2013 – \$5) and embedded derivative of \$4 (2013 – \$5) 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, 2014 and 2013, the 2017 senior secured notes with \$200 outstanding were recorded net of the unamortized discount of \$5 (2013 – \$6) and embedded derivative of \$2 (2013 – \$3) associated with the senior secured notes.

Borrowings under the credit facility and senior secured notes are secured by substantially all of Sitel Worldwide's assets.

Included in long-term debt at December 31, 2014 was \$75 (2013 – \$67) of mandatorily redeemable Class B preferred shares, of which \$60 (2013 – \$53) 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, 2014 was \$71 (2013 – \$61) of mandatorily redeemable Class C preferred shares, of which \$56 (2013 – \$48) 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.

During the second quarter of 2014, Sitel Worldwide completed an issuance of \$75 of mandatorily redeemable Class D preferred shares, of which Onex' share was \$69. The mandatorily redeemable Class D preferred shares accrue annual dividends at a rate of 16% and are redeemable at the option of the holder on or before July 2018. As a result of this transaction, Onex' economic interest in Sitel Worldwide based on preferred share ownership was increased to 86%. Included in long-term debt at December 31, 2014 was \$82 of mandatorily redeemable Class D preferred shares, of which \$75 was held by Onex.

Outstanding amounts related to preferred shares at December 31, 2014 and 2013 include accrued dividends.

l) 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. In April 2012, Skilled Healthcare Group amended its credit facility agreement to increase the term loan by an additional \$100. The amended term loan bore interest at LIBOR (subject to a floor of 1.50%) plus a margin of 5.25%, and required quarterly principal repayments of \$2 until maturity in 2016. The amended revolving credit facility bore interest at 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, and was repayable at maturity in 2015. In June 2014, Skilled Healthcare Group amended its credit facility agreement to increase the margin on its term loan to 5.50% from 5.25% and to extend the maturity date of the revolving credit facility to 2016.

Substantially all of Skilled Healthcare Group's assets, except the skilled nursing facilities securing the insured loans from a department of the U.S. federal government, are pledged as collateral under the term loan and revolving credit facility.

At December 31, 2014, \$242 and \$16 (2013 – \$244 and \$18) were outstanding under the term loan and revolving credit facility, respectively. The term loan was recorded net of the unamortized discount of \$1 (2013 – \$1).

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, 2014, \$86 (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, 2014, \$61 and \$4 (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.

In August 2014, Skilled Healthcare Group entered into a purchase and combination agreement to combine with Genesis HealthCare, a leading U.S. operator of long-term care facilities, as discussed in note 6. The combination was completed in February 2015. Onex no longer controls Skilled Healthcare Group after the completion of the combination and as such, the operations of Skilled Healthcare Group are presented as discontinued in the consolidated statements of earnings and cash flows for the year ended December 31, 2014, and the prior year has been restated to report the results of Skilled Healthcare Group as discontinued on a comparative basis. As a result, consolidated long-term debt at December 31, 2014 does not include long-term debt of Skilled Healthcare Group.

m) Spirit AeroSystems

In April 2012, Spirit AeroSystems entered into a credit agreement that consisted of a \$550 term loan and a \$650 revolving credit facility. At December 31, 2013, nil and \$540 were outstanding under the revolving credit facility and the term loan, respectively. The term loan was recorded net of the unamortized discount of \$2.

In September 2009, Spirit AeroSystems completed an offering of \$300 in aggregate principal amount of 7.50% senior subordinated notes due in 2017. At December 31, 2013, the 2017 senior subordinated notes with \$300 outstanding were recorded net of the unamortized discount of \$4. In November 2010, Spirit AeroSystems completed an offering of \$300 in aggregate principal amount of 6.75% senior subordinated notes due in 2020. At December 31, 2013, \$300 of senior subordinated notes due in 2020 was outstanding.

The Company no longer consolidates Spirit AeroSystems as a result of the June 2014 sale, as described in note 6.

n) The Warranty Group

In June 2012, The Warranty Group entered into a credit facility that consisted of a \$250 term loan and a \$25 revolving credit facility. At December 31, 2013, \$246 and nil were outstanding under the term loan and revolving credit facility, respectively.

Included in long-term debt at December 31, 2013 was \$380 of redeemable preferred shares, of which \$369 was held by the Company.

The Company no longer consolidates The Warranty Group as a result of the August 2014 sale, as described in note 6.

o) Tropicana Las Vegas

In December 2012, Tropicana Las Vegas amended and restated its \$65 credit agreement. The amended and restated credit agreement consists of a \$50 revolving credit facility that bears interest at a fixed annual rate of 4.00%, a \$5 revolving credit facility that bears interest at a fixed annual rate of 5.00% and a \$10 revolving credit facility that 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. Substantially all of Tropicana Las Vegas' assets are pledged as collateral under the agreement.

At December 31, 2014, \$62 (2013 – \$59) was outstanding under the revolving credit facilities.

p) USI

In December 2012, USI entered into a senior secured credit facility consisting 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.

In December 2013, USI amended its credit agreement to reduce the margin by 0.50% and the applicable floor by 0.25%. Subsequent to the amendment, borrowings under the senior secured term loan bear interest at LIBOR (subject to a floor of 1.00%) plus a margin of 3.25% or a base rate plus a margin of 2.25%. USI pays a quarterly commitment fee of 0.38% per annum 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.

In May 2014, USI increased the senior secured term loan under its senior secured credit facility by \$125. The new term loan has the same terms as its existing senior secured term loan.

The proceeds from the increased senior secured term loan were used to fund a portion of the acquisition of 40 insurance brokerage and consulting offices across the United States from Wells Fargo Insurance, as described in note 2.

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, 2014, \$1,129 and \$20 (2013 – \$1,015 and nil) 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 (2013 – \$5). In addition, USI had \$1 (2013 – \$1) of letters of credit outstanding that were issued under its senior secured revolving credit facility at December 31, 2014.

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 swapped the variable rate portion for a fixed rate of 1.72% 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, 2014 and 2013, senior notes of \$630 were outstanding.

q) York

Onex, Onex Partners III and Onex management acquired York in October 2014, as described in note 2. In October 2014, York entered into a senior secured credit facility consisting of a \$555 first-lien term loan, a \$60 delayed draw term loan and a \$100 revolving facility. Borrowings under the term loans bear interest at LIBOR (subject to a floor of 1.00%) plus a margin of 3.75%. The term loans require quarterly amortization repayments, and can be repaid in whole or in part without premium or penalty at any time before maturity in October 2021. The revolving facility bears interest at LIBOR plus a margin of 3.75% and matures in October 2019. Substantially all of York's assets are pledged as collateral under the senior secured credit facility. At December 31, 2014, the term loans with \$613 outstanding were recorded net of unamortized discounts of \$4 and \$22 was outstanding under the revolving facility.

During the fourth quarter of 2014, York completed offerings of \$315 in aggregate principal amount of 8.50% senior unsecured notes due in October 2022. Interest is payable semi-annually beginning in April 2015. The senior unsecured notes may be redeemed by the company at any time at various premiums above face value. At December 31, 2014, the senior unsecured notes with \$315 outstanding were recorded net of an embedded derivative of \$13 associated with the senior unsecured notes.

r) ONCAP operating companies

ONCAP's consolidated operating companies consist of Bradshaw, CiCi's Pizza, Davis-Standard, EnGlobe, Hopkins, Pinnacle Renewable Energy Group, PURE Canadian Gaming and Mister Car Wash (up to the date of disposition in August 2014). 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 \$685 are outstanding and combined revolving credit facilities of \$103 are outstanding. The available facilities bear interest at various rates based on a base floating rate plus a margin. At December 31, 2014, effective interest rates ranged from 3.16% to 6.25% on borrowings under the revolving credit and term loan facilities. The term loans typically require quarterly repayments and are due between 2016 and 2019. The companies also have subordinated notes of \$372 due between 2018 and 2024 that bear interest at rates ranging from 10.0% to 18.0%, of which the Company owns \$297.

Included in the debt amounts for the ONCAP consolidated operating companies is the debt of PURE Canadian Gaming. 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).

In May 2014, PURE Canadian Gaming entered into a new credit facility consisting of a C\$150 term loan and a C\$60 revolving credit facility. Borrowings under the credit facility bear interest at a bankers' acceptance rate plus a margin of up to 3.75%, depending on PURE Canadian Gaming's leverage ratio, until maturity in May 2019. The net proceeds from the credit facility were used to repay existing debt facilities, to repurchase \$31 (C\$34) of subordinate notes held primarily by the Company and to fund a \$10 (C\$11) distribution to shareholders. The Company's share of the repurchase of subordinate notes and the distribution to shareholders was \$41 (C\$45), of which Onex' share was \$18 (C\$20). At December 31, 2014, \$129 (C\$150) and \$10 (C\$12) were outstanding under the term loan and revolving credit facility, respectively.

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, 2014 was \$216, with portions expiring through 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, 2014, the amount available under the deemed risk facility was C\$25 (2013 – C\$25). No amounts were outstanding on the line of credit at December 31, 2014 and 2013. At December 31, 2014, there were letters of credit issued for \$12 (€10) (2013 – nil) under the line of credit.

The annual minimum repayment requirements for the next five years and thereafter on consolidated long-term debt are as follows:

2015	\$ 408
2016	560
2017	642
2018	733
2019	4,007
Thereafter	7,115
	\$ 13,465

13. LEASES

a) The Company as lessee

Future minimum lease payments are as follows:

	Finance Leases	Operating Leases
For the year:		
2015	\$ 20	\$ 297
2016	14	223
2017	7	171
2018	4	118
2019	2	77
Thereafter	7	151
Total future minimum lease payments	\$ 54	\$ 1,037
Less: imputed interest	(9)	
Balance of obligations under finance leases, without recourse to Onex Corporation	45	
Less: current portion	(18)	
Non-current obligations under finance leases, without recourse to Onex Corporation	\$ 27	

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:	
2015	\$ 78
2016	67
2017	56
2018	48
2019	46
Thereafter	287
	\$ 582

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, 2014 and 2013.

14. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities comprised the following:

As at December 31	2014	2013
Spirit AeroSystems advance payments ^(a)	\$ -	\$ 723
Deferred revenue and other deferred items	63	300
Unrealized carried interest due to Onex and ONCAP management ^(b)	204	343
Defined benefit pensions and non-pension post-retirement benefits (note 31)	460	448
Stock-based compensation ^(c)	313	284
JELD-WEN employee stock ownership plan ^(d)	87	87
Other ^(e)	175	341
	\$ 1,302	\$ 2,526

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 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 was recorded as a current liability. The Company no longer consolidates Spirit AeroSystems as a result of the June 2014 sale, as described in note 6.

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 16. 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 2014, the unrealized carried interest liability decreased for carried interest paid on the sale of shares of Allison Transmission (note 8) and Spirit AeroSystems (notes 6 and 23), the sale of the Gates division and residual assets of Tomkins (note 8), and the sale of The Warranty Group (note 6), partially offset by a charge for the change in carried interest of \$160, as described in note 23. During 2013, the unrealized carried interest liability increased for a charge for the change in carried interest of \$262 (note 23), partially offset by carried interest paid on the distributions received from Carestream Health (note 12), the sales of RSI (note 8), TMS International (note 6), BSN SPORTS and Caliber Collision (note 22), and the partial dispositions of Allison Transmission (note 8).

c) At December 31, 2014, the stock-based compensation liability consisted of \$299 (2013 – \$280) for the stock-based compensation plans at the parent company and \$14 (2013 – \$4) for stock option and other share-based compensation plans in place at the operating companies. Included in long-term investments (note 8) is \$66 (2013 – \$39) related to forward agreements to economically hedge the Company's exposure to changes in the trading price of Onex shares associated with the Management and Director DSU Plans.

d) JELD-WEN's employee stock ownership plan ("ESOP") was established prior to Onex' acquisition of JELD-WEN 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 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 employees. The company will periodically repurchase JELD-WEN shares owned by the ESOP to fund distributions to ESOP participants. During 2014, JELD-WEN repurchased stock from the ESOP for a cash cost of \$15 (2013 – \$16).

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).

15. INCOME TAXES

The reconciliation of statutory income tax rates to the Company's effective tax rate is as follows:

Year ended December 31	2014	2013
Income tax recovery at statutory rate	\$ (197)	\$ (226)
Changes related to:		
Income tax rate differential of operating companies	533	525
Non-taxable gains	(238)	(459)
Unbenefited tax losses	8	137
Utilization of tax loss carryforwards not previously benefited	(21)	(23)
Realized gains not expected to be taxable in the foreseeable future	-	(480)
Foreign exchange	(12)	(29)
Limited Partners' Interests	13	84
Other, including permanent differences	(7)	(17)
Provision for (recovery of) income taxes	\$ 79	\$ (488)
Classified as:		
Current	\$ 155	\$ 135
Deferred	(76)	(623)
Provision for (recovery of) income taxes	\$ 79	\$ (488)

During 2013, as a result of evaluating 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 were temporary differences which were probable to not reverse in the fore-

seeable future, consistent with the principles outlined in IAS 12, *Income Taxes*. As a result, Onex recorded a \$526 non-cash recovery of deferred income taxes during 2013, of which \$480 was included in the Company's deferred 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 for each respective operating company. Deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, comprised the following:

	Scientific Research and Development	Provisions	Deferred Revenue	Tax Losses	Property, Plant and Equipment, and Intangibles	Other	Total
Deferred Income Tax Assets							
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
Credited (charged) to net earnings	(1)	-	(1)	(3)	(8)	11	(2)
Credited (charged) directly to equity	-	11	-	-	-	3	14
Exchange differences	-	(3)	-	(9)	(1)	(2)	(15)
Acquisition of subsidiaries	-	6	1	23	-	8	38
Disposition of operating companies	-	(3)	(116)	(8)	-	(17)	(144)
Transfer to discontinued operations	-	(22)	-	-	-	(4)	(26)
Other adjustments	2	(24)	-	8	(10)	1	(23)
Balance – December 31, 2014	\$ 1	\$ 141	\$ 10	\$ 349	\$ 45	\$ 190	\$ 736

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Deferred Income 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 – 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
Charged (credited) to net earnings	2	(1)	(43)	(37)	1	(78)
Exchange differences	-	-	(14)	(9)	2	(21)
Acquisition of subsidiaries	-	-	225	-	-	225
Disposition of operating companies	-	(8)	(55)	-	(57)	(120)
Transfer to discontinued operations	-	-	(13)	-	(5)	(18)
Other adjustments	-	24	(23)	-	(38)	(37)
Balance – December 31, 2014	\$ 40	\$ 24	\$ 1,502	\$ 60	\$ 136	\$ 1,762

At December 31, 2014, Onex and its investment holding companies had \$960 of non-capital loss carryforwards and \$79 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, 2014, deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset has been recognized were \$5,494 (2013 – \$6,723), of which \$1,879 (2013 – \$3,174) had no expiry, \$412 (2013 – \$304) was available to reduce future income taxes between 2015 and 2021 (2013 – 2014 and 2020), inclusive, and \$3,203 (2013 – \$3,245) was available with expiration dates of 2022 through 2034 (2013 – 2021 through 2033).

At December 31, 2014, the aggregate amount of taxable temporary differences not recognized in association with investments in subsidiaries, joint ventures and associates was \$3,754 (2013 – \$6,092).

16. 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 – December 31, 2012	\$ 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
Limited Partners' Interests charge ^(a)	1,069
Contributions by Limited Partners ^(b)	867
Distributions paid to Limited Partners ^(c)	(3,719)
Balance – December 31, 2014	\$ 5,176
Current portion of Limited Partners' Interests ^(d)	(23)
	\$ 5,153

a) The gross Limited Partners' Interests charge is primarily due to net fair value increases of the underlying investments in the Onex Partners and ONCAP Funds. The gross Limited Partners' Interests charge of \$1,308 (2013 – \$2,250) was reduced for the change in carried interest of \$239 for the year ended December 31, 2014 (2013 – \$395). Onex' share of the change in carried interest was \$84 for the year ended December 31, 2014 (2013 – \$137).

b) Contributions by Limited Partners during 2014 include \$50 for the Onex Partners III investment in common stock of JELD-WEN, \$106 for the Onex Partners III add-on investment in Emerald Expositions, \$348 for the Onex Partners III investment in York and \$15 for the Onex Partners III add-on investment in Meridian Aviation, each as described in note 2, in addition to \$75 for the ONCAP III investment in Mavis Discount Tire (note 8), \$159 for the Onex Partners IV investment in AIT (note 8) and management fees and partnership expenses from the Limited Partners of the Onex Partners and ONCAP Funds. 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).

c) Distributions paid to Limited Partners during 2014 consisted primarily of the proceeds on the dispositions of Allison Transmission (notes 8 and 23), Tomkins (note 8), Mister Car Wash (note 22), Spirit AeroSystems (notes 6, 23 and 26) and The Warranty Group (note 6) and distributions received from BBAM, ResCare and PURE Canadian Gaming. Distributions paid to Limited Partners during 2013 consisted primarily of the proceeds on the realization of RSI (note 8), the sales of TMS International (note 6), BSN SPORTS and Caliber Collision (note 22), the partial dispositions of Allison Transmission (note 8), and distributions received from Allison Transmission, Carestream Health, JELD-WEN, PURE Canadian Gaming and The Warranty Group.

d) At December 31, 2014, the current portion of the Limited Partners' Interest was \$23 and was included in accounts payable and accrued liabilities in the consolidated balance sheets. The current portion at December 31, 2014 represented the Limited Partners' share of proceeds on the sale of the residual assets of Tomkins, as described in note 8(a).

17. 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, 2014, the issued and outstanding share capital consisted of 100,000 Multiple Voting Shares (2013 – 100,000) and 108,858,066 Subordinate Voting Shares (2013 – 111,444,100). 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, 2014 or 2013.

The Company increased its quarterly dividend by 33% to C\$0.05 per Subordinate Voting Share beginning with the dividend declared by the Board of Directors in May 2014. In May 2013, the Company increased its quarterly dividend by 36% to C\$0.0375 per Subordinate Voting Share beginning in July 2013.

In January 2015, in connection with acquiring control of the Onex Credit asset management platform as described in note 32, Onex issued 111,393 of its Subordinate Voting Shares as part of the consideration in the transaction.

c) During 2014, under the Dividend Reinvestment Plan, the Company issued 7,952 Subordinate Voting Shares (2013 – 8,062) at an average cost of C\$61.18 per share (2013 – C\$48.33). In 2014 and 2013, no Subordinate Voting Shares were issued upon the exercise of stock options.

Onex renewed its Normal Course Issuer Bid in April 2014 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 8.6 million shares.

During 2014, the Company repurchased and cancelled under its Normal Course Issuer Bids 2,593,986 of its Subordinate Voting Shares at a cash cost of \$150 (C\$163). The excess of the purchase cost of these shares over the average paid-in amount was \$140 (C\$153), which was charged to retained earnings. Included in the Normal Course Issuer Bid repurchases for 2014 was a private transaction in July 2014 in which the Company repurchased 1,000,000 of its Subordinate Voting Shares that were held indirectly by Mr. Gerald W. Schwartz, who is Onex' controlling shareholder. The transaction is described in note 30(p). As at December 31, 2014, the Company has the capacity under the current Normal Course Issuer Bid to purchase approximately 6.5 million shares.

During 2013, the Company repurchased and cancelled 3,060,400 of its Subordinate Voting Shares at a cash cost of \$153 (C\$159). 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. Included in the total amount repurchased and cancelled during 2013 was a private transaction in November 2013 in which the Company repurchased 1,000,000 of its Subordinate Voting Shares that were held indirectly by Mr. Gerald W. Schwartz, as described in note 30(p). The November 2013 private transaction is excluded from the Normal Course Issuer Bid repurchases for 2013.

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 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	
Granted	29,537	C\$ 63.00	-	-
Additional units issued in lieu of compensation and cash dividends	11,710	C\$ 64.01	99,264	C\$ 58.40
Outstanding at December 31, 2014	584,507		566,494	
Hedged with a counterparty financial institution at December 31, 2014	(577,051)		(566,494)	
Outstanding at December 31, 2014 – Unhedged	7,456		-	

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 previous business days exceeds the exercise price of the options or the share appreciation rights by at least 25% (the "hurdle price"). At December 31, 2014, 15,612,000 Subordinate Voting Shares (2013 – 15,612,000) were reserved for issuance under the Plan, against which options representing 12,411,542 shares (2013 – 7,867,175) were outstanding, of which 3,625,291 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 6,775,000 options, 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 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
Granted	4,928,500	C\$ 58.65
Surrendered	(377,483)	C\$ 19.47
Expired	(6,650)	C\$ 41.35
Outstanding at December 31, 2014	12,411,542	C\$ 48.88

During 2014 and 2013, the total cash consideration paid on options surrendered was \$15 (C\$16) and \$292 (C\$299), 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\$62.92 (2013 – C\$50.81) per share.

Options outstanding at December 31, 2014 consisted of the following:

Month and Year of Grant	Number of Options Outstanding	Exercise Price	Number of Options Exercisable	Hurdle Price	Remaining Life (years)
January 2006	115,000	C\$ 19.25	115,000	C\$ 24.07	1.1
December 2006	230,000	C\$ 29.22	223,000	C\$ 36.53	1.9
December 2007	568,082	C\$ 35.20	543,081	C\$ 44.00	2.9
December 2008	542,270	C\$ 15.95	518,270	C\$ 19.94	3.9
December 2009	599,140	C\$ 23.35	567,140	C\$ 29.19	4.9
December 2010	478,450	C\$ 29.29	381,550	C\$ 36.62	5.9
July 2011	60,000	C\$ 37.37	36,000	C\$ 46.72	6.5
December 2011	525,700	C\$ 33.11	314,100	C\$ 41.39	6.9
September 2012	50,000	C\$ 38.50	20,000	C\$ 48.13	7.7
December 2012	914,400	C\$ 40.35	364,650	C\$ 50.44	7.9
December 2013	3,400,000	C\$ 56.92	–	C\$ 71.15	8.9
January 2014	3,950,000	C\$ 57.45	–	C\$ 71.82	9.1
September 2014	75,000	C\$ 62.93	–	C\$ 78.67	9.7
December 2014	903,500	C\$ 63.53	–	C\$ 79.42	9.9
	12,411,542		3,082,791		

In January 2015, in connection with acquiring control of the Onex Credit asset management platform as described in note 32, the Company issued 60,000 options to Onex Credit's chief executive officer to acquire Subordinate Voting Shares with an exercise price of C\$68.57 per share. The options vest at a rate of 20% per year from the grant date. The options are subject to the same terms and conditions as the Company's existing Stock Option Plan; however, the options are also subject to an additional performance threshold specific to the Onex Credit asset management platform.

18. NON-CONTROLLING INTERESTS

The Company's material non-controlling interests at December 31, 2014 were associated with Celestica. At December 31, 2013, the Company's material non-controlling interests were associated with Celestica and Spirit AeroSystems. There were no dividends paid by Celestica or Spirit AeroSystems during 2014 or

2013. On June 4, 2014, the Company sold its controlling interest in Spirit AeroSystems under a secondary offering and share repurchase, as described in note 6. As a result, the operations of Spirit AeroSystems up to June 4, 2014 are presented as discontinued. Summarized balance sheet information based on those amounts included in these consolidated financial statements for Celestica and Spirit AeroSystems is as follows:

	Celestica		Spirit AeroSystems
As at December 31	2014	2013	2013
Non-controlling interest	89%	89%	84%
Current assets	\$ 2,104	\$ 2,121	\$ 3,030
Non-current assets	480	518	2,124
	2,584	2,639	5,154
Current liabilities	\$ 1,054	\$ 1,109	\$ 1,342
Non-current liabilities	134	128	2,147
	1,188	1,237	3,489
Net assets	\$ 1,396	\$ 1,402	\$ 1,665
Accumulated non-controlling interests	\$ 1,237	\$ 1,250	\$ 1,409

Financial information on the statements of earnings for Celestica (electronics manufacturing services segment) is presented in note 33. Financial information on the statements of earnings for Spirit AeroSystems is presented in note 6. Summarized cash flows for Celestica and Spirit AeroSystems are as follows:

Year ended December 31	Celestica		Spirit AeroSystems
	2014	2013	2013
Cash flows from operating activities	\$ 242	\$ 153	\$ 319
Cash flows used for financing activities	(161)	(107)	(79)
Cash flows used for investing activities	(60)	(52)	(262)

19. 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	2014	2013
Cost of inventory, raw materials and consumables used	\$ 8,538	\$ 8,971
Employee benefit expense ⁽¹⁾	6,292	6,066
Repairs, maintenance and utilities	626	631
Transportation	538	566
Professional fees	439	390
Operating lease payments	341	358
Provisions	185	209
Other expenses	986	992
	\$ 17,945	\$ 18,183

(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.

20. INTEREST EXPENSE OF OPERATING COMPANIES

Year ended December 31	2014	2013
Interest on long-term debt of operating companies	\$ 697	\$ 630
Interest on obligations under finance leases of operating companies	4	3
Other interest expense of operating companies ⁽¹⁾	129	66
	\$ 830	\$ 699

(1) Other includes debt prepayment expense of \$69 (2013 – \$19).

21. STOCK-BASED COMPENSATION EXPENSE

Year ended December 31	2014	2013
Parent company ^(a)	\$ 142	\$ 215
Celestica	28	29
USI	22	21
JELD-WEN	20	(7)
Caliber Collision	-	50
Other	18	12
	\$ 230	\$ 320

a) Parent company stock-based compensation primarily relates to Onex' stock option plan, as described in note 17(e) and the MIP, as described in note 30(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, 2014 of C\$67.46 (2013 – C\$57.35), exercise price of the options, remaining life of each option issuance, volatility of each option issuance ranging from 16.03% to 16.19%, an average dividend yield of 0.42% and an average risk-free rate of 1.90%. 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 1.34% and an industry comparable historical volatility for each investment.

22. OTHER GAINS

Year ended December 31	2014	2013
Sale of Mister Car Wash ^(a)	\$ 317	\$ -
Sale of Caliber Collision ^(b)	-	386
Sale of BSN SPORTS ^(c)	-	175
	\$ 317	\$ 561

a) Mister Car Wash

In August 2014, ONCAP II sold its interests in Mister Car Wash for net proceeds of \$386, of which Onex' share was \$153. Included in the net proceeds amount was \$3 held in escrow and for working capital adjustments, which was received early in the fourth quarter of 2014, and an \$8 tax refund, which is expected to be received by August 2015. Onex' share of the amounts held in escrow and for working capital adjustments and the tax refund is \$5. The Company recorded a gain of \$317 based on the excess of the proceeds over the carrying value of the investment. Onex' share of the gain was \$140. 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. Mister Car Wash 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 statements of cash flows for the sale of Mister Car Wash were reduced for Mister Car Wash's cash and cash equivalents of \$3 at the date of sale.

Amounts paid on account of this transaction related to the MIP totalled \$11. In addition, management of ONCAP received \$40 in carried interest, which included a net payment of \$7 of carried interest by Onex and Onex management.

b) 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 was received during 2014. Onex' share of the amounts held in escrow and for working capital adjustments is \$2. The Company recorded a gain of \$386 based on the excess of the proceeds over the carrying value of the investment. Onex' share of the 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 statements 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.

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 Onex management.

c) 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 based on the excess of the proceeds over the carrying value of the investment. Onex' share of the 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 changes in tax law, as described in note 15. 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 statements 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 was 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, 2014, \$3 (2013 – \$15) remained receivable for escrow, of which Onex' share was \$1 (2013 – \$7).

Amounts paid on account of this transaction related to the MIP totalled \$6. In addition, management of ONCAP received \$20 in carried interest, which included a net payment of \$7 of carried interest by Onex and Onex management.

23. OTHER ITEMS

Year ended December 31	2014	2013
Restructuring ^(a)	\$ 70	\$ 91
Transition, integration and other ^(b)	125	73
Transaction costs ^(c)	24	23
Carried interest due to Onex and ONCAP management ^(d)	160	262
Change in fair value of contingent consideration ^(e)	(1)	108
Increase in value of other Onex Partners investments ^(f)	(46)	(6)
Foreign exchange loss	38	20
Other ^(g)	8	(136)
	\$ 378	\$ 435

a) Restructuring charges (recoveries) recorded at the operating companies were:

Year ended December 31	2014	2013
JELD-WEN ⁽ⁱ⁾	\$ 31	\$ 31
Sitel Worldwide ⁽ⁱⁱ⁾	20	14
Carestream Health ⁽ⁱⁱⁱ⁾	11	10
Celestica ^(iv)	(2)	28
Other	10	8
	\$ 70	\$ 91

- i) During 2014, JELD-WEN reported restructuring charges of \$31 (2013 – \$31). The charges recorded by JELD-WEN in 2014 primarily relate to severance costs and modification of a management incentive plan. The charges recorded by JELD-WEN in 2013 primarily related to costs associated with the closure of facilities.
- ii) 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.
- iii) Carestream Health's restructuring charges for 2014 related primarily to the establishment of a central functions location for its European operations. 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.
- iv) During 2012, Celestica announced that it would wind down its manufacturing services for a significant customer. As a result, Celestica incurred restructuring charges of \$28 during 2013 to consolidate facilities and reduce its workforce. During 2014, Celestica recorded a recovery of \$2 primarily due to a reversal of estimated contractual lease obligations.

b) Transition, integration and other expenses are typically to provide for the costs of transitioning the activities of an operating company from a previous parent company upon acquisition and to integrate new acquisitions at the operating companies. Transition, integration and other expenses for 2014 were primarily due to USI, Emerald Expositions and Carestream Health. Transition, integration and other expenses for 2013 were primarily due to USI, Carestream Health and Davis-Standard Holdings, Inc.

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 2014 were primarily due to the acquisitions of York, Mavis Discount Tire and AIT in addition to acquisitions completed by the operating companies. Transaction costs for 2013 were primarily due to the acquisition of Emerald Expositions (note 2) and acquisitions completed by the operating companies.

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 16. 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, 2014, a net recovery of \$1 (2013 – net charge of \$108) 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, 2014 was \$203 (2013 – \$200).

f) Includes realized and unrealized gains (losses) on other Onex Partners investments in which Onex had no or limited remaining strategic or operating influence: Spirit AeroSystems (from June to August 2014), Allison Transmission (from June to September 2014), Tomkins (April to December 2014) and FLY Leasing Limited.

Year ended December 31	2014	2013
Spirit AeroSystems ⁽ⁱ⁾	\$ 29	\$ -
Tomkins ⁽ⁱⁱ⁾	21	-
Allison Transmission ⁽ⁱⁱⁱ⁾	1	-
Fly Leasing Limited	(5)	6
	\$ 46	\$ 6

- i) In June 2014, Onex, Onex Partners I, Onex management and certain limited partners sold their controlling interest in Spirit AeroSystems, as described in note 6. The remaining interest held by the Company was recorded as a long-term investment at fair value (note 8), with changes in fair value recorded in other items. In August 2014, under a secondary public offering of Spirit AeroSystems, Onex, Onex Partners I, Onex management and certain limited partners sold their remaining 8.4 million shares of Spirit AeroSystems, of which Onex' portion was approximately 2.2 million shares. The offering was completed at a price of \$35.67 per share, or a multiple of 10.7 times Onex' original cost of \$3.33 per share in Spirit AeroSystems. The sale was completed for net proceeds of \$300, of which Onex' share was \$91, including carried interest and after the reduction for the amounts paid on account of the MIP. Income recorded in other items of \$29 during 2014 represents the change in fair value of the shares held after the June 2014 secondary public offering and share repurchase up until the August 2014 secondary public offering.

Amounts received from the August 2014 secondary offering related to the carried interest totalled \$28. In accordance with the terms of Onex Partners, Onex is allocated 40% of the carried interest with 60% allocated to management. Onex' share of the carried interest received was \$11 and is included in the net proceeds to Onex. Management's share of the carried interest was \$17. Amounts paid on account of the MIP totalled \$6 for this transaction and have been deducted from the net proceeds to Onex.

- ii) In April 2014, Onex, together with CPPIB, entered into an agreement to sell Gates, Tomkins' principal remaining business. As a result, at that time, Onex' investment in Tomkins was recorded in assets held for sale and was recorded at fair value in the consolidated balance sheets, with changes in fair value recognized within other items in the consolidated statements of earnings. The sale of Gates was completed in July 2014 and Onex subsequently sold the residual assets of Tomkins during 2014, as described in note 8. Income recorded in other items of \$21 for the year ended December 31, 2014 primarily represents the change in fair value of the residual assets of Tomkins.

- iii) In June 2014, Onex, Onex Partners II, Onex management and certain limited partners sold shares of Allison Transmission in a secondary offering and share repurchase, as described in note 8. After completion of the secondary offering and share repurchase, Onex, Onex Partners II, Onex management and certain limited partners continued to own 2.7 million shares of common stock, or approximately 2% in the aggregate, of Allison Transmission's outstanding common stock. The remaining interest held by the Company was recorded as a long-term investment at fair value, as described in note 8, with changes in fair value recorded in other items.

In September 2014, Allison Transmission completed a secondary offering of 5.4 million shares of common stock. As part of the offering, Onex, Onex Partners II, Onex management and certain limited partners sold their remaining 2.7 million shares of common stock. Onex, Onex Partners II, Onex management and certain limited partners received net proceeds of \$82 for their 2.7 million shares of common stock, of which Onex' portion was \$26, including carried interest and after the reduction for the amounts paid on account of the MIP. Income recorded in other items of \$1 during 2014 represents the change in fair value of the shares held after the June 2014 secondary public offering and share repurchase up until the September 2014 secondary public offering. Amounts received related to the carried interest totalled \$5, of which Onex' portion was \$2 and management's portion was \$3. Amounts paid on account of the MIP totalled \$2 for this transaction and have been deducted from the net proceeds to Onex.

- g) Other for the years ended December 31, 2014 and 2013 includes: (i) net realized and unrealized losses of \$65 (2013 – gains of \$16) recorded on investments in securities and long-term debt of the Onex Credit CLOs; (ii) gains of \$9 (2013 – \$9) on the sale of tax losses, as described in note 30(o); and (iii) \$22 (2013 – \$12) of other income from equity-accounted investments. During 2014, in connection with the reversal of a previous court ruling, Carestream Health recorded other income of \$31 for the reversal of legal provisions related to the matter. During 2014 and 2013, in connection with the settlement of class action lawsuits, Celestica recorded other income of \$9 (2013 – \$24) for the receipt of damages related to certain purchases made by the company in prior periods. In addition, during 2013, JELD-WEN recorded gains of \$15 on the sale of non-core assets and Meridian Aviation recorded a net gain of \$32 related to the sale of aircraft.

24. IMPAIRMENT OF GOODWILL, INTANGIBLE ASSETS AND LONG-LIVED ASSETS, NET

Year ended December 31	2014	2013
Celestica ^(a)	\$ 41	\$ -
CiCi's Pizza ^(b)	26	57
Flushing Town Center ^(c)	(42)	43
Tropicana Las Vegas ^(d)	-	91
Other, net ^(e)	26	32
	\$ 51	\$ 223

a) During the fourth quarter of 2014, Celestica recorded a non-cash goodwill impairment charge of \$41 related to its semiconductor business.

b) During the fourth quarter of 2014, CiCi's Pizza recorded a non-cash goodwill impairment charge of \$26 (2013 – goodwill and intangible asset impairment charges of \$33 and \$24). The impairments were primarily due to a decrease in projected future earnings and a reduction in the exit multiple due to market risks.

c) During 2014, Flushing Town Center recorded a non-cash recovery of an impairment charge of \$42 (2013 – impairment charge of \$43) associated with its retail space and parking structures.

d) 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 impairment charges 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 in determining the recoverable amount.

e) Other in 2014 includes net impairments of \$26 related to Emerald Expositions, JELD-WEN, KraussMaffei, SGS International and Sitel Worldwide. Other in 2013 includes net impairments of \$32 related to EnGlobe, JELD-WEN, Sitel Worldwide and USI.

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 33.

In measuring the recoverable amounts for goodwill and intangible assets at December 31, 2014, significant estimates include the growth rate and discount rate, which ranged from 0.0% to 16.3% and 8.1% to 19.0% (2013 – 0.0% to 10.3% and 8.4% to 20.0%), respectively.

25. 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	2014	2013
Weighted average number of shares outstanding (<i>in millions</i>):		
Basic	110	113
Diluted	110	113

26. SALE OF INTERESTS IN OPERATING COMPANY UNDER CONTINUING CONTROL

In March 2014, under a secondary public offering of Spirit AeroSystems, Onex, Onex Partners I, Onex management and certain limited partners sold 6.0 million shares of Spirit AeroSystems, of which Onex' portion was approximately 1.6 million shares. The offering was completed at a price of \$28.52 per share. Onex' cash cost for these shares was \$3.33 per share. Since this transaction did not result in a loss of control by the Company at the time of the transaction, it has been recorded as a transfer of equity to non-controlling interests.

Total cash proceeds received from the sale were \$171, resulting in a transfer of the historical accounting carrying value of \$69 to the non-controlling interests in the consolidated statements of equity. The net cash proceeds in excess of the historical accounting carrying value of \$102 were recorded directly to retained earnings. Onex' share of the net proceeds was \$52, including carried interest and after the reduction for distributions paid on account of the MIP.

Amounts received on account of the carried interest related to this transaction totalled \$16. In accordance with the terms of Onex Partners, Onex is allocated 40% of the carried interest with 60% allocated to management. Onex' share of the carried interest received was \$6 and is included in the net proceeds to Onex. Management's share of the carried interest was \$10. Amounts paid on account of the MIP totalled \$4 for this transaction and have been deducted from the net proceeds to Onex.

As a result of this transaction, Onex, Onex Partners I, Onex management and certain limited partners' economic interest in Spirit AeroSystems was reduced to 11% from 16%. Onex' economic ownership was reduced to 3% from 5%. Onex continued to control and consolidate Spirit AeroSystems until the June 2014 secondary offering and share repurchase, as described in note 6(b). In August 2014, under a secondary public offering of Spirit AeroSystems, Onex, Onex Partners I, Onex management and certain limited partners sold their remaining shares of Spirit AeroSystems, as described in note 23(f).

27. FINANCIAL INSTRUMENTS

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

	Fair Value through Net Earnings		Available- for-Sale	Held-to- Maturity	Loans and Receivables	Derivatives Used for Hedging	Total
	Recognized	Designated					
December 31, 2014							
Assets as per balance sheet							
Cash and cash equivalents	\$ -	\$ 3,764	\$ -	\$ -	\$ -	\$ -	\$ 3,764
Accounts receivable	-	-	-	-	3,083	-	3,083
Other current assets	6	180	-	-	123	6	315
Long-term investments	1,123	3,687	-	-	-	67	4,877
Other non-current assets	38	61	-	-	67	2	168
Financial assets held by discontinued operations	-	37	-	-	128	-	165
Total	\$ 1,167	\$ 7,729	\$ -	\$ -	\$ 3,401^(a)	\$ 75	\$ 12,372

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

	Fair Value through Net Earnings		Available- for-Sale	Held-to- Maturity	Loans and Receivables	Derivatives Used for Hedging	Total
	Recognized	Designated					
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

(a) Fair value of held-to-maturity assets, which is measured at amortized cost at December 31, 2013, was \$32.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	Fair Value through Net Earnings		Financial Liabilities at Amortized Cost	Derivatives Used for Hedging	Total
	Recognized	Designated			
December 31, 2014					
Liabilities as per balance sheet					
Accounts payable and accrued liabilities	\$ -	\$ 23	\$ 2,872	\$ 18	\$ 2,913
Provisions	191	-	12	-	203
Other current liabilities	16	-	192	25	233
Long-term debt ^(a)	-	3,431	10,034	-	13,465
Obligations under finance leases	-	-	45	-	45
Other non-current liabilities	331	4	8	26	369
Limited Partners' Interests	-	5,153	-	-	5,153
Financial liabilities held by discontinued operations	-	-	66	-	66
Total	\$ 538	\$ 8,611	\$ 13,229	\$ 69	\$ 22,447

(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, 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.

Long-term debt recorded at fair value through net earnings at December 31, 2014 of \$3,431 (2013 – \$1,723) has contractual amounts due on maturity of \$3,535 (2013 – \$1,748).

The gains (losses) recognized by the Company related to financial assets and liabilities were as follows:

Year ended December 31	2014		2013	
	Earnings (Loss)	Comprehensive Earnings ⁽¹⁾	Earnings (Loss)	Comprehensive Earnings (Loss) ⁽¹⁾
Fair Value through Net Earnings	\$ (857) ^(a)	\$ n/a	\$ (1,001) ^(a)	\$ n/a
Available-for-Sale				
Fair value adjustments	n/a	-	n/a	-
Interest income	-	n/a	-	n/a
Impairments	-	n/a	(1)	n/a
Loans and Receivables				
Provisions and other	(16)	n/a	1	n/a
Financial Liabilities at Amortized Cost				
Interest expense of operating companies	(830)	n/a	(699)	n/a
Derivatives Used for Hedging	(36)	(25)	(31)	(23)
Total losses recognized	\$ (1,739)	\$ (25)	\$ (1,731)	\$ (23)

(1) Amounts recognized in comprehensive earnings (loss) are presented gross of the income tax effect.

a) Primarily consists of Limited Partners' Interests charge of \$1,069 (2013 – \$1,855), carried interest charge of \$160 (2013 – \$262) and increase in value of investments in joint ventures and associates at fair value of \$412 (2013 – \$1,098).

28. FAIR VALUE MEASUREMENTS

Fair values of financial instruments

The estimated fair values of financial instruments as at December 31, 2014 and 2013 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, 2014 was \$13,340 (2013 – \$12,478) compared to a carrying value of \$13,282 (2013 – \$11,970). 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 2014 and 2013. 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").

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The allocation of financial assets measured at fair value in the fair value hierarchy, excluding cash and cash equivalents, at December 31, 2014 was as follows:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through earnings				
Onex Credit CLOs' investments in corporate loans	\$ -	\$ 3,596	\$ -	\$ 3,596
Investments in debt	-	633	-	633
Investments in equities	22	30	-	52
Investments in joint ventures and associates	-	-	540	540
Other	267	40	-	307
Total financial assets at fair value	\$ 289	\$ 4,299	\$ 540	\$ 5,128

The allocation of financial assets measured at fair value 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				
Onex Credit CLOs' investments in corporate loans	\$ -	\$ 1,810	\$ -	\$ 1,810
Investments in debt	-	525	-	525
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 liabilities measured at fair value in the fair value hierarchy at December 31, 2014 was as follows:

	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through earnings				
Limited Partners' Interests	\$ -	\$ -	\$ 5,176	\$ 5,176
Unrealized carried interest due to Onex and ONCAP management	-	-	204	204
Onex Credit's long-term debt	-	-	3,431	3,431
Contingent consideration and other	12	8	318	338
Total financial liabilities at fair value	\$ 12	\$ 8	\$ 9,129	\$ 9,149

The allocation of financial liabilities measured at fair value 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 earnings				
Limited Partners' Interests	\$ -	\$ -	\$ 6,959	\$ 6,959
Unrealized carried interest due to Onex and ONCAP management	-	-	343	343
Onex Credit's long-term debt	-	-	1,723	1,723
Contingent consideration and other	9	9	302	320
Total financial liabilities at fair value	\$ 9	\$ 9	\$ 9,327	\$ 9,345

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 16), are as follows:

	Onex Credit's Long-Term Debt	Other Financial Liabilities at Fair Value through Net Earnings	Total
Balance – December 31, 2012	\$ 801	\$ 416	\$ 1,217
Total (gain) loss in net earnings	(5)	344	339
Transfer out of Level 3	-	(7)	(7)
Additions	932	70	1,002
Acquisition of subsidiaries	-	29	29
Settlements	(5)	(210)	(215)
Other	-	3	3
Balance – December 31, 2013	\$ 1,723	\$ 645	\$ 2,368
Total (gain) loss in net earnings	(28)	177	149
Additions	1,736	2	1,738
Acquisition of subsidiaries	-	27	27
Settlements	-	(334)	(334)
Other	-	5	5
Balance – December 31, 2014	\$ 3,431	\$ 522	\$ 3,953
Unrealized losses in net earnings (loss) for liabilities held at the end of the reporting period	\$ (28)	\$ 177	\$ 149

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 is 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 determined quarterly utilizing available market data. 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 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.

Valuation Technique	Significant Unobservable Inputs	Inputs at December 31, 2014	Inputs at December 31, 2013
Market comparable companies	EBITDA multiple	6.5x-12.0x	6.0x-12.5x
Discounted cash flow	Weighted average cost of capital	11.9%-18.0%	11.6%-18.0%
	Exit multiple	4.3x-10.0x	4.6x-9.1x

In addition, the Company has two investments that are valued using market comparable transactions.

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 Onex Credit 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 Onex Credit CLOs. During 2014, the Company recorded a gain of \$12 (2013 - \$5) attributable to changes in the credit risk of the long-term debt in the Onex Credit 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 and cash equivalents consist of investments in debt securities. In addition, the long-term investments of Onex Credit 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 Onex Credit CLOs is included in note 8.

At December 31, 2014, Onex Corporation, the ultimate parent company, held \$2,531 of cash and cash equivalents in short-term high-rated money market instruments. In addition, Celestica had \$565 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, 2014, the aging of consolidated accounts receivable was as follows:

	Accounts Receivable
Current	\$ 2,285
1-30 days past due	447
31-60 days past due	139
>60 days past due	214
	<u>\$ 3,085</u>

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 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, 2014 would result in a \$3 increase (\$3 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, 2014 would result in a \$5 increase (\$5 decrease) in other comprehensive earnings of Celestica and a \$2 increase (\$2 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, 2014, 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, EURIBOR 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, 2014, excluding Onex Credit CLOs, approximately 50% (2013 – 50%) of the operating companies' long-term debt had a fixed interest rate or an interest rate that 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.

Commodity risk

Certain of Onex' operating companies have exposure to commodities. In particular, 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 government regulations and oversight with respect to their business activities. Failure to comply with applicable regulations, obtain applicable regulatory approvals or maintain those approvals 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. Onex also manages the capital of other investors in the Onex Partners, ONCAP and Onex Credit Funds.

Onex' objectives in managing capital are to:

- preserve a financially strong parent company with 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, 2014, Onex, the parent company, had \$2,531 of cash and cash equivalents on hand and \$346 of near-cash items in a segregated unleveraged fund managed by Onex Credit. 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, 2014, Onex had access to \$4,945 of uncalled committed limited partner capital for acquisitions through the Onex Partners and ONCAP Funds.

The strategy for risk management of capital has not changed significantly since December 31, 2013.

30. 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, 2014, the amounts potentially payable in respect of these guarantees totalled \$317. In addition, an Onex Partners III affiliate has guaranteed certain payment obligations arising on the delivery date for certain aircraft under contract to purchase by Meridian Aviation.

The Company, which includes the operating companies and the Limited Partners of the Onex Partners and ONCAP Funds, has a total commitment as at December 31, 2014 of approximately \$4,600 with respect to corporate investments. The total commitment for corporate investments at December 31, 2014 included the acquisition of SIG Combibloc Group AG ("SIG"). The Company entered into an agreement to acquire SIG for a value of up to €3,750 (\$4,538) in November 2014. On closing of the transaction, €3,575 (\$4,326), less amounts for certain retained liabilities, will be paid, with an additional amount of up to €175 (\$212) payable based on the financial performance of SIG in 2015 and 2016. The Company is exposed to foreign currency risk as fluctuations in the foreign currency exchange rate between the Euro and U.S. dollar will impact the purchase price in U.S. dollars. Based in Switzerland, SIG provides beverage and food producers with a comprehensive product portfolio of aseptic carton sleeves and closures, as well as the filling machines used to fill, form and seal the sleeves. The equity investment of approximately \$1,250 will be made by Onex, Onex Partners IV and Onex management, certain limited partners as co-investors, including Onex, and SIG's management team. Onex' share of the equity investment will be approximately \$400. The remainder of the purchase price will be financed with debt financing, without recourse to Onex Corporation.

Additionally, in January 2015, the Company entered into an agreement to acquire Survitec Group Limited ("Survitec") for £450 (\$680). The transaction is expected to close in the first quarter of 2015, as described in note 32. The Company is exposed to foreign currency risk as fluctuations in the foreign currency exchange rate between the British Pound and U.S. dollar will impact the purchase price in U.S. dollars.

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, 2014 amounted to \$296 with the majority expected to be incurred between 2015 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, as described in 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 previous 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 would not reasonably be expected to 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 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, 2014, \$1,475 (2013 – \$1,475) has been invested of the \$1,655 of total capital committed. Onex has invested \$346 (2013 – \$346) of its \$400 commitment. Onex controls the General Partner and Manager of Onex Partners I. The total amount invested at cost in Onex Partners I's remaining investments by Onex management and Directors at December 31, 2014 was \$11 (2013 – \$20). There were no additional amounts invested by Onex management and Directors in Onex Partners I investments during 2014 and 2013.

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 Onex Partners 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.

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, 2014, \$57 was received by Onex as carried interest while Onex management received \$85 with respect to the carried interest. During 2013, no amounts were received as carried interest related to Onex Partners I.

e) In August 2006, Onex completed the closing of Onex Partners II with 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, 2014, \$2,944 (2013 – \$2,944) has been invested of the \$3,450 of total capital committed. Onex has invested \$1,164 (2013 – \$1,164) of its \$1,407 commitment. Onex controls the General Partner and Manager of Onex Partners II. The total amount invested at cost in Onex Partners II's remaining investments by Onex management and Directors at December 31, 2014 was \$18 (2013 – \$51). There were no additional amounts invested by Onex management and Directors in Onex Partners II investments during 2014 and 2013.

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 Onex Partners 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 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, 2014, \$60 (2013 – \$75) has been received by Onex as carried interest while Onex management received \$90 (2013 – \$110) with respect to the carried interest.

f) In December 2009, Onex completed the closing of Onex Partners III with commitments totalling \$4,300. Onex Partners III provided 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, 2014, \$4,207 (2013 – \$3,596) has been invested, of which Onex' share was \$927 (2013 – \$783). Onex had a \$1,000 commitment for the period from January 1, 2009 to June 30, 2009, a \$500 commitment for the period from July 1, 2009 to June 15, 2010, an \$800 commitment for the period from June 16, 2010 to May 14, 2012 and a \$1,200 commitment since May 15, 2012. Onex controls the General Partner and Manager of Onex Partners III. The total amount invested at cost in Onex Partners III's remaining investments by Onex management and Directors at December 31, 2014 was \$149 (2013 – \$140), of which \$34 (2013 – \$21) was invested in the year ended December 31, 2014.

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 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. The October 2014 investment in York was the final new investment made by Onex Partners III. 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 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 has fully vested for Onex management. For the year ended December 31, 2014, \$54 was received by Onex as carried interest while Onex management received \$82 with respect to the carried interest. During 2013, no amounts were received as carried interest related to Onex Partners III.

g) In May 2014, Onex completed the closing of Onex Partners IV with commitments totalling \$5,150. 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, 2014, \$208 has been invested, including capitalized costs, of which Onex' share was \$46. Onex has a \$1,200 commitment for the period from the date of the first closing to June 2, 2015. In December 2014, Onex gave notice to the investors of Onex Partners IV that Onex' commitment would be increasing to \$1,700 effective June 3, 2015. 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, 2014, Onex management and Directors had committed 8%. The total amount invested in Onex Partners IV's investments by Onex management and Directors at December 31, 2014 was \$16, all of which was invested in the year ended December 31, 2014.

Onex began to receive management fees from Onex Partners IV in August 2014. During the initial fee period of Onex Partners IV, Onex receives annual management fees based on 1.7% of capital committed to Onex Partners IV by investors other than Onex and Onex management. 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 Onex Partners 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 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 six years from August 2014. As at December 31, 2014, no amount had been received as carried interest related to Onex Partners IV.

h) In May 2006, Onex completed the closing of ONCAP II with commitments totalling C\$574. ONCAP II provided committed capital for acquisitions of small and medium-sized businesses requiring between C\$20 and C\$75 of initial equity capital. As at December 31, 2014, C\$483 (2013 – C\$483) has been invested of the C\$574 of total capital committed. Onex has invested C\$221 (2013 – C\$221) of its C\$252 commitment. Onex controls the General Partner and Manager of ONCAP II. The total amount invested at cost in ONCAP II's remaining investments by management of Onex and ONCAP and Directors at December 31, 2014 was C\$25 (2013 – C\$29). There were no additional amounts invested by management of Onex and ONCAP and Directors in ONCAP II investments during 2014 (2013 – \$1).

Prior to July 2011, Onex 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 net investment amount at the end of the initial fee period in July 2011, when Onex established a successor ONCAP 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 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% 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, 2014, ONCAP management received \$43 (C\$46) (2013 – \$60 (C\$63)) with respect to the carried interest.

i) In September 2011, Onex completed the closing of ONCAP III with commitments totalling C\$800, excluding commitments from management of Onex and ONCAP. ONCAP III provides committed capital for acquisitions of small and medium-sized businesses requiring less than \$125 of initial equity capital. As at December 31, 2014, C\$369 (2013 – C\$253) has been invested of the C\$800 of total capital committed. Onex has invested C\$108 (2013 – 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, 2014,

management of Onex and ONCAP and Directors had committed 6% (2013 – 6%). The total amount invested at cost in ONCAP III's investments by management of Onex and ONCAP and Directors at December 31, 2014 was C\$35 (2013 – C\$24), of which C\$11 (2013 – nil) was invested in the year ended December 31, 2014.

Onex 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 Onex establishes a successor ONCAP 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 ONCAP, are based upon all investments made through ONCAP III, with the result that the initial carried interest 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 five years ending in July 2016 for ONCAP management. As at December 31, 2014, 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 $\frac{1}{6}$ th (1.5%) of the MIP's share of the aggregate investment, and investment rights for the remaining $\frac{5}{6}$ ths (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 $\frac{5}{6}$ ths 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 2014, including amounts invested under the minimum investment requirement of the Onex Partners and ONCAP Funds to meet the 1.5% MIP requirement, was \$13 (2013 – \$4). 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 2014 were \$117 (2013 – \$39).

k) Members of management and the Board of Directors of the Company invested \$10 in 2014 (2013 – \$2) 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 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 Subordinate Voting Shares and/or management DSUs in the market until the management member owns one million Onex Subordinate Voting Shares and/or management DSUs. During 2014, Onex management reinvested C\$55 (2013 – C\$18) to acquire Onex Subordinate Voting Shares and/or management DSUs.

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, 2014 was \$25 (2013 – \$37).

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 2014, fees of \$1 (2013 – \$2) were received from non-consolidated operating companies and included with revenues in these consolidated financial statements.

o) During 2014 and 2013, 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 2014 and 2013:

- In 2014, Onex received \$9 in cash for tax losses of \$84. The entire \$9 was recorded as a gain and included in other items in the consolidated statements of earnings.
- 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 addition, during 2014 and 2013 Onex utilized certain tax losses associated with distributions of carried interest to management of Onex, for which Onex received cash of \$4 (2013 – \$2).

p) In July 2014, 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\$65.99 per Subordinate Voting Share or \$62 (C\$66), which represents a slight discount to the trading price of Onex shares at that date. The private share repurchase is included in the number of shares repurchased and cancelled under the NCIB during 2014, as described in note 17(c).

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. 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 operating companies. Also included are the Directors of Onex Corporation. Carried interest and MIP payments to former senior executives of Onex and ONCAP are excluded from the aggregate payments below. Aggregate payments to the Company’s key management were as follows:

Year ended December 31	2014	2013
Short-term employee benefits and costs	\$ 175	\$ 142
Post-employment benefits	1	1
Other long-term benefits	1	1
Termination benefits	3	3
Share-based payments ⁽ⁱ⁾	378	434
	\$ 558	\$ 581

(i) Share-based payments include \$13 (2013 – \$288) paid on the exercise of Onex stock options (Note 17), \$231 (2013 – \$88) of carried interest paid to Onex management and \$103 (2013 – \$32) of amounts paid under the MIP to management and Onex (note 30(j)). During 2014, Onex, the parent company, received carried interest of \$171 (2013 – \$75) (Note 30(e)).

31. 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 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 2014 for defined contribution pension plans and multi-employer plans were \$57 (2013 – \$62).

Accrued benefit obligations and the fair value of 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 2014, and the next required valuations will be as of 2015. The Company estimates that in 2015 the minimum funding requirement for the defined benefit pension plans will be \$36.

In 2014, 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 \$154 (2013 – \$264). Included in the total was \$11 (2013 – \$35) contributed to multi-employer plans.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For 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:

As at December 31	Pension Plans in which Assets Exceed Accumulated Benefits		Pension Plans in which Accumulated Benefits Exceed Assets		Non-Pension Post-Retirement Benefits	
	2014	2013	2014	2013	2014	2013
Accrued benefit obligations:						
Opening benefit obligations	\$ 1,573	\$ 1,590	\$ 677	\$ 876	\$ 142	\$ 173
Current service cost	2	13	14	13	2	5
Interest cost	20	66	28	26	3	6
Contributions by plan participants	3	3	-	-	-	-
Benefits paid	(23)	(50)	(26)	(22)	(4)	(8)
Actuarial (gain) loss from demographic assumptions	(7)	-	17	1	(1)	(2)
Actuarial (gain) loss from financial assumptions	67	(154)	118	(74)	9	(16)
Foreign currency exchange rate changes	(24)	(6)	(22)	4	(5)	(5)
Disposition of operating companies	(1,027)	-	(3)	(28)	(73)	(6)
Plan amendments	(148)	(13)	(3)	(2)	-	2
Reclassification of plans	-	124	-	(124)	-	-
Other	(6)	-	(19)	7	1	(7)
Closing benefit obligations	\$ 430	\$ 1,573	\$ 781	\$ 677	\$ 74	\$ 142
Plan assets:						
Opening plan assets	\$ 1,874	\$ 1,710	\$ 343	\$ 443	\$ 1	\$ -
Interest income	22	72	16	11	-	-
Actual return on plan assets in excess of interest income	75	10	24	23	-	-
Contributions by employer	17	18	27	32	4	12
Contributions by plan participants	3	3	-	-	-	-
Benefits paid	(23)	(50)	(19)	(22)	(4)	(8)
Foreign currency exchange rate changes	(29)	(10)	(6)	(1)	-	-
Disposition of operating companies	(1,279)	-	(2)	(20)	-	-
Settlements/curtailments	(154)	-	(5)	(1)	(1)	(4)
Reclassification of plans	-	119	-	(119)	-	-
Other	(10)	2	(2)	(3)	1	1
Closing plan assets	\$ 496	\$ 1,874	\$ 376	\$ 343	\$ 1	\$ 1

Asset Category	Percentage of Plan Assets	
	2014	2013
Quoted Market Prices:		
Equity investment funds	19%	7%
Debt investment funds	37%	16%
Other investment funds	2%	1%
Equity securities	17%	8%
Debt securities	13%	6%
Non-Quoted Market Prices:		
Equity investment funds	1%	-
Other investment funds	3%	1%
Equity securities	-	20%
Debt securities	-	36%
Real estate	2%	2%
Other	6%	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:

As at December 31	Pension Plans in which Assets Exceed Accumulated Benefits		Pension Plans in which Accumulated Benefits Exceed Assets		Non-Pension Post-Retirement Benefits	
	2014	2013	2014	2013	2014	2013
Deferred benefit amount:						
Plan assets, at fair value	\$ 496	\$ 1,874	\$ 376	\$ 343	\$ 1	\$ 1
Accrued benefit obligation	(430)	(1,573)	(781)	(677)	(74)	(142)
Plan surplus (deficit)	66	301	(405)	(334)	(73)	(141)
Valuation allowance	(2)	-	-	-	-	-
Deferred benefit amount – asset (liability)	\$ 64	\$ 301	\$ (405)	\$ (334)	\$ (73)	\$ (141)

The deferred benefit asset of \$64 (2013 – \$301) is included in the Company's consolidated balance sheets within other non-current assets (note 9). The total deferred benefit liabilities of \$478 (2013 – \$475) are included in the Company's consolidated balance sheets within other non-current liabilities (note 14) and other current liabilities. Of the total deferred benefit liabilities, \$18 (2013 – \$27) was recorded as a current liability.

The following assumptions were used to account for the plans:

Year ended December 31	Pension Benefits		Non-Pension Post-Retirement Benefits	
	2014	2013	2014	2013
Accrued benefit obligation				
Weighted average discount rate ^(a)	1.0%–8.5%	2.1%–4.9%	0.1%–3.9%	1.3%–4.9%
Weighted average rate of compensation increase	0.5%–7.0%	0.3%–4.1%	2.0%–4.6%	0.0%–4.6%

(a) Weighted average discount rate includes inflation, where applicable to a benefit plan.

Assumed healthcare cost trend rates	2014	2013
Initial healthcare cost rate	6.2%	6.7%–8.5%
Cost trend rate declines to	4.5%	4.5%
Year that the rate reaches the rate it is assumed to remain at	2030	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 as follows:

As at December 31, 2014	Pension Plans in which Assets Exceed Accumulated Benefits		Pension Plans in which Accumulated Benefits Exceed Assets		Non-Pension Post-Retirement Benefits	
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	\$ (69)	\$ 92	\$ (106)	\$ 132	\$ (10)	\$ 12
Rate of compensation increase	\$ 5	\$ (4)	\$ 23	\$ (20)	\$ 2	\$ (1)
Healthcare cost trend rate	n/a	n/a	n/a	n/a	\$ 9	\$ (8)

As at December 31, 2013	Pension Plans in which Assets Exceed Accumulated Benefits		Pension Plans in which Accumulated Benefits Exceed Assets		Non-Pension Post-Retirement Benefits	
	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.

32. 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) Survitec

In January 2015, the Company entered into an agreement to acquire Survitec for an enterprise value of £450 (\$680). Based in the United Kingdom, Survitec is a provider of mission-critical marine, defence and aerospace survival equipment. Onex, Onex Partners IV and Onex management will make an investment of approximately \$320 for substantially all of the equity, with the remainder of the equity to be owned by Survitec's management. Onex' share of the equity investment will be approximately \$70. The balance of the purchase price will be financed with debt financing, without recourse to Onex Corporation. The acquisition is subject to customary conditions and regulatory approvals and is expected to close in the first quarter of 2015.

b) Onex Credit Asset Management Platform

In January 2015, Onex acquired control of the Onex Credit asset management platform. The Onex Credit asset management platform was previously jointly controlled with Onex Credit's co-founder and chief executive officer, and Onex previously held a 70% economic interest in the business.

Onex Credit's management team remains in place with its chief executive officer continuing to participate in the performance of the Onex Credit asset management platform. Onex will consolidate 100% of the Onex credit management platform with a reduced allocation of the net earnings to Onex Credit's chief executive officer to be recognized as compensation expense.

As a result of the above transaction, beginning with the first quarter of 2015, the Company will now consolidate the Onex Credit asset management platform and certain funds managed by Onex Credit in which Onex, the parent company, holds an investment. The Company's previous interest in the Onex Credit asset management platform was equity-accounted and will be derecognized at fair value, resulting in the recognition of a non-cash gain during the first quarter of 2015. The consolidation of the Onex Credit asset management platform and certain of the funds managed by Onex Credit will increase Onex' consolidated assets and liabilities.

33. 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 eight reportable segments in 2014 (2013 – seven). As a result of transactions completed during 2014, the insurance services segment, consisting of USI and York, and the credit strategies segment, consisting of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds, became reportable industry segments. In addition, Carestream Health and ResCare, which were previously both included in the healthcare segment, are now recorded in the healthcare imaging segment and the health and human services segment, respectively. Comparative results have been restated to reflect these changes.

The Company's reportable segments at December 31, 2014 consist of: electronics manufacturing services; healthcare imaging; health and human services; customer care services; building products; insurance services; credit strategies 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 healthcare imaging segment consists of Carestream Health, a leading global provider of medical imaging and healthcare information technology solutions. The health and human services segment consists of ResCare, a leading U.S. provider of residential training, education and support services for people with disabilities and special needs. 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 remodeling markets. The insurance services segment consists of USI, a leading U.S. provider of insurance brokerage services, and York, an integrated provider

of insurance solutions to property, casualty and workers' compensation specialty markets in the United States. The credit strategies segment consists of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds. Other includes AIT (since December 2014), a leading provider of automation and tooling, maintenance services and aircraft components to the aerospace industry, Allison Transmission (sold in September 2014), a leading designer and manufacturer of fully-automatic transmissions for on-highway trucks and buses, off-highway equipment and defence vehicles worldwide; BBAM, a manager of commercial jet aircraft; Emerald Expositions (acquired in June 2013), a leading operator of business-to-business tradeshow in the United States; KraussMaffei, 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, a global leader in design-to-print graphic services to the consumer products packaging industry; Tomkins (sold in July 2014), 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; as well as Onex Real Estate, the operating companies of ONCAP II (Mister Car Wash up to August 2014, BSN SPORTS up to June 2013 and Caliber Collision up to November 2013) and ONCAP III (Mavis Discount Tire since October 2014) and the parent company. In addition, the other segment includes The Warranty Group, Spirit AeroSystems, Skilled Healthcare Group and TMS International, which have been presented as discontinued operations.

AIT (investment made in December 2014), Allison Transmission (sold in September 2014), BBAM, Mavis Discount Tire (investment made in October 2014), RSI (sold in February 2013), Tomkins (sold in July 2014) and certain Onex Real Estate investments are recorded at fair value through net earnings, as described in note 1.

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 2014 and 2013, no customers represented more than 10% of the Company's consolidated revenues.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2014 Industry Segments

	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Customer Care Services	Building Products	Insurance Services	Credit Strategies	Other	Consolidated Total
Revenues	\$ 5,631	\$ 2,360	\$ 1,737	\$ 1,440	\$ 3,507	\$ 1,079	\$ -	\$ 4,039	\$ 19,793
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(5,158)	(1,369)	(1,307)	(960)	(2,840)	-	-	(2,574)	(14,208)
Operating expenses	(210)	(572)	(297)	(355)	(466)	(772)	(37)	(1,028)	(3,737)
Interest income	1	4	-	1	2	-	131	3	142
Amortization of property, plant and equipment	(58)	(67)	(24)	(29)	(111)	(9)	-	(112)	(410)
Amortization of intangible assets and deferred charges	(11)	(118)	(13)	(18)	(17)	(159)	-	(159)	(495)
Interest expense of operating companies	(4)	(148)	(47)	(112)	(123)	(133)	(69)	(194)	(830)
Increase in value of investments in joint ventures and associates at fair value, net	-	-	-	-	-	-	-	412	412
Stock-based compensation expense	(28)	(4)	(2)	-	(20)	(22)	-	(154)	(230)
Other gains	-	-	-	-	-	-	-	317	317
Other items	3	(5)	(7)	(25)	(37)	(98)	(56)	(153)	(378)
Impairment of goodwill, intangible assets and long-lived assets, net	(41)	-	-	(1)	(6)	-	-	(3)	(51)
Limited Partners' Interests charge	-	-	-	-	-	-	-	(1,069)	(1,069)
Earnings (loss) before income taxes and discontinued operations	125	81	40	(59)	(111)	(114)	(31)	(675)	(744)
Recovery of (provision for) income taxes	(17)	(40)	(11)	(10)	(12)	38	-	(27)	(79)
Earnings (loss) from continuing operations	108	41	29	(69)	(123)	(76)	(31)	(702)	(823)
Earnings from discontinued operations ^(a)	-	-	-	-	-	-	-	982	982
Net earnings (loss) for the year	\$ 108	\$ 41	\$ 29	\$ (69)	\$ (123)	\$ (76)	\$ (31)	\$ 280	\$ 159
Total assets ^(b)	\$ 2,584	\$ 1,803	\$ 1,110	\$ 640	\$ 2,351	\$ 5,088	\$ 4,373	\$ 10,987	\$ 28,936
Long-term debt ^(c)	\$ -	\$ 2,115	\$ 455	\$ 750	\$ 804	\$ 2,644	\$ 3,431	\$ 3,083	\$ 13,282
Property, plant and equipment additions	\$ 61	\$ 66	\$ 34	\$ 33	\$ 74	\$ 11	\$ -	\$ 274	\$ 553
Intangible assets with indefinite life	\$ -	\$ 8	\$ 227	\$ 36	\$ 259	\$ 196	\$ -	\$ 754	\$ 1,480
Goodwill additions from acquisitions	\$ -	\$ -	\$ 10	\$ -	\$ -	\$ 919	\$ -	\$ 239	\$ 1,168
Goodwill	\$ 19	\$ 329	\$ 318	\$ 118	\$ 103	\$ 2,210	\$ -	\$ 1,831	\$ 4,928
Net earnings (loss) attributable to:									
Equity holders of Onex Corporation	\$ 12	\$ 37	\$ 28	\$ (49)	\$ (105)	\$ (68)	\$ (31)	\$ 61	\$ (115)
Non-controlling interests	96	4	1	(20)	(18)	(8)	-	219	274
Net earnings (loss) for the year	\$ 108	\$ 41	\$ 29	\$ (69)	\$ (123)	\$ (76)	\$ (31)	\$ 280	\$ 159

(a) Represents the after-tax results of The Warranty Group, Spirit AeroSystems and Skilled Healthcare Group, as described in note 6.

(b) The other segment includes Skilled Healthcare Group, which is a discontinued operation, as described in note 6.

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

2013 Industry Segments

	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Customer Care Services	Building Products	Insurance Services	Credit Strategies	Other	Consoli- dated Total
Revenues	\$ 5,796	\$ 2,429	\$ 1,617	\$ 1,438	\$ 3,457	\$ 769	\$ -	\$ 4,318	\$ 19,824
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(5,337)	(1,444)	(1,197)	(936)	(2,855)	-	-	(2,861)	(14,630)
Operating expenses	(221)	(536)	(279)	(372)	(449)	(539)	(19)	(1,138)	(3,553)
Interest income	1	2	-	1	2	-	94	6	106
Amortization of property, plant and equipment	(60)	(70)	(24)	(28)	(112)	(7)	-	(128)	(429)
Amortization of intangible assets and deferred charges	(12)	(136)	(11)	(23)	(18)	(138)	-	(158)	(496)
Interest expense of operating companies	(3)	(152)	(32)	(97)	(79)	(115)	(41)	(180)	(699)
Increase in value of investments in joint ventures and associates at fair value, net	-	-	-	-	-	-	-	1,098	1,098
Stock-based compensation (expense) recovery	(29)	(3)	(2)	-	7	(21)	-	(272)	(320)
Other gains	-	-	-	-	-	-	-	561	561
Other items	(4)	(148)	1	(17)	(9)	(39)	28	(247)	(435)
Impairment of goodwill, intangible assets and long-lived assets, net	-	-	-	(1)	(13)	(8)	-	(201)	(223)
Limited Partners' Interests charge	-	-	-	-	-	-	-	(1,855)	(1,855)
Earnings (loss) before income taxes and discontinued operations	131	(58)	73	(35)	(69)	(98)	62	(1,057)	(1,051)
Recovery of (provision for) income taxes	(13)	(28)	(21)	14	(16)	35	-	517	488
Earnings (loss) from continuing operations	118	(86)	52	(21)	(85)	(63)	62	(540)	(563)
Loss from discontinued operations ^(a)	-	-	-	-	-	-	-	(250)	(250)
Net earnings (loss) for the year	\$ 118	\$ (86)	\$ 52	\$ (21)	\$ (85)	\$ (63)	\$ 62	\$ (790)	\$ (813)
Total assets ^(b)	\$ 2,639	\$ 1,966	\$ 1,078	\$ 613	\$ 2,483	\$ 3,099	\$ 2,499	\$ 22,490	\$ 36,867
Long-term debt ^{(b)(c)}	\$ -	\$ 2,248	\$ 353	\$ 740	\$ 661	\$ 1,605	\$ 1,723	\$ 4,640	\$ 11,970
Property, plant and equipment additions ^(b)	\$ 45	\$ 63	\$ 26	\$ 33	\$ 89	\$ 5	\$ -	\$ 605	\$ 866
Intangible assets with indefinite life ^(b)	\$ -	\$ 8	\$ 227	\$ 36	\$ 259	\$ 48	\$ -	\$ 763	\$ 1,341
Goodwill additions from acquisitions ^(b)	\$ -	\$ -	\$ 20	\$ -	\$ -	\$ 33	\$ -	\$ 697	\$ 750
Goodwill ^(b)	\$ 60	\$ 334	\$ 308	\$ 118	\$ 109	\$ 1,308	\$ -	\$ 2,232	\$ 4,469

Net earnings (loss) attributable to:

Equity holders of Onex Corporation	\$ 12	\$ (87)	\$ 50	\$ (15)	\$ (66)	\$ (58)	\$ 62	\$ (252)	\$ (354)
Non-controlling interests	106	1	2	(6)	(19)	(5)	-	(538)	(459)
Net earnings (loss) for the year	\$ 118	\$ (86)	\$ 52	\$ (21)	\$ (85)	\$ (63)	\$ 62	\$ (790)	\$ (813)

(a) Represents the after-tax results of The Warranty Group, Spirit AeroSystems, Skilled Healthcare Group and TMS International, as described in note 6.

(b) The other segment includes The Warranty Group, Spirit AeroSystems and Skilled Healthcare Group, which are discontinued operations, as described in note 6.

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

Geographic Segments

	2014					2013						
	Canada	U.S.	Europe	Asia and Oceania	Other ⁽¹⁾	Total	Canada	U.S.	Europe	Asia and Oceania	Other ⁽¹⁾	Total
Revenue ⁽²⁾	\$ 984	\$ 10,223	\$ 4,164	\$ 3,289	\$ 1,133	\$ 19,793	\$ 970	\$ 10,249	\$ 4,237	\$ 3,323	\$ 1,045	\$ 19,824
Property, plant and equipment	\$ 334	\$ 1,565	\$ 540	\$ 418	\$ 45	\$ 2,902	\$ 378	\$ 3,443	\$ 763	\$ 466	\$ 55	\$ 5,105
Intangible assets	\$ 282	\$ 4,279	\$ 467	\$ 34	\$ 7	\$ 5,069	\$ 286	\$ 3,694	\$ 593	\$ 49	\$ 73	\$ 4,695
Goodwill	\$ 212	\$ 4,285	\$ 311	\$ 96	\$ 24	\$ 4,928	\$ 198	\$ 3,600	\$ 489	\$ 146	\$ 36	\$ 4,469

(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 (<i>in Canadian dollars</i>)	2014	2013	2012	2011	2010
Toronto Stock Exchange	\$ 67.46	\$ 57.35	\$ 41.87	\$ 33.18	\$ 30.23

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, 2014 the indicated dividend rate for each Subordinate Voting Share was C\$0.20 per annum.

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

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:
Investor Relations
Onex Corporation
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 14, 2015 at 10:00 a.m. (Eastern Daylight Time) at the Hockey Hall of Fame, 30 Yonge Street, Toronto, Ontario.

Typesetting by Moveable Inc.
www.moveable.com

Printed in Canada

ONEX

ONEX
PARTNERS

ONCAP

ONEX
REAL ESTATE PARTNERS

ONEX
CREDIT PARTNERS

SITEL
YORK
Risk Services Group

AIT

Carestream

Genesis HealthCare®

SGS

Celestica™

ResCare

Tropicana
LAS VEGAS

KraussMaffei
Group

BBAM
AIRCRAFT LEASING & MANAGEMENT

USI

JELD-WEN
WINDOWS & DOORS

EMERALD
EXPOSITIONS

eg
enGlobe

HOPKINS

MAVIS
DISCOUNT
TIRE

PURE
CANADIAN GAMING

Pinnacle.
RENEWABLE ENERGY GROUP

CiCi's
PIZZA

Davis-Standard®

Bradshaw