

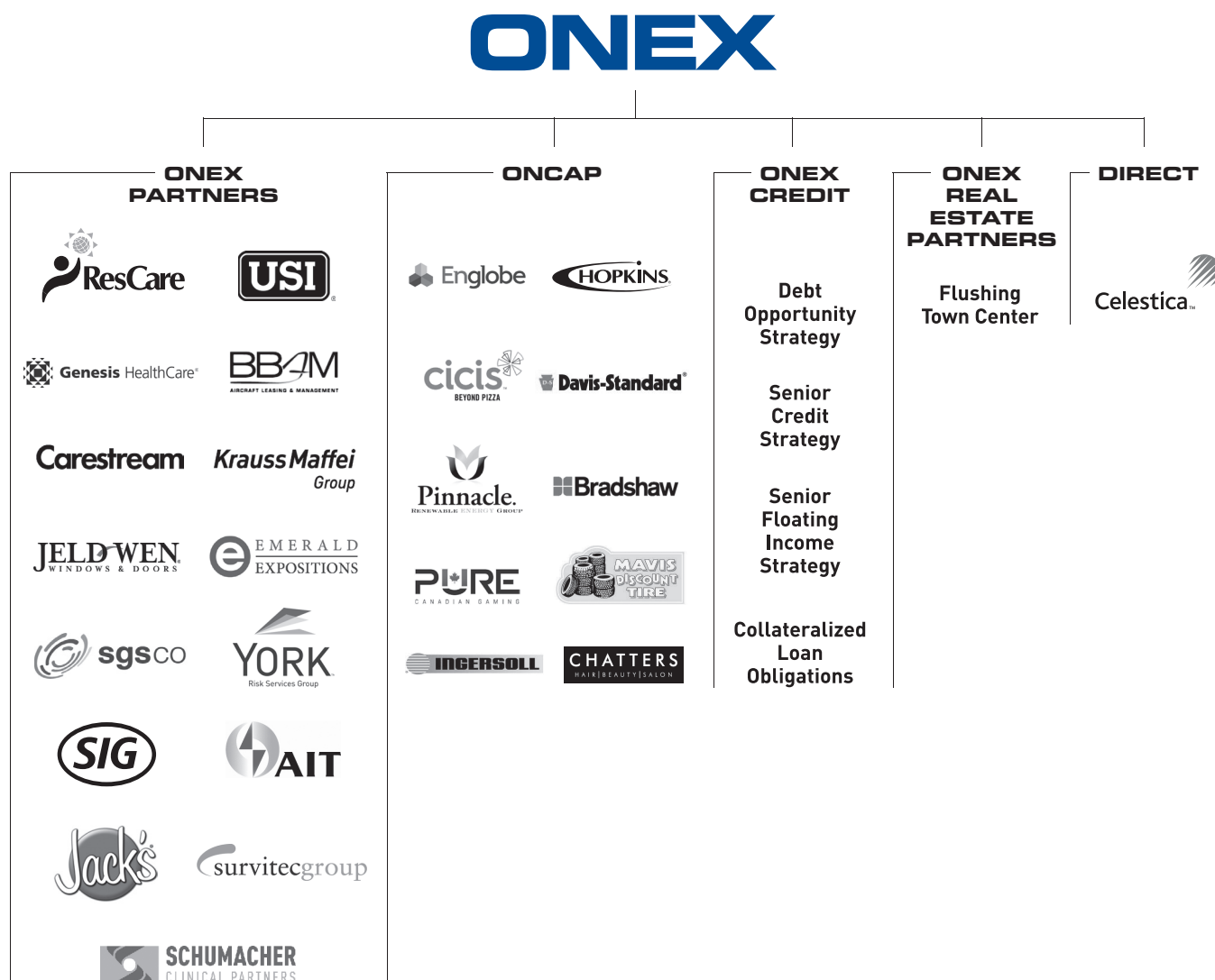


Management's Discussion and Analysis and Financial Statements

December 31, 2015

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 \$36 billion, generate annual revenues of \$22 billion and employ approximately 144,000 people worldwide. Onex operates from offices located in Toronto, New York and London.



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

ONCAP includes investments made through ONCAP II and III.

Onex has entered into an agreement to sell its investment in KraussMaffei. The transaction is expected to close during the first half of 2016 and is subject to customary closing conditions and regulatory approvals.

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

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CHAIRMAN'S LETTER

Dear Shareholders,

In our business, we are measured by the investments we make and their performance under our ownership. Over 32 years, we have built more than 85 operating companies. From our private equity activities, we have generated a gross multiple of capital invested of 2.8 times, resulting in a 28 percent gross IRR. Perhaps equally as important, if not more so, are the many opportunities we looked at but did not pursue. Some we may regret, but many we don't. The benefit of experience, success and some failures along the way has taught us what we are good at and what we should avoid.

This past year – marred by steep commodity price declines and a shaken oil and gas sector – is a great reminder of why a consistent approach to investing is fundamental to longevity in this business. No doubt many investors prospered during the boom in extractive industries. We were not one of them, nor do we now suffer from the sector's volatility. Our investing culture is deeply rooted in opportunities where we can effect change rather than rely on macro-economic or industry trends to create long-term value. That is why our team is comfortable being so heavily invested alongside you in everything we do.

We had a productive year in 2015. We invested close to \$2.5 billion through our private equity Funds, of which Onex' direct share was more than \$750 million. Europe was a particularly bright spot for us, with two acquisitions completed in the region. We also enjoyed robust growth in our credit platform with assets under management growing to \$6.5 billion – a 30 percent increase versus the prior year. Here are some of the highlights:

- Onex Partners invested \$2.3 billion of capital in:
 - Survitec Group, a market-leading provider of marine and aerospace survival equipment, and its add-on investment in Survival Craft Inspectorate, a supplier of certified lifeboat-related safety equipment and services, both based in the United Kingdom;
 - SIG Combibloc Group, a global provider of aseptic packaging machines and cartons based in Switzerland;
 - Jack's Family Restaurants, a regional quick-service restaurant operator based in the southern United States;
 - Schumacher Clinical Partners, and its subsequent add-on investment in Hospital Physician Partners, the third- and fourth-largest U.S. providers of outsourced emergency room and hospital clinical staffing, respectively;
- ONCAP invested approximately \$160 million of capital in:
 - Chatters Canada, the largest retailer of professional hair care products in Canada and one of the largest hair salon operators in the country;
 - Ingersoll Tools Group, a global leader in the manufacturing of consumable components that are part of agricultural soil preparation and seeding equipment. It is also a leading provider of branded manual hand tools to the agricultural, construction and gardening end markets.
 - Mavis Discount Tire's add-on acquisition of Somerset Tire Service, one of the largest tire chains in the United States;
- The value of Onex' interest in our private equity investments, including realizations and distributions, grew by 12 percent;
- Our businesses raised or refinanced approximately \$1.9 billion of debt;
- Total distributions to Onex and its partners of \$1.4 billion, of which \$655 million originated from debt raised or refinanced;
- Onex Credit continued to grow its collateralized loan obligation ("CLO") pools with three offerings, totalling more than \$2 billion; and
- Onex Credit called its first CLO, which generated an 18 percent net IRR on Onex' investment over our three-year holding period.

During the year, our share price increased 26 percent compared to an 11 percent decrease in the TSX. While our share price benefited from the depreciation of the Canadian dollar relative to the U.S. dollar, Onex' shares increased 5 percent in U.S. dollars versus a 1 percent decrease in the S&P 500.

The financial markets are off to a very poor start in 2016. Thankfully, another one of our unwavering strategies keeps us safe: maintenance of a very liquid, debt-free balance sheet. Today we have more than \$2 billion of cash, nearly \$3 billion of undrawn capital commitments and no debt. While we never really enjoy poor market conditions, with plenty of resources and a great team of professionals we feel well-positioned to benefit from the current investment climate.

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

More Than 30 Years of Successful Investing

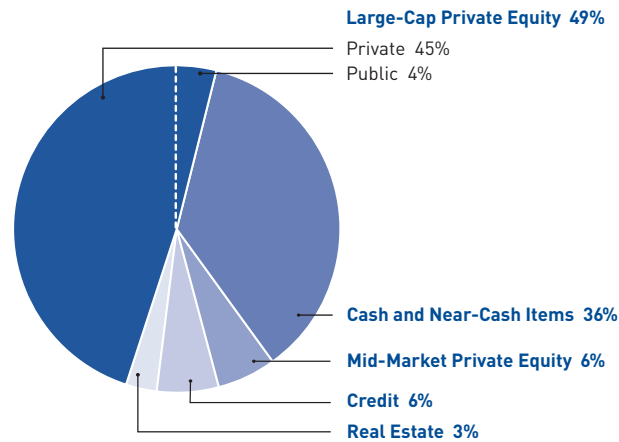
Founded in 1984, Onex is one of the oldest and most successful private equity firms. Through its Onex Partners and ONCAP private equity funds, Onex acquires and builds high-quality businesses in partnership with talented management teams. At Onex Credit, Onex manages and invests in leveraged loans, collateralized loan obligations (“CLOs”) and other credit securities. The Company has approximately \$22.5 billion of assets under management, including \$6.0 billion of Onex’ capital. Onex is guided by an ownership culture focused on achieving strong absolute growth, with an emphasis on capital preservation.

We have built more than 85 operating businesses, completing about 525 acquisitions with a total value of \$61 billion. In private equity, Onex has generated a gross multiple of capital invested of 2.8 times from its private equity activities since inception, resulting in a 28 percent gross IRR on realized, substantially realized and publicly traded investments. Our credit business has grown considerably since 2007, driven primarily by the success of 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.

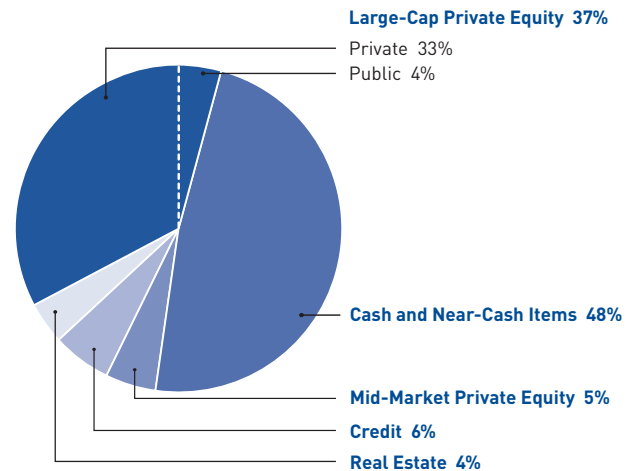
Onex’ Capital

At December 31, 2015, Onex’ \$6.0 billion of capital 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 year, and to have that growth reflected in its share price. In the year ended December 31, 2015, Onex’ capital per share increased by 1 percent in U.S. dollars (20 percent in Canadian dollars) and our share price grew by 5 percent in U.S. dollars (26 percent in Canadian dollars). The growth in Onex’ capital was impacted by a meaningful portion of Onex’ capital being held in cash and near-cash items due to significant realizations in 2014. During 2015 and through February 25, 2016, Onex invested approximately \$940 million of its cash through its private equity and credit platforms. Over the past five years, Onex’ capital per share increased by 10 percent per year in U.S. dollars (17 percent per year in Canadian dollars).

Onex’ \$6.0 billion of Capital at December 31, 2015



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

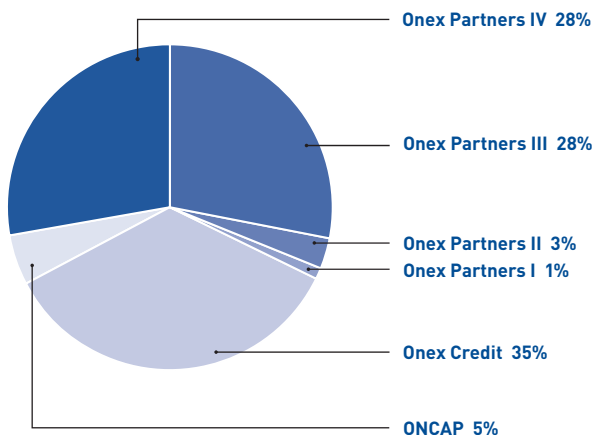


The How We Are Invested schedule details Onex’ \$6.0 billion of capital at December 31, 2015 (December 31, 2014 – \$6.0 billion).

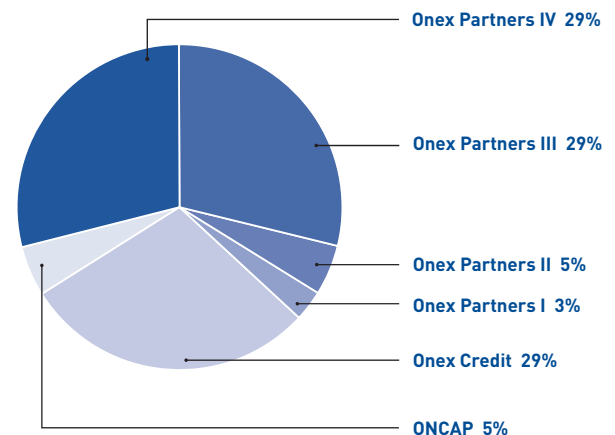
Other Investors' Capital

Onex manages \$16.5 billion of invested and committed capital on behalf of investors from around the world. These investors include public and private pension funds, sovereign wealth funds, banks and insurance companies. One of Onex' long-term goals is to grow its fee-generating capital by 10 percent per year. In the year ended December 31, 2015, fee-generating capital under management grew by 10 percent to \$14.8 billion. Over the past five years, fee-generating capital under management increased by 11 percent per year. The management of other investors' capital provides two significant benefits. First, Onex is entitled to receive a committed stream of annual management fees on \$14.8 billion of assets under management. Second, Onex has the opportunity to share in its investors' profits through the carried interest participation. Carried interest, if realized, can significantly enhance Onex' investment returns. In 2015, combined management fees and carried interest received more than offset ongoing operating expenses. Today, Onex has run-rate management fees of approximately \$130 million for the next 12 months, consisting of \$92 million from its private equity platforms and \$38 million from Onex Credit.

Onex' \$16.5 billion of Other Investors' Capital at December 31, 2015



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



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 on 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 for 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 on 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' consolidated financial statements prepared in accordance with IFRS for the year ended December 31, 2015 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 consolidated financial statements has not been presented as it is impractical.

Onex' Capital

As at	December 31, 2015	September 30, 2015	December 31, 2014
Private Equity			
Onex Partners			
Private Companies ⁽¹⁾	\$ 2,520	\$ 2,500	\$ 1,748
Public Companies ⁽²⁾	12	21	30
Unrealized Carried Interest ⁽³⁾	178	160	115
ONCAP ⁽⁴⁾	381	370	292
Direct Investments			
Private Companies ⁽⁵⁾	20	20	100
Public Companies ⁽²⁾	198	231	210
	3,309	3,302	2,495
Credit⁽⁶⁾	346	432	366
Real Estate⁽⁷⁾	172	192	242
	518	624	608
Other Investments	7	7	24
Cash and Near-Cash⁽⁸⁾	2,138	2,054	2,877
Debt⁽⁹⁾	-	-	-
Onex' Capital	\$ 5,972	\$ 5,987	\$ 6,004
Onex' Capital per Share (U.S. dollars) ⁽¹⁰⁾⁽¹¹⁾	\$ 54.39	\$ 54.52	\$ 54.11
Onex' Capital per Share (Canadian dollars) ⁽¹⁰⁾⁽¹¹⁾	C\$ 75.27	C\$ 72.75	C\$ 62.77

(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 \$65 million (September 30, 2015 - \$56 million; December 31, 2014 - \$40 million).

(2) Based on closing prices on December 31, 2015, September 30, 2015 and December 31, 2014.

(3) Represents Onex' share of the unrealized carried interest for Onex Partners Funds.

(4) Based on the fair value of the investments in ONCAP's financial statements net of the estimated management incentive programs on these investments of \$16 million (September 30, 2015 - \$15 million; December 31, 2014 - \$9 million) and a US\$/C\$ exchange rate of 1.3840 (September 30, 2015 - 1.3345; December 31, 2014 - 1.1601).

(5) Onex sold its investment in Sitel Worldwide during 2015. At December 31, 2015 and September 30, 2015, based on an estimated earn-out component. At December 31, 2014, based on the fair value.

(6) Based on the market values of investments in Collateralized Loan Obligations (including warehouse facilities) of \$225 million (September 30, 2015 - \$305 million; December 31, 2014 - \$237 million) and Onex Credit Funds of \$121 million (September 30, 2015 - \$127 million; December 31, 2014 - \$129 million). Excludes \$351 million (September 30, 2015 - \$354 million; December 31, 2014 - \$346 million) invested in an Onex Credit segregated unlevered senior secured loan strategy fund, which is included with cash and near-cash items.

(7) Based on the fair values. During 2015, Onex had net realizations from Flushing Town Center of \$72 million and sold two other real estate investments.

(8) Includes \$351 million (September 30, 2015 - \$354 million; December 31, 2014 - \$346 million) invested in an Onex Credit segregated unlevered senior secured loan strategy fund and \$1.2 billion (September 30, 2015 - \$1.1 billion; December 31, 2014 - nil) of investments managed by third-party investment managers.

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

(10) Calculated on a fully diluted basis. Fully diluted shares were 117.6 million at December 31, 2015 (September 30, 2015 - 117.1 million; December 31, 2014 - 112.9 million). Fully diluted shares include all outstanding SVS and outstanding stock options that have met the minimum 25% price appreciation threshold.

(11) The change in Onex' Capital per Share is impacted by the fair value changes of Onex' investments. Share repurchases and options exercised during the year will have an impact on the calculation of Onex' Capital per Share 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, 2015	Shares Subject to Carried Interest (millions)	Shares Held by Onex (millions)	Closing Price per Share ⁽¹⁾	Market Value of Onex' Investment
Onex Partners – Genesis Healthcare ⁽²⁾	10.7	3.5	\$ 3.47	\$ 12
Direct Investments – Celestica ⁽³⁾	–	17.9	\$ 11.03	198
				\$ 210

Significant Private Companies

As at December 31, 2015	Onex' and its Limited Partners' Ownership	LTM EBITDA ⁽⁴⁾	Net Debt	Cumulative Distributions	Onex' Economic Ownership	Original Cost of Onex' Investment
Onex Partners						
AIT	40%	n/a	n/a	\$ 42 ⁽⁵⁾	9%	\$ 45
BBAM ⁽⁶⁾	50%	\$ 123	\$ (51) ⁽⁷⁾	220	13%	47
Carestream Health	91%	360	1,908	1,311	33% ⁽³⁾	186
Emerald Expositions	99%	147 ⁽⁸⁾	734	–	24%	119
Jack's	95%	49 ⁽⁹⁾	265 ⁽¹⁰⁾	–	28%	79 ⁽¹¹⁾
JELD-WEN	83% ⁽¹²⁾	313 ⁽¹³⁾	1,174 ⁽¹³⁾	432	21% ⁽¹²⁾	217 ⁽¹⁴⁾
Meridian Aviation	100%	n/a	n/a	85	25%	19
ResCare	98%	143	552	235	20%	41
Schumacher	71%	103 ⁽⁸⁾	521	–	21%	93
sgsco ⁽¹⁵⁾	93%	112 ⁽⁸⁾	572	–	23%	66
SIG	99%	€ 436	€ 2,583	–	33%	405 ⁽¹⁶⁾
Survitec	99%	€ 50 ⁽⁸⁾	€ 275	–	22%	76 ⁽¹⁷⁾
USI	88%	346 ⁽⁸⁾	1,901	230	25%	170
York	88%	104 ⁽⁸⁾	944	–	29%	173
						\$ 1,736

(1) Closing prices on December 31, 2015.

(2) In February 2015, Skilled Healthcare Group, Inc. combined with Genesis HealthCare, LLC. The combined company operates under the Genesis Healthcare name and continues 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) Cumulative distributions for AIT include a purchase price adjustment of \$4 million.

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

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

(8) LTM EBITDA is presented on a pro-forma basis to reflect the impact of acquired businesses.

(9) LTM EBITDA is presented on a pro-forma basis to reflect the annualized rent impact of sale-leaseback transactions completed during 2015.

(10) Net debt includes a \$54 million promissory note held by the Onex Partners IV Group. In January 2016, Jack's repaid an additional \$23 million of the promissory note, including accrued interest.

(11) Net of a \$41 million return of principal on the promissory note through December 31, 2015.

(12) Onex' and its limited partners' investment includes common and convertible preferred shares. The ownership percentage presents the convertible preferred shares on an as-converted basis.

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

(14) 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.

(15) Previously presented as SGS International.

(16) The investment in SIG was made in U.S. dollars.

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

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, 2015 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the 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 consolidated financial statements and notes thereto included in this report. The MD&A and the 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 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 25, 2016. 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:

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- 19 Industry Segments
- 23 Financial Review

Onex Corporation's financial filings, including the 2015 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, the Onex management team and, where applicable, certain other limited partners as investors. For example, references to the Onex Partners III Group represent Onex, the limited partners of Onex Partners III, the Onex management team and, where applicable, certain other limited partners as investors.

Forward-Looking/Safe Harbour Statements

This 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: We invest and manage our own capital and that of investors from around the world, including public and private pension funds, sovereign wealth funds, banks and insurance companies. Onex has generated a gross multiple of capital invested of 2.8 times from its private equity activities since inception on realized, substantially realized and publicly traded investments. In our credit platform, we seek to generate strong risk-adjusted returns across market cycles.

Investment approach

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

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

In our credit platform, we practise value-oriented investing with bottom-up, fundamental and structural analysis. We generally invest in larger, more actively traded issues with a long-term view on expected outcomes. Our top-down approach to portfolio construction, risk control and liquidity management complements our investment research.

We maintain disciplined risk management with a focus on capital preservation across all strategies. We do so by selecting credits with seniority in the capital structure of companies with stable cash flows and substantial asset values.

Experienced team with significant depth

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

Onex' 82 investment professionals are each dedicated to a separate investment platform: Onex Partners (49), ONCAP (19) and Onex Credit (14). These investment teams are supported by more than 70 professionals dedicated to Onex' corporate functions and its investment platforms.

Substantial financial resources available for future growth

Onex' policy is to maintain a financially strong parent company with funds available for new acquisitions and to support the growth of its businesses. Onex' financial strength comes from both its own capital, as well as the capital commitments from its limited partners in the Onex Partners and ONCAP Funds. At December 31, 2015, Onex had substantial financial resources available to support its investing strategy with:

- approximately \$2.1 billion of cash and near-cash items and no debt;
- \$2.8 billion of limited partners' uncalled capital available for future Onex Partners IV investments; and
- C\$148 million of limited partners' uncalled capital available for future ONCAP III investments.

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

Strong alignment of interests

Critical to our success is the strong alignment of interests between Onex' shareholders, our limited partners and the Onex management team. In addition to Onex being the largest limited partner in each private equity fund and having meaningful investments in our credit platform, the Company's distinctive ownership culture requires the management team to have a significant ownership in Onex shares and to invest meaningfully in each operating business acquired. At December 31, 2015, the Onex management team:

- was the largest shareholder in Onex, with a combined holding of approximately 24 million shares, or 22 percent of outstanding shares, and had invested in 0.7 million Deferred Share Units ("DSUs");
- had a total cash investment in Onex' current operating businesses of approximately \$350 million; and
- had a total investment at market in Onex Credit strategies of approximately \$275 million.

As well, the Onex management team is required to reinvest 25 percent of all Onex Partners carried interest and Management Investment Plan ("MIP") distributions in Onex shares until they individually own at least one million shares and hold these shares until retirement.

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

OUR STRATEGIES

Acquiring and building industry-leading businesses

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

The value of Onex' private equity investments, including realizations and distributions, increased by 12 percent during 2015. One of Onex' long-term goals is to grow its capital per share by 15 percent per year. Including the impact of cash, carried interest and other investments, Onex' capital per share grew by 1 percent in U.S. dollars (20 percent in Canadian dollars) for the year ended December 31, 2015 to \$54.39 (C\$75.27) from \$54.11 (C\$62.77) at December 31, 2014. Over the past five years, Onex' capital per share increased by 10 percent per year in U.S. dollars (17 percent per year in Canadian dollars).

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

Company	Fund	Transaction	Period	Total Investment (\$ millions)	Onex' Share (\$ millions)
Survitec	Onex Partners IV	Original and add-on investments	Mar '15 and Sep '15	\$ 336	\$ 76
SIG	Onex Partners IV	Original investment	Mar '15	1,215 ⁽¹⁾	405 ⁽¹⁾
ITG	ONCAP III	Original investment	Jun '15	70	21
Jack's	Onex Partners IV	Original investment	Jul '15	415 ⁽²⁾	120 ⁽²⁾
Chatters	ONCAP III	Original investment	Jul '15	43 ⁽³⁾	13 ⁽³⁾
Schumacher	Onex Partners IV	Original and add-on investments	Jul '15 and Aug '15	323	93
Mavis Discount Tire	ONCAP III	Add-on investment	Aug '15	48 ⁽⁴⁾	25 ⁽⁴⁾
Total				\$ 2,450	\$ 753

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

(2) The Onex Partners IV Group's investment in Jack's consisted of an equity investment of \$220 million and a \$195 million promissory note. Onex' investment in Jack's consisted of an equity investment of \$63 million and \$57 million of the promissory note. During 2015 and early 2016, Jack's made repayments of the promissory note totalling \$166 million, including accrued interest, with net proceeds from sale-leaseback transactions completed for certain of its fee-owned restaurant properties. Onex' share of the repayments was \$48 million.

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

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

Acquiring businesses

Despite a competitive acquisition environment in both North America and Europe, we had a very active year completing six new investments – Survitec Group Limited (“Survitec”), SIG Combibloc Group Holdings S.a.r.l. (“SIG”), Ingersoll Tools Group (“ITG”), Jack’s, Chatters Canada (“Chatters”) and Schumacher Clinical Partners (“Schumacher”).

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

In September 2015, Survitec acquired Survival Craft Inspectorate Limited (“SCI”) for up to £45 million (\$68 million). The purchase price consisted of £32 million (\$49 million) paid on closing of the transaction and an additional amount of up to £13 million (\$19 million) payable based on the future performance of SCI. Based in the United Kingdom, SCI is a supplier of certified lifeboat-related safety equipment and services. In connection with this transaction, the Onex Partners IV Group invested £9 million (\$13 million) in Survitec, of which Onex’ share was £2 million (\$3 million).

In March 2015, the Onex Partners IV Group acquired SIG in a transaction valued at up to €4,040 million (\$4,250 million). Based in Switzerland, SIG provides food and beverage producers with a comprehensive product portfolio of aseptic carton packaging filling systems, aseptic carton packaging sleeves, spouts and caps, as well as after-market support services. The purchase price consisted of €3,865 million (\$4,067 million) paid on closing of the transaction and an additional amount of up to €175 million (\$183 million) payable based on SIG’s financial performance in 2015 and 2016. The Onex Partners IV Group’s equity investment in SIG was completed in U.S. dollars in the amount of \$1,215 million for substantially all of the equity. Onex’ investment in SIG totalled \$405 million and was comprised of \$131 million through Onex Partners IV and \$274 million as a co-investment.

At December 31, 2015, SIG had revised its estimate of the additional amount to €125 million (\$136 million), resulting in a recovery of €50 million (\$55 million). The amount represented management’s best estimate of the fair value at December 31, 2015, which is subject to sensitivity associated with various factors, including foreign currency fluctuations, as well as uncertainty regarding the treatment of certain items.

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

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

During 2015 and early 2016, Jack's made repayments of the promissory note totalling \$166 million, including accrued interest, with net proceeds from sale-leaseback transactions completed for certain of its fee-owned restaurant properties. Onex' share of the repayments was \$48 million.

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

In late July 2015, the Onex Partners IV Group acquired Schumacher for \$690 million. Based in the United States, Schumacher is a leading provider of emergency and hospital medicine physician practice management services. The Onex Partners IV Group invested \$219 million, of which Onex' portion was \$63 million.

In August 2015, Schumacher acquired Hospital Physician Partners ("HPP"), a provider of emergency and hospital medicine physician practice management services in the United States, for \$271 million. In connection with this transaction, the Onex Partners IV Group made an add-on investment in Schumacher of \$105 million and the balance of the equity was funded by an investment from the management of HPP and Schumacher and other investors. Onex' share of the add-on investment in Schumacher was \$30 million. The remainder of the purchase price was financed by Schumacher with proceeds from its amended senior secured facility and cash from Schumacher's balance sheet.

Building businesses

During 2015 and up to February 25, 2016, 12 of our operating businesses, including Schumacher and Survitec, completed follow-on acquisitions for total consideration of approximately \$700 million.

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

Realizing on value

During 2015, the strength of our businesses, combined with the strength in the credit market during the first half of the year, made it appropriate for a number of our operating businesses to collectively raise or refinance a total of \$1.9 billion of debt. This contributed to Onex and its partners receiving distributions from these operating businesses of \$655 million. During the same period, our existing operating businesses collectively paid down debt totalling approximately \$310 million.

The table below presents in chronological order the significant proceeds received during 2015 and up to February 25, 2016 from realizations and cash distributions primarily from private equity activity:

Company	Fund	Transaction	Period	Gross Multiple of Capital Invested ⁽¹⁾	Total Amount (\$ millions)	Onex' Share (\$ millions)
ResCare	Onex Partners I & III	Dividend	Mar '15	n/a	\$ 97	\$ 20
JELD-WEN	Onex Partners III	Dividend	Jul '15	n/a	359	89
Onex Real Estate Partners	Direct Investment	Sale of investment	Jul '15 and Dec '15	n/a	128	112
USI	Onex Partners III	Dividend	Aug '15	n/a	181	51
Tropicana Las Vegas	Onex Partners III	Sale of business	Aug '15	0.7x	230	50
PURE Canadian Gaming	ONCAP II & III	Dividend	Aug '15	n/a	18	8
Sitel Worldwide	Direct Investment	Sale of business	Sep '15	0.2x	33 ⁽²⁾	33
Meridian Aviation	Onex Partners III	Distribution	Oct '15	n/a	85	21
Jack's	Onex Partners IV	Repayments of promissory note	Various	n/a	166	48
AIT	Onex Partners IV	Distributions	Various	n/a	30 ⁽³⁾	7 ⁽³⁾
BBAM	Onex Partners III	Distributions	Various	n/a	52	13
Total					\$ 1,379	\$ 452

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

(2) Represents Onex' share only.

(3) Includes amounts received for a purchase price adjustment.

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

In July 2015, JELD-WEN Holding, inc. ("JELD-WEN") increased its existing term loan by \$480 million to fund a distribution of \$432 million to its shareholders and retained the balance to fund add-on acquisitions. The Onex Partners III Group's portion of the distribution to shareholders was \$359 million, of which Onex' portion was \$89 million.

In July and December 2015, our real estate platform sold substantially all of the retail space and adjoining parking structures of Flushing Town Center, receiving net proceeds of \$136 million, of which Onex' share was \$119 million. Included in the net proceeds is \$8 million held in escrow, of which Onex' share is \$7 million. Onex Real Estate Partners continues to develop the second phase of condominiums at the project.

In August 2015, USI Insurance Services (“USI”) entered into an incremental senior secured term loan facility of \$230 million, the proceeds of which were used primarily to fund a distribution of \$230 million to shareholders. The Onex Partners III Group’s portion of the distribution to shareholders was \$181 million, of which Onex’ portion was \$51 million. The balance of the proceeds was primarily distributed to employees of USI.

In August 2015, the Onex Partners III Group sold its investment in Tropicana Las Vegas, Inc. (“Tropicana Las Vegas”) for an enterprise value of \$360 million. The Onex Partners III Group’s total net proceeds were \$230 million compared to its investments of \$320 million. The investment in Tropicana Las Vegas generated a gross multiple of invested capital of approximately 0.7 times. Onex’ portion of the total net proceeds was \$50 million compared to its investments of \$70 million.

In August 2015, PURE Canadian Gaming Corp. (“PURE Canadian Gaming”) distributed C\$25 million to shareholders, which was primarily backed by the company’s free cash flow generated during the year. The ONCAP II and ONCAP III Groups’ portion of the distribution was C\$23 million (\$18 million), of which Onex’ portion was C\$10 million (\$8 million).

In September 2015, Onex sold its entire investment in SITEL Worldwide Corporation (“Sitel Worldwide”) for an enterprise value of approximately \$830 million. Onex’ proceeds were \$53 million, which consisted of \$33 million received in cash and an estimated earn-out component that may be received of approximately \$20 million, compared to its investments of \$320 million, resulting in a gross multiple of capital invested of 0.2 times.

In October 2015, Meridian Aviation Partners Limited (“Meridian Aviation”) completed a distribution of \$85 million to the Onex Partners III Group, of which Onex’ share was \$21 million. The distribution was funded from cash on hand at Meridian Aviation, which was primarily from gains on investments in aircraft.

During 2015, Advanced Integration Technology LP (“AIT”) completed distributions of \$30 million, including a purchase price adjustment, to the Onex Partners IV Group, of which Onex’ share was \$7 million. The distributions were funded by the company’s free cash flow generated during the year.

In addition, during 2015, BBAM Limited Partnership (“BBAM”) completed distributions of \$52 million to the Onex Partners III Group, of which Onex’ share was \$13 million. The distributions were funded by the company’s free cash flow generated during the year.

In January 2016, the Onex Partners III Group entered into an agreement to sell KraussMaffei Group GmbH (“KraussMaffei”) for a cash enterprise value of approximately €925 million. Under the terms of the agreement, the Onex Partners III Group will receive net proceeds of approximately €670 million. Onex’ portion will be approximately €180 million, including estimated carried interest of €12 million and after the reduction for the amounts on account of the MIP. By early 2016, the Onex Partners III Group had hedged the foreign exchange exposure for substantially all of its estimated net proceeds. The transaction is expected to close during the first half of 2016 and is subject to customary closing conditions and regulatory approvals.

Managing and growing other investors' capital

Onex' management of other investors' capital has grown significantly since 1999 when it raised its first ONCAP Fund for mid-market transactions. In 2003, the first Onex Partners Fund was raised for larger transactions. Through December 31, 2015, Onex had raised \$11.8 billion of limited partners' capital through seven Onex Partners and ONCAP Funds.

Our mid-market private equity fund, ONCAP III, has invested C\$389 million of third-party capital in seven businesses. Onex is now in a position to raise ONCAP IV as ONCAP III is more than 75 percent invested as of December 31, 2015.

In 2007, Onex began developing its credit platform by acquiring a 50 percent interest in an investment advisor focused on credit investing which, at that time, managed \$300 million. The business has grown considerably and Onex has increased its ownership interest over the years.

In 2012, Onex began investing capital in Onex Credit's CLO platform to support its growth. In 2014, Onex Credit established a presence in London to focus on the placement of European CLOs and currently has a warehouse facility in place in anticipation of its first one. To date, Onex Credit has closed 10 CLOs, with offerings of securities and loans totalling approximately \$5.8 billion. At December 31, 2015, other investors' capital under management related to these CLOs was \$5.2 billion.

In January 2015, Onex acquired control of the investment advisor and now has a 100 percent ownership interest for accounting purposes. Today, our credit business manages below investment-grade debt through several investment strategies comprising event-driven, long/short, long-only, stressed and distressed opportunities, including two closed-end funds listed on the Toronto Stock Exchange (TSX: OCS-UN and OSL-UN), as well as a CLO platform. Through December 31, 2015, Onex Credit had raised \$6.9 billion of other investors' capital through its various strategies and is focused on growing its other strategies through various product lines and distribution channels.

The management of other investors' capital provides two significant benefits to Onex: (i) the Company earns management fees on \$14.8 billion of assets under management and (ii) Onex has the opportunity to share in the profits of its investors through the carried interest and incentive fee participation. This enables Onex to enhance the return from its investment activities. In 2015, combined management fees, carried interest and incentive fees received more than offset ongoing operating expenses. Onex Partners, ONCAP and Onex Credit earned a total of \$141 million in management and transaction fees in 2015 (2014 – \$99 million), and today Onex has run-rate management fees of approximately \$130 million for the next 12 months.

Onex Partners and ONCAP contribute \$92 million to the run-rate management fees for the next 12 months. Onex does not earn any management fees on the \$4.4 billion of capital it has invested or committed to the Onex Partners and ONCAP Funds. The additional run-rate fees that would be earned on this capital if it were subject to the same management fees as other investors is \$35 million.

Onex Credit contributes \$38 million to the run-rate management fees for the next 12 months, which includes \$3 million of management fees earned on Onex' approximately \$700 million of capital invested in Onex Credit.

One of Onex' long-term goals is to grow its fee-generating capital by 10 percent per year. During 2015, fee-generating capital under management grew by 10 percent to \$14.8 billion primarily due to the completion of three CLOs by Onex Credit. Over the past five years, fee-generating capital under management increased by 11 percent per year.

At December 31, 2015, Onex' share of the unrealized carried interest on Onex Partners' operating businesses was \$178 million based on the fair values compared to \$115 million at December 31, 2014. The amount of unrealized carried interest on Onex Partners' businesses has increased since December 31, 2014 due to fair value increases of certain businesses during 2015. The actual amount of carried interest realized by Onex will depend on the ultimate performance of each fund.

At December 31, 2015, Onex managed \$16.5 billion of other investors' capital, in addition to \$6.0 billion of Onex' capital.

Other Investors' Capital Under Management ⁽¹⁾							
(\$ millions)	Total		Change in Total	Fee-Generating		Uncalled Commitments	
	December 31, 2015 ⁽²⁾	December 31, 2014 ⁽²⁾		December 31, 2015	December 31, 2014	December 31, 2015 ⁽²⁾	December 31, 2014 ⁽²⁾
Funds							
Onex Partners ⁽³⁾	\$ 9,803	\$ 9,598	2%	\$ 8,249	\$ 8,523	\$ 3,233	\$ 4,755
ONCAP	C\$ 1,197	C\$ 922	30%	C\$ 1,006	C\$ 785	C\$ 148	C\$ 291
Onex Credit ⁽⁴⁾	\$ 5,869	\$ 4,342	35%	\$ 5,869	\$ 4,342	n/a	n/a

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

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

(3) The principal repayments of the promissory note by Jack's, as described on page 28 of this MD&A, increased the uncalled commitments for Onex Partners Funds.

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

The amount of other investors' capital under management will fluctuate as new capital is raised and existing investments are realized. During 2015, this capital increased by \$1.8 billion primarily due to:

- \$358 million co-invested by certain limited partners in SIG;
- a net increase of \$1.5 billion from Onex Credit primarily from the creation of CLO-8, CLO-9 and CLO-10, partially offset by the redemption of CLO-1; and
- a net increase of approximately \$1.2 billion from the fair value of Onex Partners and ONCAP investments.

Partially offsetting these increases in other investors' capital during 2015 were distributions to investors in the Onex Partners and ONCAP Funds of approximately \$900 million and the impact of foreign exchange.

Performance

Private equity

The ability to raise new capital commitments is dependent on the fundraising environment generally and the track record Onex has achieved with the investment and management of prior funds. The following table summarizes the performance of the Onex Partners and ONCAP Funds from inception through December 31, 2015. The gross internal rate of return ("Gross IRR") shows the investment returns achieved on the investments in the funds. The net internal rate of return ("Net IRR") shows the returns earned by limited partners in the funds after the deduction for carried interest, management fees and expenses. The gross multiple of capital ("Gross MOC") shows the funds' total value as a multiple of capital invested. Net multiple of capital ("Net MOC") shows the multiple of capital invested for limited partners after the deduction for carried interest, management fees and expenses.

Performance Returns ⁽¹⁾					
	Vintage	Gross IRR	Net IRR ⁽²⁾	Gross MOC	Net MOC ⁽²⁾
Funds					
Onex Partners LP	2003	55%	38 %	3.9x	3.0x
Onex Partners II LP	2006	18%	14 %	2.4x	2.0x
Onex Partners III LP	2009	21%	13 %	1.8x	1.6x
Onex Partners IV LP ⁽³⁾	2014	10%	[7]%	1.1x	0.9x
ONCAP L.P. ⁽⁴⁾⁽⁵⁾	1999	43%	33 %	4.1x	3.1x
ONCAP II L.P. ⁽⁴⁾	2006	31%	22 %	3.7x	2.6x
ONCAP III LP ⁽⁴⁾	2011	34%	23 %	2.1x	1.6x

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

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

(3) Performance reflects the short operating period of Onex Partners IV LP.

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

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

Credit

Onex believes CLOs generate attractive risk-adjusted returns on capital. Through December 31, 2015, Onex had a net investment after dispositions and distributions of \$331 million in remaining CLOs, including \$21 million for a warehouse facility of a CLO. In June 2015, the Company redeemed its first CLO, CLO-1. In aggregate, Onex received \$53 million of proceeds and distributions related to CLO-1 compared to its original investment of \$38 million, generating an 18 percent Net IRR.

Market pricing for CLO equity is more volatile than the underlying leveraged loan market due to the leverage employed in a CLO and the relative illiquidity of CLO equity. CLO equity pricing may also be affected by changes in fixed income market sentiment and in investors' general appetites for risk. Volatility in the leveraged loan market, particularly in the energy and commodities sectors, caused underlying loan prices in all sectors to decline during the second half of 2015, reducing the market value of our CLOs' portfolios. As a result, Onex experienced an unrealized loss on its investments in CLOs of \$94 million during 2015. All of Onex' CLOs remain comfortably outside their various coverage tests, and Onex received \$53 million of distributions from its CLO investments during the year.

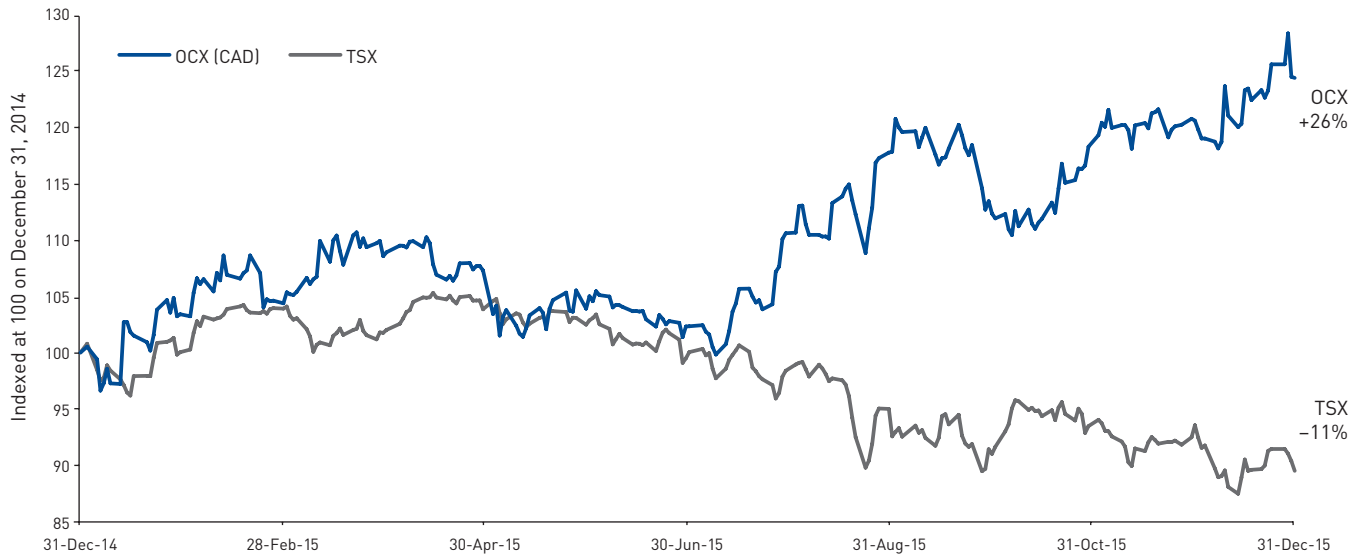
Onex' share price performance

Our goal is to have the value of our investing and asset management activities reflected in our share price. These efforts are supported by a long-standing quarterly dividend and an active stock buyback program. In May 2015, Onex announced that it would be increasing its quarterly dividend by 25 percent to C\$0.0625 per Subordinate Voting Share ("SVS") beginning in July 2015. This increase follows similar increases in 2013 and 2014 and reflects Onex' success and ongoing commitment to its shareholders. During 2015, \$19 million was returned to shareholders through dividends and Onex repurchased 3,084,877 SVS at a total cost of \$175 million (C\$218 million), or an average purchase price of \$56.83 per share (C\$70.70).

At December 31, 2015, Onex' SVS closed at C\$84.82, a 26 percent increase from December 31, 2014. This compares to an 11 percent decrease in the S&P/TSX Composite Index ("TSX").

The chart below shows the performance of Onex' SVS relative to the TSX.

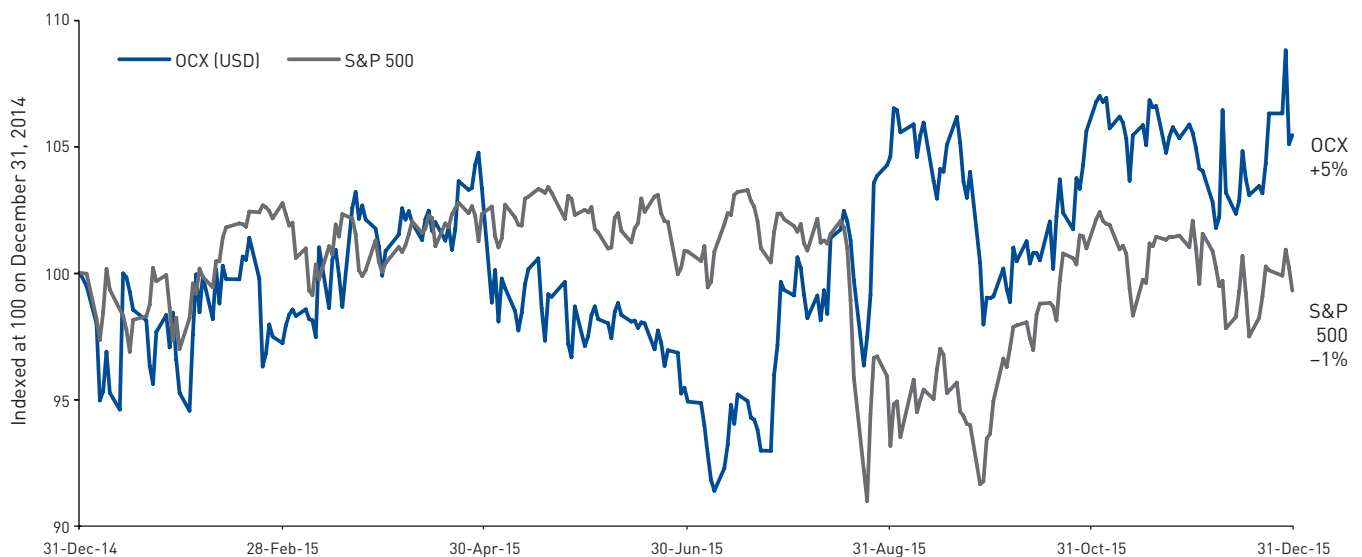
Onex Relative Performance (December 31, 2014 to December 31, 2015)



As a substantial portion of Onex' investments are denominated in U.S. dollars, Onex' Canadian dollar share price will also be impacted by the change in the exchange rate between the U.S. dollar and Canadian dollar. During 2015, the value of Onex' SVS increased by 5 percent in U.S. dollars compared to a 1 percent decrease in the Standard & Poor's 500 Index ("S&P 500").

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

Onex Relative Performance (December 31, 2014 to December 31, 2015)



INDUSTRY SEGMENTS

At December 31, 2015, Onex had eight reportable industry segments. In March 2015, the Onex Partners IV Group completed the acquisition of SIG, the results of which have been combined with SGS International, Inc. ("sgsco") (formerly included in the other businesses segment) and presented as a new reportable industry segment, packaging products and services. In January 2016, Onex entered into an agreement to sell KraussMaffei. The operations of KraussMaffei have been presented as discontinued. Comparative disclosures have been restated to reflect these changes. A description of our operating businesses by industry segment, and the economic and voting ownerships of Onex, the parent company, and its limited partners in those businesses, is presented below and in the pages that follow. We manage our businesses and measure performance based on each operating company's individual results.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Electronics Manufacturing Services	Celestica Inc. (TSX/NYSE: CLS), a global provider of electronics manufacturing services (www.celestica.com). Onex shares held: 17.9 million^(a)	13% ^(a)	13% ^(a) /80%
Healthcare Imaging	Carestream Health, Inc. , a global provider of medical and dental imaging and healthcare information technology solutions (www.carestream.com). Total Onex, Onex Partners II and Onex management investment at original cost: \$471 million Onex portion at cost: \$186 million Onex Partners II portion subject to a carried interest: \$266 million	91%	33% ^(a) /100%
Health and Human Services	Res-Care, Inc. , a leading U.S. provider of residential, training, educational and support services for people with disabilities and special needs (www.rescare.com). Total Onex, Onex Partners I, Onex Partners III and Onex management investment at original cost: \$204 million Onex portion at cost: \$41 million Onex Partners I portion subject to a carried interest: \$61 million Onex Partners III portion subject to a carried interest: \$94 million	98%	20%/100%
Building Products	JELD-WEN Holding, inc. , one of the world's largest manufacturers of interior and exterior doors, windows and related products for use primarily in the residential and light commercial new construction and remodelling markets (www.jeld-wen.com). Total Onex, Onex Partners III, certain limited partners, Onex management and others investment at original cost: \$985 million Onex portion at cost: \$244 million Onex Partners III portion subject to a carried interest: \$609 million	83% ^(b)	21% ^(b) /83% ^(b)
Insurance Services	USI Insurance Services , a leading U.S. provider of insurance brokerage services (www.usi.biz). Total Onex, Onex Partners III, certain limited partners, Onex management and others investment at original cost: \$610 million Onex portion at cost: \$170 million Onex Partners III portion subject to a carried interest: \$358 million	88%	25%/100%

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

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

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Insurance Services (cont'd)	<p>York Risk Services Holding Corp., an integrated provider of insurance solutions to property, casualty and workers' compensation specialty markets in the United States (www.yorkrsg.com).</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>	88%	29%/100%
Packaging Products and Services	<p>SGS International, Inc., a global leader in providing marketing solutions, digital imaging and design-to-print graphic services to branded consumer products companies, retailers and the printers that service them (www.sgsg.com).</p> <p>Total Onex, Onex Partners III and Onex management investment at original cost: \$260 million Onex portion at cost: \$66 million Onex Partners III portion subject to a carried interest: \$183 million</p> <p>SIG Combibloc Group Holdings S.a.r.l., a world-leading provider of aseptic carton packaging solutions for beverages and liquid food (www.sig.biz).</p> <p>Total Onex, Onex Partners IV, certain limited partners, Onex management and others investment at original cost: \$1,215 million Onex portion at cost: \$405 million Onex Partners IV portion subject to a carried interest: \$406 million</p>	93%	23%/93%
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, including the warehouse facility for EURO CLO-1, at market value: \$225 million</p> <p>Onex Credit Funds, investment funds providing unit holders with exposure to the performance of actively managed, diversified portfolios.</p> <p>Onex investment in Onex Credit Funds at market: \$472 million, of which \$351 million is invested in a segregated unlevered senior secured loan portfolio that purchases assets with greater liquidity and \$121 million is invested in other Onex Credit Funds.</p>	100% ^(a)	100% ^(a) / ^(b)
Other Businesses	<p>Advanced Integration Technology LP, a leading provider of automation and tooling, maintenance services and aircraft components to the aerospace industry (www.aint.com).</p> <p>Total Onex, Onex Partners IV and Onex management investment at original cost: \$204 million Onex portion at cost: \$45 million Onex Partners IV portion subject to a carried interest: \$142 million</p>	40%	9%/50% ^(c)

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

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

(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' consolidated financial statements.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Other Businesses (cont'd)			
• <i>Aircraft Leasing & Management</i>	<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 (www.bbam.com).</p> <p>Total Onex, Onex Partners III and Onex management investment at original cost: \$185 million Onex portion at cost: \$47 million Onex Partners III portion subject to a carried interest: \$130 million</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 managed by BBAM and 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 at cost: \$19 million Onex Partners III portion subject to a carried interest: \$54 million</p>	50%	13%/50% ^(a)
• <i>Business Services/ Tradeshows</i>	<p>Emerald Expositions, LLC, a leading operator of business-to-business tradeshows in the United States (www.emeraldexpositions.com).</p> <p>Total Onex, Onex Partners III and Onex management investment at original cost: \$490 million Onex portion at cost: \$119 million Onex Partners III portion subject to a carried interest: \$345 million</p>	99%	24%/99%
• <i>Restaurants</i>	<p>Jack's Family Restaurants, a regional premium quick-service restaurant operator (www.eatatjacks.com).</p> <p>Total Onex, Onex Partners IV and Onex management investment at original cost: \$251 million^(b) Onex portion at cost: \$72 million^(b) Onex Partners IV portion subject to a carried interest: \$139 million^(b)</p>	95%	28%/100%
• <i>Hospital Management and Staffing Services</i>	<p>Schumacher Clinical Partners, a leading U.S. provider of emergency and hospital medicine physician practice management services (www.schumacherclinical.com).</p> <p>Total Onex, Onex Partners IV and Onex management investment at original cost: \$323 million Onex portion at cost: \$93 million Onex Partners IV portion subject to a carried interest: \$205 million</p>	71%	21%/71%

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

(b) The original investment in Jack's included a \$195 million promissory note which was partially repaid during 2015 and early 2016 with net proceeds from sale-leaseback transactions. After giving effect to the repayments, the investment in Jack's includes an amount outstanding under the promissory note of \$31 million, of which Onex' share was \$9 million.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Other Businesses (cont'd)			
• <i>Survival Equipment</i>	<p>Survitec Group Limited, a market-leading provider of mission-critical marine, defence and aerospace survival equipment (www.survitecgroup.com).</p> <p>Total Onex, Onex Partners IV and Onex management investment at original cost: \$336 million^(a) Onex portion at cost: \$76 million^(a) Onex Partners IV portion subject to a carried interest: \$234 million^(a)</p>	99%	22%/85%
• <i>Healthcare</i>	<p>Genesis Healthcare, Inc.^(b) (NYSE: GEN), a leading provider of integrated long-term healthcare services in the United States (www.geneshcc.com).</p> <p>Onex shares held: 3.5 million Onex Partners I shares subject to a carried interest: 10.7 million</p>	10%	2%/10%
• <i>Plastics Processing Equipment (Discontinued Operation)</i>	<p>KraussMaffei Group GmbH^(c), a leading manufacturer of plastic and rubber processing equipment (www.kraussmaffei.com).</p> <p>Total Onex, Onex Partners III and Onex management investment at original cost: \$366 million^(d) Onex portion at cost: \$92 million^(d) Onex Partners III portion subject to a carried interest: \$257 million^(d)</p>	95%	24%/100%
• <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 (www.oncap.com).</p> <p>ONCAP II</p> <p>ONCAP II actively manages investments in EnGlobe (www.englbecorp.com), CiCi's Pizza (www.cicispizza.com), Pinnacle Renewable Energy Group (www.pinnaclepellet.com) and PURE Canadian Gaming (www.purecanadiangaming.com).</p> <p>Total Onex, ONCAP II, Onex management and ONCAP management unrealized investments at original cost: \$258 million (C\$269 million) Onex portion at cost: \$120 million (C\$124 million) ONCAP II limited partners: \$115 million (C\$120 million)</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), Mavis Discount Tire (www.mavistire.com), ITG (www.ingersolltillage.com) and Chatters (www.chatters.ca).</p> <p>Total Onex, ONCAP III, Onex management, ONCAP management, certain limited partners and others unrealized investments at original cost: \$523 million (C\$583 million) Onex portion at cost: \$165 million (C\$186 million) ONCAP III limited partners: \$307 million (C\$340 million)</p>	100%	46% ^(e) /100%
• <i>Real Estate</i>	<p>Flushing Town Center, a three million-square-foot development located on approximately 14 acres in Flushing, New York. The project is being developed in two phases and will ultimately consist of 1,248 condominium units constructed above retail space and parking structures. During 2015, substantially all of the first phase of the project was sold.</p> <p>Onex' remaining investment in Flushing Town Center at cost: \$201 million</p>	88%	88%/100%

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

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

(c) In January 2016, the Onex Partners III Group entered into an agreement to sell KraussMaffei.

(d) 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.

(e) 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, 2015 compared to those for the year ended December 31, 2014 and, in selected areas, to those for the year ended December 31, 2013.

CONSOLIDATED OPERATING RESULTS

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

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 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' consolidated financial statements are estimates used in determining the allowance for doubtful accounts, provisions for uncompensated care, 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 judgement 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 judgement by Onex and its operating companies.

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 determine 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 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 for the Onex Partners and ONCAP Funds, 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 for the Onex Partners and ONCAP Funds represent the interests of limited partner investors, and carried interest, representing the General Partner's share of the net gains of the Onex Partners and ONCAP Funds, is 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 for the Onex Partners and ONCAP Funds are reviewed on page 47 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 that 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 control (2014 – joint control) of the asset manager of

the CLOs. Onex has determined that it is a principal of the CLOs with the power to affect the returns of its investment and, as a result, indirectly controls the CLOs.

CLOs are further discussed in note 1 to the 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. Substantially 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 level of either an individual cash generating unit ("CGU") or a 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. In the year of acquisition, the fair value in excess of the carrying value at an operating company will typically be minimal as a result of the recent business combination accounting. 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 for the Onex Partners and ONCAP Funds. Fair values of the operating businesses are assessed at the enterprise level, while impairment charges are assessed at the level of an asset, a CGU or a group of CGUs.

During 2015, certain of the operating companies recorded charges for impairments of goodwill, intangible assets and long-lived assets. These charges are reviewed on page 46 of this MD&A and in note 24 to the consolidated financial statements.

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.

Revenues for Schumacher in the other segment are recognized net of an allowance for uncompensated care related to uninsured patients in the period during which the services are provided. The allowance for uncompensated care is estimated on the basis of historical experience of collections associated with self-pay patients treated during the period.

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 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 consolidated financial statements. Note 31 to the 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 International Accounting Standards Board ("IASB") issued IFRS 15, *Revenue from Contracts with Customers*, which provides a comprehensive five-step revenue recognition model for all contracts with customers. IFRS 15 requires management to exercise significant judgement and make estimates that affect revenue recognition. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. Onex is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Financial Instruments

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

Leases

In January 2016, the IASB issued IFRS 16, *Leases*, which replaces IAS 17, *Leases*. The standard provides an updated definition of a lease contract, including guidance on the combination and separation of contracts. The standard requires lessees to recognize a right-of-use asset and a lease liability for substantially all lease contracts. The accounting for lessors is substantially unchanged from IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted if IFRS 15 is also applied. Onex is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Variability of results

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

Investments held by the CLOs and the Onex Credit Funds as well as debt issued by the CLOs are recorded at fair value, with changes in fair value recognized in the consolidated statements of earnings. Fair values are impacted by the leveraged loan market and credit risk (both own and counterparty), which may vary substantially from quarter to quarter and year to year.

Significant transactions

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

Onex Credit asset management platform

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

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

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

As a result of the above transaction, Onex consolidates the Onex Credit asset management platform and certain funds managed by Onex Credit in which Onex, the parent company, holds an investment. Onex' previous interest in the Onex Credit asset management platform was equity-accounted and has been derecognized at fair value, resulting in the recognition of a non-cash gain of \$38 million during the first quarter of 2015. The consolidation of the Onex Credit asset management platform and certain of the funds managed by Onex Credit increased Onex' consolidated assets by \$354 million and liabilities by \$314 million at December 31, 2015 compared to December 31, 2014.

Skilled Healthcare Group combination agreement

In February 2015, Skilled Healthcare Group, Inc. ("Skilled Healthcare Group") combined with Genesis HealthCare, LLC ("Genesis HealthCare"), a leading U.S. operator of long-term care facilities. In accordance with the terms of the purchase and combination agreement, each share of Skilled Healthcare Group common stock issued and outstanding immediately prior to the closing of the combination was converted into one share of the newly combined company. At the date of the combination, Skilled Healthcare Group shareholders owned approximately 26 percent of the combined company and Genesis HealthCare shareholders owned the remaining approximately 74 percent of the combined company. The combined company now operates under the Genesis Healthcare name and continues to be publicly traded (NYSE: GEN). At the date of the

transaction, the Onex Partners I Group had a 10 percent economic interest in the newly combined company compared to a 39 percent economic ownership interest in Skilled Healthcare Group before the combination. Onex no longer controls Skilled Healthcare Group due to the loss of the multiple voting rights and, therefore, the operations of Skilled Healthcare Group up to the date of transaction in February 2015 are presented as discontinued in the consolidated statements of earnings and cash flows for the year ended December 31, 2015, and December 31, 2014 has been restated to report the results of Skilled Healthcare Group as discontinued on a comparative basis.

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

Acquisition of Survitec

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

In September 2015, Survitec acquired SCI for up to £45 million (\$68 million). The purchase price consisted of £32 million (\$49 million) paid on closing of the transaction and an additional amount of up to £13 million (\$19 million) payable based on the future performance of SCI. Based in the United Kingdom, SCI is a supplier of certified life-boat-related safety equipment and services. In connection with this transaction, the Onex Partners IV Group invested £9 million (\$13 million) in Survitec, of which Onex' share was £2 million (\$3 million). The remainder of the purchase price and transaction costs were funded by Survitec through a draw on its acquisition facility and an incremental term loan, without recourse to Onex Corporation.

Acquisition of SIG

In March 2015, the Onex Partners IV Group completed the acquisition of SIG for a value of up to €4,040 million (\$4,250 million). Based in Switzerland, SIG provides food and beverage producers with a comprehensive product portfolio of aseptic carton packaging filling systems, aseptic carton packaging sleeves, spouts and caps, as well as after-market support services. The purchase price consisted of €3,865 million (\$4,067 million) paid on closing of the transaction and an additional amount of up to €175 million (\$183 million) payable based on SIG's financial performance in 2015 and 2016. The Onex Partners IV Group's equity investment in SIG was completed in U.S. dollars in the amount of \$1,215 million for substantially all of the equity. The Onex Partners IV Group's equity investment was comprised of \$583 million through Onex Partners IV and \$632 million as a co-investment from Onex and certain limited partners. Onex' total investment in SIG was \$405 million and was comprised of \$131 million through Onex Partners IV and \$274 million as a co-investment. The balance of the purchase price was financed with debt financing, without recourse to Onex Corporation.

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

At December 31, 2015, SIG had revised its estimate of the additional amount to €125 million (\$136 million), resulting in a recovery of €50 million (\$55 million). The amount represented management's best estimate of the fair value at December 31, 2015, which is subject to sensitivity associated with various factors, including foreign currency fluctuations, as well as uncertainty regarding the treatment of certain items.

Investment in ITG

In June 2015, the ONCAP III Group acquired a 45 percent economic interest in ITG. Based in Canada and Spain, ITG is a global leader in the manufacturing of consumable wear components that are embedded into agricultural soil preparation and seeding equipment implements. ITG is also a leading provider of branded manual hand tools to the agricultural, construction and gardening end markets in

the United States, Iberia and Latin America. The ONCAP III Group invested \$70 million for joint control of ITG, of which Onex' share was \$21 million and a 13 percent economic interest.

Acquisition of Jack's

In July 2015, the Onex Partners IV Group completed the acquisition of Jack's for \$640 million. Based in the United States, Jack's is a regional premium quick-service restaurant operator. The Onex Partners IV Group initially invested a total of \$415 million in Jack's, of which Onex' portion was \$120 million. The remainder of the purchase price was substantially financed with debt financing, without recourse to Onex Corporation. The Onex Partners IV Group's initial investment in Jack's consisted of an equity investment of \$220 million and a \$195 million promissory note. Onex' initial investment in Jack's consisted of an equity investment of \$63 million and \$57 million of the promissory note. Onex' portion of the investment reflects its increased commitment to the Onex Partners IV Fund.

During the fourth quarter of 2015, Jack's made repayments of the promissory note totalling \$143 million, including accrued interest, with net proceeds from sale-leaseback transactions completed for certain of its fee-owned restaurant properties. Onex' share of the repayments was \$41 million.

In January 2016, Jack's repaid an additional \$23 million of the promissory note, including accrued interest, with net proceeds from a sale-leaseback transaction completed for certain of its fee-owned restaurant properties. Onex' share of the repayment was \$7 million. After giving effect to the repayment, the amount outstanding under the promissory note was \$31 million, of which Onex' share was \$9 million.

Acquisition of Chatters

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

Partial realization of Flushing Town Center

In July and December 2015, Onex Real Estate Partners sold substantially all of the retail space and adjoining parking structures of Flushing Town Center. Onex Real Estate Partners continues to develop the second phase of condominiums at the project. Onex Real Estate Partners received net proceeds of \$136 million, of which Onex' share was \$119 million. Included in the net proceeds is \$8 million held in escrow expected to be received during the first half of 2016, of which Onex' share is \$7 million. Onex' consolidated results include a pre-tax gain of \$60 million in 2015, based on the excess of the proceeds over the carrying value of the property sold. Onex' share of the gain was \$52 million.

The retail space and adjoining parking structures of Flushing Town Center did not represent a major line of business, and as a result, the operating results up to the date of disposition have not been presented as a discontinued operation. No amounts were paid on account of the MIP related to this transaction as the required performance targets have not been met at this time.

Acquisition of Schumacher

In late July 2015, the Onex Partners IV Group acquired Schumacher for \$690 million. Schumacher is a leading provider of emergency and hospital medicine physician practice management services in the United States. The Onex Partners IV Group invested a total of \$219 million in Schumacher, of which Onex' portion was \$63 million. Onex' portion of the investment reflects its increased commitment to the Onex Partners IV Fund. The remainder of the purchase price was financed through a rollover of equity and cash contributed by existing shareholders and management, and with proceeds of \$385 million from its senior secured credit facilities, without recourse to Onex Corporation.

In August 2015, Schumacher acquired HPP, a provider of emergency and hospital medicine physician practice management services in the United States, for \$271 million. In connection with this transaction, the Onex Partners IV Group made an add-on investment in Schumacher of \$105 million and the balance of the equity was funded by an investment from the management of HPP and Schumacher and other investors. Onex' share of the add-on investment in Schumacher was \$30 million. The remainder of the purchase price was financed by Schumacher with proceeds from an increase to its amended senior secured facilities by \$150 million and cash from Schumacher's balance sheet.

Mavis Discount Tire's acquisition of STS

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

Sale of Tropicana Las Vegas

In August 2015, the Onex Partners III Group sold its investment in Tropicana Las Vegas for an enterprise value of \$360 million. The Onex Partners III Group's total net proceeds were \$230 million compared to its investments of \$320 million. Onex' share of the total net proceeds was \$50 million compared to its investments of \$70 million. Onex' consolidated results include a pre-tax gain of \$102 million based on the excess of the proceeds over the carrying value of the investment. Onex' share of the gain was \$22 million. The gain on 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. No amounts were paid on account of the MIP for this transaction as the required investment return hurdle for Onex was not met. In addition, no carried interest was paid or received on this transaction. Until the realized cash loss on Tropicana Las Vegas is fully offset, the carried interest that would otherwise be distributed to Onex in respect of a future realization in the Onex Partners III Fund is expected to be reduced by \$7 million. The amount of carried interest ultimately received from the Onex Partners III Fund will be based on the overall performance of the Fund.

Tropicana Las Vegas did not represent a major line of business, and as a result, the operating results up to the date of disposition have not been presented as a discontinued operation.

Sale of Sitel Worldwide

In September 2015, Onex completed the sale of Sitel Worldwide. The Company's proceeds were \$56 million, which consisted of \$35 million received in cash, and the Company estimates it may receive an earn-out component of approximately \$21 million. Onex' share of the proceeds was \$33 million received in cash and \$20 million of the estimated earn-out component. This compares to Onex' investments of \$320 million. Onex' consolidated results include a gain of \$365 million related to the sale, based on the excess of the proceeds over the carrying value of the investment. The carrying value of the investment was negative at the time of sale as a result of Onex' portion of the accumulated losses from the operations of Sitel Worldwide that offset Onex' investments. Onex' share of the gain was \$360 million. 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 of this sale, the operations of Sitel Worldwide and the gain recorded on the sale have been presented as discontinued in the consolidated statements of earnings and cash flows and prior period results have been restated to report Sitel Worldwide as discontinued on a comparative basis.

Distributions from operating businesses

During 2015 and up to February 25, 2016, Onex and its partners received distributions from certain operating businesses of \$988 million, including the repayment of the promissory note by Jack's, as described on page 28 of this MD&A. Onex' portion of the distributions was \$257 million. The significant distributions are described below.

In March 2015, ResCare increased its term loan, as described on page 60 of this MD&A, to fund a distribution of \$105 million to shareholders. The Onex Partners I and Onex Partners III Groups' portion of the distribution was \$47 million and \$50 million, respectively, of which Onex' share was \$20 million. The remaining balance was primarily distributed to the management of ResCare.

In July 2015, JELD-WEN increased its borrowings, as described on page 60 of this MD&A, partially to fund a distribution of \$432 million to shareholders. The Onex Partners III Group's portion of the distribution to shareholders was \$359 million. Onex' portion of the distribution was \$89 million, of which \$51 million related to Onex' investment through Onex Partners III and \$38 million related to Onex' co-investment. The remaining balance was primarily distributed to third-party shareholders and the management of JELD-WEN.

In August 2015, USI amended its existing senior secured credit facility, as described on page 60 of this MD&A, to fund a distribution of \$230 million to shareholders. The Onex Partners III Group's portion of the distribution to shareholders was \$181 million. Onex' portion of the distribution was \$51 million, of which \$38 million related to Onex' investment through Onex Partners III and \$13 million related to Onex' co-investment. The balance of the proceeds was primarily distributed to employees of USI.

In August 2015, PURE Canadian Gaming distributed C\$25 million to shareholders, which was primarily backed by the company's free cash flow generated during the year. The ONCAP II and ONCAP III Groups' portion of the distribution to shareholders was C\$23 million (\$18 million), of which Onex' portion was C\$10 million (\$8 million).

In October 2015, Meridian Aviation completed a distribution of \$85 million to the Onex Partners III Group, of which Onex' share was \$21 million.

During 2015, AIT completed distributions of \$30 million, including a purchase price adjustment, to the Onex Partners IV Group, of which Onex' share was \$7 million. The distributions were funded by the company's free cash flow generated during the year.

In addition, during 2015, BBAM completed distributions of \$52 million to the Onex Partners III Group, of which Onex' share was \$13 million. The distributions were funded by the company's free cash flow generated during the year.

Pending sale of KraussMaffei

In January 2016, the Onex Partners III Group entered into an agreement to sell KraussMaffei for a cash enterprise value of approximately €925 million. Under the terms of the agreement, the Onex Partners III Group will receive net proceeds of approximately €670 million. Onex' portion will be approximately €180 million, including estimated carried interest of €12 million and after the reduction for the amounts on account of the MIP. By early 2016, the Onex Partners III Group had hedged the foreign exchange exposure for substantially all of its estimated net proceeds. The transaction is expected to close during the first half of 2016 and is subject to customary closing conditions and regulatory approvals.

The operations of KraussMaffei have been presented as discontinued in the consolidated statements of earnings and cash flows and the prior year has been restated to report the results of KraussMaffei as discontinued on a comparative basis.

REVIEW OF DECEMBER 31, 2015 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, 2015. We will review the major line items to the consolidated financial statements by segment. Discontinued operations for the year ended December 31, 2015 represent the results of operations of KraussMaffei, Sitel Worldwide (up to September

2015) and Skilled Healthcare Group (up to February 2015). Discontinued operations for the year ended December 31, 2014 represent the results of operations of KraussMaffei, Sitel Worldwide, Skilled Healthcare Group, The Warranty Group, Inc. ("The Warranty Group") (up to August 2014) and Spirit AeroSystems, Inc. ("Spirit AeroSystems") (up to June 2014). In addition, the packaging products and services segment consists of sgsco (previously included within the other segment) and SIG. Comparative results have been restated to reflect these changes.

Consolidated revenues and cost of sales

Table 1 provides revenues and cost of sales by industry segment for the years ended December 31, 2015, 2014 and 2013.

Revenues and Cost of Sales by Industry Segment

Year ended December 31	Revenues			Cost of Sales		
	2015	2014	Change	2015	2014	Change
Electronics Manufacturing Services	\$ 5,639	\$ 5,631	- %	\$ 5,175	\$ 5,158	- %
Healthcare Imaging	2,141	2,360	(9)%	1,223	1,369	(11)%
Health and Human Services	1,821	1,737	5 %	1,382	1,307	6 %
Building Products	3,378	3,507	(4)%	2,636	2,840	(7)%
Insurance Services ^(a)	1,752	1,079	62 %	-	-	n/a
Packaging Products and Services ^(b)	2,070	492	321 %	1,362	317	330 %
Credit Strategies ^(c)	5	-	n/a	-	-	n/a
Other ^(d)	2,875	2,074	39 %	1,804	1,172	54 %
Total	\$ 19,681	\$ 16,880	17 %	\$ 13,582	\$ 12,163	12 %

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

- (a) The insurance services segment consists of USI and York. USI and York report their costs in operating expenses. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.
- (b) The packaging products and services segment consists of SIG and sgsco. SIG began to be consolidated in March 2015, when the business was acquired by the Onex Partners IV Group. The results of sgsco were previously included within the other segment.
- (c) The credit strategies segment consists of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds. Costs of the credit strategies segment are recorded in operating expenses.
- (d) 2015 other includes Flushing Town Center, Tropicana Las Vegas (up to August 2015), Meridian Aviation, Emerald Expositions, Survitec (since March 2015), Jack's (since July 2015), Schumacher (since late July 2015), the operating companies of ONCAP II and ONCAP III (Chatters since July 2015) and the parent company. 2014 other includes Flushing Town Center, Tropicana Las Vegas, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II (Mister Car Wash up to August 2014) and ONCAP III and the parent company.

Revenues and Cost of Sales by Industry Segment

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	2,360	2,429	(3)%	1,369	1,444	(5)%
Health and Human Services	1,737	1,617	7 %	1,307	1,197	9 %
Building Products	3,507	3,457	1 %	2,840	2,855	(1)%
Insurance Services ^(a)	1,079	769	40 %	-	-	n/a
Packaging Products and Services ^(b)	492	465	6 %	317	295	7 %
Credit Strategies ^(c)	-	-	n/a	-	-	n/a
Other ^(d)	2,074	2,448	(15)%	1,172	1,469	(20)%
Total	\$ 16,880	\$ 16,981	(1)%	\$ 12,163	\$ 12,597	(3)%

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

- (a) The insurance services segment consists of USI and York. USI and York report their costs in operating expenses. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.
- (b) The packaging products and services segment consists of SIG and sgsco. SIG began to be consolidated in March 2015, when the business was acquired by the Onex Partners IV Group. The results of sgsco were previously included within the other segment.
- (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 the other segment. Costs of the credit strategies segment are recorded in operating expenses.
- (d) 2014 other includes Flushing Town Center, Tropicana Las Vegas, 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, 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.

Electronics Manufacturing Services

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

Celestica reported revenues of \$5.6 billion for 2015. Although overall revenue was flat compared to 2014, revenue increased in the storage and diversified end markets primarily due to new program wins. The diversified end market also benefited from improved demand in the semiconductor business. Offsetting the revenue increases were decreases in the consumer end market as Celestica continued to de-emphasize certain lower-margin consumer business. Revenues from the communication and server end markets were relatively flat compared to 2014.

Cost of sales for 2015 at \$5.2 billion was up slightly from 2014 while gross profit decreased by 2 percent to \$464 million compared to 2014. Gross profit was negatively impacted by higher than expected costs of ramping new programs as well as overall mix, which more than offset improvements in the semiconductor business.

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 primarily due 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 primarily due to improved program mix and a continued focus on cost containment.

Healthcare Imaging

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

Carestream Health reported revenues of \$2.1 billion during 2015, down 9 percent, or \$219 million, from 2014. Excluding the \$138 million impact of unfavourable foreign exchange translation on Carestream Health's non-U.S. revenues, Carestream Health reported a decrease in revenues of \$81 million. The decrease in revenues was primarily due

to lower x-ray traditional volume, as well as unfavourable equipment mix and lower prices in the Dental and Medical Digital segments. The revenue decrease was partially offset by higher dental digital equipment volume.

Cost of sales was \$1.2 billion during 2015, down 11 percent, or \$146 million, from 2014. The decrease was primarily due to favourable foreign exchange translation of \$49 million and lower costs for silver, which is a major component in the production of film. Gross profit for 2015 decreased to \$918 million from \$991 million for 2014. Excluding the \$89 million impact of unfavourable foreign exchange translation, gross profit increased by \$16 million primarily due to higher dental digital equipment volume, lower silver costs and higher service volume and improved productivity in x-ray systems. The increase was partially offset by unfavourable equipment mix and lower prices, which impacted revenues.

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 primarily due 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 2013. Cost of sales decreased primarily due 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 primarily due to higher volume of digital products as well as lower commodity costs and improved manufacturing productivity.

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 66,000 persons daily.

ResCare reported revenues of \$1.8 billion during 2015, an increase of \$84 million, or 5 percent, compared to 2014. Acquisitions contributed \$57 million of the increase in revenues and the remainder of the increase was due to organic growth in all segments, except Education and Training Services.

Cost of sales was \$1.4 billion during 2015, up 6 percent, or \$75 million, from 2014. The increase was primarily due to the increase in revenues during 2015, along with an increase in medical and wage costs.

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 primarily due to the increase in revenues during 2014, along with an increase in bad debt and the cost of inventory sold.

Building Products

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

JELD-WEN reported revenues of \$3.4 billion during 2015, a decrease of \$129 million, or 4 percent, compared to 2014. The decrease in revenues was due to the strengthening of the U.S. dollar, which had a negative impact of \$306 million on the translation of revenues of the company's operations in Canada, Europe and Australia. On a local currency basis, revenues in most of these regions increased compared to the prior year primarily due to increased volume and pricing. Revenues in the company's U.S. operations increased primarily due to pricing.

Cost of sales was \$2.6 billion during 2015, a decrease of \$204 million, or 7 percent, compared to 2014. Excluding the \$237 million impact of favourable foreign exchange translation, cost of sales increased by \$33 million. Gross profit for 2015 increased by 11 percent to \$742 million compared to 2014 primarily due to improved pricing and productivity in North America, partially offset by \$69 million of unfavourable foreign exchange translation and the inclusion of acquisitions completed in 2015.

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 primarily due 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 in the previous year primarily due to improved pricing in North America.

Insurance Services

The insurance services segment consists of the operations of USI and York Risk Services Holding Corp. ("York"). The comparative results for York are for the period from the date of acquisition by the Onex Partners III Group in October 2014 to December 31, 2014.

Table 2 provides revenues by operating company in the insurance services segment for the years ended December 31, 2015, 2014 and 2013. USI and York record their costs in operating costs.

Insurance Services Revenues

Year ended December 31	Revenues			Revenues		
	2015	2014	Change	2014	2013	Change
USI	\$ 1,037	\$ 926	12%	\$ 926	\$ 769	20%
York ^(a)	715	153	367%	153	-	n/a
Total	\$ 1,752	\$ 1,079	62%	\$ 1,079	\$ 769	40%

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

(a) York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group. York's 2014 results are for the period from the date of acquisition in October 2014 to December 31, 2014. There are no comparative results for the year ended December 31, 2013.

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 revenues paid by insurance carriers based on the overall profit and/or volume of business placed with an insurer. USI has two reportable segments: Retail and Specialty.

USI reported revenues of \$1.0 billion during 2015, an increase of 12 percent, or \$111 million, compared to 2014. The increase in revenues was primarily due to acquisitions and organic growth.

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 primarily due to acquisitions and 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.

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.

York reported revenues of \$715 million during 2015. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group. Revenues of \$153 million for 2014 represent results for the period from the October 2014 acquisition of York to December 31, 2014. There are no comparative results for the year ended December 31, 2013.

Packaging Products and Services

The packaging products and services segment consists of the operations of sgsco and SIG. SIG was acquired by the Onex Partners IV Group in March 2015, as discussed on page 28 of this MD&A. The results of sgsco were previously included within the other segment.

Table 3 provides revenues and cost of sales by operating company in the packaging products and services segment for the years ended December 31, 2015, 2014 and 2013.

Packaging Products and Services Revenues and Cost of Sales

TABLE 3	(\$ millions)	Revenues			Cost of Sales		
		2015	2014	Change	2015	2014	Change
Year ended December 31							
sgsco		\$ 495	\$ 492	1%	\$ 326	\$ 317	3%
SIG ^(a)		1,575	-	n/a	1,036	-	n/a
Total		\$ 2,070	\$ 492	321%	\$ 1,362	\$ 317	330%

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

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

Packaging Products and Services Revenues and Cost of Sales

TABLE 3	(\$ millions)	Revenues			Cost of Sales		
		2014	2013	Change	2014	2013	Change
Year ended December 31							
sgsco		\$ 492	\$ 465	6%	\$ 317	\$ 295	7%
SIG ^(a)		-	-	n/a	-	-	n/a
Total		\$ 492	\$ 465	6%	\$ 317	\$ 295	7%

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

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

sgsco

sgsco is a market leader in providing marketing solutions, digital imaging and design-to-print graphic services to branded consumer products companies, retailers and the printers that service them. The company's vertically integrated service platform includes creative development, brand execution, image production and image carrier services as well as an array of enterprise solutions, which facilitate digital file management and ensure streamlined communication across the entire value chain. sgsco does not focus on large-scale printing of product packaging.

sgsco reported revenues of \$495 million during 2015, an increase of \$3 million, or 1 percent, compared to 2014. The increase was primarily due to net organic sales growth and sales from recent acquisitions, partially offset by unfavourable foreign currency fluctuations.

Cost of sales at \$326 million increased by 3 percent, or \$9 million, from 2014. The increase was due to the incremental costs of goods sold from acquisitions combined with an increase in materials and outsourced supplier costs stemming from the increase in sales volume and the shift in product and geographic mix, wage inflation and increased healthcare costs.

sgsco 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 primarily due 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.

SIG

SIG is a world-leading provider of aseptic carton packaging solutions for beverages and liquid food. SIG supplies complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related aftermarket services.

SIG's functional currency is the euro. The reported revenues and cost of sales of SIG in U.S. dollars may not reflect the true nature of the operating results of the company due to the translation of those amounts and the associated fluctuation of the euro and U.S. dollar exchange rate. The discussion of SIG's revenues and cost of sales is in euros in order to reduce the impact of foreign currency translation on revenues and cost of sales. SIG has global operations and exposure to currency risk on the portion of its business that is not based on euros. Fluctuations in the value of the euro relative to these other currencies can have an impact on SIG's reported results.

During 2015, SIG reported revenues of €1.4 billion and cost of sales of €937 million, which represent results for the period from the March 2015 acquisition of SIG to December 31, 2015. Since SIG was acquired in March 2015, there are no comparative results for 2014 or 2013.

Credit Strategies

The credit strategies segment includes (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds. In January 2015, Onex began to consolidate the Onex Credit Manager and certain funds managed by Onex Credit in which Onex, the parent company, holds an investment as a result of the transaction described on page 27 of this MD&A. Gross revenues, including management and incentive fees from Onex Credit Funds consolidated by Onex, earned by the credit strategies segment during the year ended December 31, 2015 were \$35 million. Included in the gross revenues for the credit strategies segment is \$3 million earned on investments in Onex Credit Funds held by Onex, the parent company, for the year ended December 31, 2015. Credit strategies segment revenue for 2015, net of management and incentive fees from Onex Credit Funds and CLOs consolidated by Onex, was \$5 million. The credit strategies segment did not record any revenues for 2014 and 2013 as the Onex Credit Manager began to be consolidated in January 2015. Costs of the credit strategies segment are recorded in operating expenses.

Other Businesses

The other businesses segment consists of the revenues and cost of sales of the ONCAP companies – EnGlobe Corp. (“EnGlobe”), CiCi’s Holdings, Inc. (“CiCi’s Pizza”), Pinnacle Pellet, Inc. (“Pinnacle Renewable Energy Group”), PURE Canadian Gaming, Hopkins Manufacturing Corporation (“Hopkins”), Davis-Standard Holdings, Inc. (“Davis-Standard”), Bradshaw International, Inc. (“Bradshaw”), Chatters

(since July 2015), 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, LLC (“Emerald Expositions”) (since June 2013), Survitec (since March 2015), Jack’s (since July 2015), Schumacher (since late July 2015), Tropicana Las Vegas (up to August 2015), Flushing Town Center, Meridian Aviation and the parent company.

Table 4 provides revenues and cost of sales by operating company in the other businesses segment for the years ended December 31, 2015, 2014 and 2013.

Other Businesses Revenues and Cost of Sales

Year ended December 31	Revenues			Cost of Sales		
	2015	2014	Change	2015	2014	Change
ONCAP companies ^(a)	\$ 1,581	\$ 1,609	(2)%	\$ 1,096	\$ 1,065	3 %
Emerald Expositions	307	274	12 %	83	82	1 %
Jack’s ^(b)	168	–	n/a	134	–	n/a
Schumacher ^(b)	408	–	n/a	327	–	n/a
Survitec ^(b)	294	–	n/a	159	–	n/a
Other ^(c)	117	191	(39)%	5	25	(80)%
Total	\$ 2,875	\$ 2,074	39 %	\$ 1,804	\$ 1,172	54 %

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

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

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

(c) 2015 other includes Flushing Town Center, Tropicana Las Vegas (up to August 2015), Meridian Aviation and the parent company. 2014 other includes Tropicana Las Vegas, Flushing Town Center, Meridian Aviation and the parent company.

Other Businesses Revenues and Cost of Sales

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 %
Other ^(c)	191	289	(34)%	25	129	(81)%
Total	\$ 2,074	\$ 2,448	(15)%	\$ 1,172	\$ 1,469	(20)%

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) Emerald Expositions was acquired by Onex Partners III Group in June 2013.

(c) 2014 other includes Flushing Town Center, Tropicana Las Vegas, Meridian Aviation and the parent company. 2013 other includes Tropicana Las Vegas, Flushing Town Center, Meridian Aviation (since February 2013) and the parent company.

ONCAP companies

The ONCAP companies reported a 2 percent, or \$28 million, decrease in revenues for the year ended December 31, 2015 compared to 2014, while cost of sales increased 3 percent, or \$31 million.

The decrease in revenues during the year ended December 31, 2015 was primarily due to the ONCAP II Group's sale of Mister Car Wash in August 2014. The decrease in revenues was partially offset by net increases at the remaining ONCAP companies, which were primarily driven by acquisitions completed by the companies, and the inclusion of Chatters' operating results from the date of acquisition in July 2015. The aggregate gross margin of the ONCAP companies decreased in 2015 as a result of a greater proportion of product-based companies compared to 2014.

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 decreased 19 percent, or \$254 million. The decrease in revenues and cost of sales during the year ended December 31, 2014 was primarily due 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.

Emerald Expositions

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

During 2015, revenues at Emerald Expositions were \$307 million, an increase of \$33 million, or 12 percent, compared to 2014. The revenue increase was primarily attributable to acquisitions completed during 2015 and 2014 that generated \$24 million in additional revenues. The remaining increase was attributable to organic growth.

Cost of sales of \$83 million reported by Emerald Expositions during the year ended December 31, 2015 was largely unchanged from 2014. Improvement in gross margin was due to cost savings within the existing tradeshow portfolio, as well as the discontinuation of several lower margin events during 2015.

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 primarily due to the company's acquisition of George Little Management, LLC.

Jack's

Jack's is a regional premium quick-service restaurant operator that offers Southern-inspired foods such as made-from-scratch biscuits, burgers, fried chicken, plated breakfasts, crinkle-cut fries and hand-dipped shakes. The company has over 130 free-standing corporate-operated restaurants across Alabama, Georgia, Mississippi and Tennessee. The company also owns the distribution facility that handles most of Jack's food and non-food supply chain and makes deliveries to the restaurants twice a week.

During 2015, Jack's reported revenues of \$168 million and cost of sales of \$134 million, which represent results for the period from the July 2015 acquisition of Jack's to December 31, 2015. Since Jack's was acquired in July 2015, there are no comparative results for 2014 and 2013.

Schumacher

Schumacher is a leading provider of emergency and hospital medicine physician practice management services in the United States. Schumacher provides a single source of accountability in managing hospitalist and emergency departments. The company reduces the cost and administrative burden for hospital administrators by recruiting, staffing and compensating the clinicians, as well as managing reimbursement and collections from third-party payors, developing robust technology solutions and improving the operating and clinical performance of the emergency and hospitalist departments.

During 2015, Schumacher reported revenues of \$408 million and cost of sales of \$327 million, which represent results for the period from the late July 2015 acquisition of Schumacher to December 31, 2015. Since Schumacher was acquired in late July 2015, there are no comparative results for 2014 or 2013.

Survitec

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

Survitec's functional currency is the pound sterling. The reported revenues and cost of sales of Survitec in U.S. dollars may not reflect the true nature of the operating results of the company due to the translation of those amounts and the associated fluctuation of the pound sterling and U.S. dollar exchange rate. The discussion of Survitec's revenues and cost of sales is in pounds sterling in order to reduce the impact of foreign currency translation on revenues and cost of sales. Survitec has global operations and exposure to currency risk on the portion of its business that is not based on the pound sterling. Fluctuations in the value of the pound sterling relative to these other currencies can have an impact on Survitec's reported results.

During 2015, Survitec reported revenues of £192 million and cost of sales of £104 million, which represent results for the period from the March 2015 acquisition of Survitec to December 31, 2015. Since Survitec was acquired in March 2015, there are no comparative results for 2014 or 2013.

Other

Other revenues and cost of sales decreased in the year ended December 31, 2015 from 2014 primarily due to the sale of Tropicana Las Vegas in August 2015.

Other revenues and cost of sales decreased in the year ended December 31, 2014 from 2013 primarily due 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.

Consolidated interest expense for the year ended December 31, 2015 was \$878 million, up \$209 million from \$669 million in 2014. The increase was primarily due to the inclusion of interest expense for: (i) Survitec, SIG, Chatters, Jack's and Schumacher, which were acquired during 2015; (ii) the debt associated with York, which was acquired in October 2014; and (iii) the additional debt from Onex Credit CLOs.

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

Investments in joint ventures and associates are defined under IFRS as those investments in operating businesses over which Onex has joint control or significant influence, but not control. Certain of these investments are designated, upon initial recognition, at fair value in the consolidated balance sheets. Both realized and unrealized gains and losses are recognized in the 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 Holdings, Inc. ("Allison Transmission") (up to June 2014), BBAM, Cypress Insurance Group (up to July 2014), ITG (since June 2015), Mavis Discount Tire (since October 2014), Tomkins Limited ("Tomkins") (up to April 2014) and certain Onex Real Estate investments.

During 2015, Onex recorded an increase in the fair value of investments in joint ventures and associates of \$175 million compared to \$412 million in 2014. The increase in 2015 was primarily due to improved operating performance and the impact of acquisition cost synergies at certain of the investments. The increase in 2014 was primarily due to (i) the public share value of Allison Transmission for

the 2014 share repurchases and secondary offerings being above the value of the investment at December 2013 and (ii) the sale of Tomkins being completed at a value above the December 31, 2013 investment value.

Of the total fair value increase recorded during 2015, \$128 million (2014 – \$279 million) is attributable to the limited partners in the Onex Partners and ONCAP Funds, which contributes to the Limited Partners' Interests charge discussed on page 47 of this MD&A. Onex' share of the total fair value increase was \$47 million (2014 – \$133 million).

Stock-based compensation expense

Onex recorded a consolidated stock-based compensation expense of \$260 million during 2015 compared to \$228 million in 2014. Onex, the parent company, contributed \$134 million (2014 – \$142 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 2015 was primarily due to the 26 percent increase in the market value of Onex' shares to C\$84.82 at December 31, 2015 from C\$67.46 at December 31, 2014.

Table 5 details the change in stock-based compensation of Onex, the parent company, and Onex operating companies for the years ended December 31, 2015 and 2014.

Stock-Based Compensation Expense

	2015	2014	Change
Onex, the parent company, stock options	\$ 102	\$ 88	\$ 14
Onex, the parent company, MIP equity interests	32	54	(22)
Onex operating companies	126	86	40
Total stock-based compensation	\$ 260	\$ 228	\$ 32

Other gains

Table 6 provides a breakdown of other gains recognized during the years ended December 31, 2015 and 2014.

Other Gains

	2015	2014
Gain on sale of Tropicana Las Vegas	\$ 102	\$ -
Gain on sale of Flushing Town Center	60	-
Gain on the Onex Credit transaction	38	-
Gain on sale of B.C. Sugar residual property	36	-
Gain on sale of Mister Car Wash	-	317
Other	3	-
Total other gains	\$ 239	\$ 317

Tropicana Las Vegas

In August 2015, the Onex Partners III Group sold its investment in Tropicana Las Vegas, as described in the significant transactions section starting on page 27 of this MD&A. Onex' consolidated results include a pre-tax gain of \$102 million based on the excess of the proceeds over the carrying value of the investment. Onex' share of the gain was \$22 million. The gain on 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. No amounts were paid on account of the MIP for this transaction as the required investment return hurdle for Onex was not met. In addition, no carried interest was paid or received on this transaction. Until the realized cash loss on Tropicana Las Vegas is fully offset, the carried interest that would otherwise be distributed to Onex in respect of a future realization in the Onex Partners III Fund is expected to be reduced by \$7 million. The amount of carried interest ultimately received from the Onex Partners III Fund will be based on the overall performance of the fund.

Tropicana Las Vegas did not represent a major line of business, and as a result, the operating results up to the date of disposition have not been presented as a discontinued operation.

Flushing Town Center

In July and December 2015, Onex Real Estate Partners sold substantially all of the retail space and adjoining parking structures of Flushing Town Center, as described in the significant transactions section starting on page 27 of this MD&A. Onex' consolidated results included a pre-tax gain of \$60 million based on the excess of the proceeds over the carrying value of the property sold. Onex' share of the gain was \$52 million.

The retail space and adjoining parking structures of Flushing Town Center did not represent a major line of business, and as a result, the operating results up to the date of disposition have not been presented as a discontinued operation.

Onex Credit transaction

In January 2015, Onex acquired control of the Onex Credit asset management platform, as described in the significant transactions section starting on page 27 of this MD&A. In connection with this transaction, Onex derecognized its previous equity-accounted interest in the Onex Credit asset management platform at fair value on the date of the transaction, resulting in a non-cash gain of \$38 million recorded in the credit strategies segment during the first quarter of 2015.

B.C. Sugar residual property

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

Mister Car Wash

In August 2014, the ONCAP II Group sold its interests in Mister Car Wash for 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. 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 Corporation.

This gain included 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 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. 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.

Other expense (income)

Table 7 provides a breakdown of and the change in other expense (income) for the years ended December 31, 2015 and 2014.

Other Expense (Income)

TABLE 7	(\$ millions)	2015	2014	Change
Losses on investments and long-term debt in CLOs and Onex Credit Funds		\$ 195	\$ 65	\$ 130
Carried interest due to Onex and ONCAP management		130	160	(30)
Transition, integration and other		110	121	(11)
Transaction costs		81	24	57
Decrease (increase) in value of other Onex Partners investments		71	(46)	117
Restructuring		64	49	15
Foreign exchange loss		52	27	25
Income on equity-accounted investments		(61)	(22)	(39)
Change in fair value of contingent consideration		(76)	(2)	(74)
Derivatives losses (gains)		(120)	16	(136)
Other		(11)	(34)	23
Total other expense		\$ 435	\$ 358	\$ 77

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

Losses on investments in CLOs and Onex Credit Funds were primarily unrealized and driven by volatility in the leveraged loan market during 2015. Partially offsetting these losses were gains on the long-term debt in the CLOs.

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 consolidated statements of earnings.

The carried interest due to management of Onex and ONCAP represents the share of the overall net gains in each of the Onex Partners and ONCAP Funds attributable to the management of Onex and ONCAP. The carried interest is estimated based on the current fair values of the underlying investments in the funds and the overall net gains in each respective fund determined in accordance with the limited partnership agreements. The ultimate amount of carried interest earned will be based on the overall performance of each fund. During 2015, a charge of \$130 million (2014 – \$160 million) was recorded in the consolidated statements of earnings for an increase in management's share of the carried interest primarily due to an increase in the fair value of certain of the investments in the Onex Partners and ONCAP Funds.

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 2015 were primarily due to the integration of acquisitions completed by Survitec and USI. Transition, integration and other expenses for 2014 were primarily due to Carestream Health, Emerald Expositions and USI.

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 2015 were primarily due to the acquisitions of Chatters, Jack's, Schumacher, SIG and Survitec, as discussed in the significant transactions section starting on page 27 of this MD&A, in addition to acquisitions completed by the operating companies. Transaction costs for 2014 were primarily due to the acquisition of York, the investment in AIT and acquisitions completed by the operating companies.

Decrease (increase) in value of other Onex Partners investments

Other Onex Partners investments include investments in which Onex has no or limited remaining strategic or operating influence: Allison Transmission (from June to September 2014), FLY Leasing Limited, Genesis Healthcare (since February 2015), Spirit AeroSystems (from June to August 2014) and Tomkins (since April 2014). For 2015, Onex reported a decrease in value of other Onex Partners investments of \$71 million (2014 – increase of \$46 million).

The decrease in value of other Onex Partners investments during the year ended December 31, 2015 was primarily due to the public share value of Genesis Healthcare being below the value of the investment on the date of combination with Skilled Healthcare Group. The increase in value of other Onex Partners investments for 2014 was primarily due to (i) the change in fair value of the shares of Spirit AeroSystems held after the June 2014 secondary public offering and share repurchase up until the August 2014 secondary public offering and (ii) the change in fair value of the residual assets of Tomkins.

Table 8 provides a breakdown of the decrease (increase) in value of other Onex Partners investments for the years ended December 31, 2015 and 2014.

Decrease (Increase) in Value of Other Onex Partners Investments

	2015	2014
Genesis Healthcare	\$ 72	\$ -
FLY Leasing Limited	(1)	5
Tomkins	-	(21)
Spirit AeroSystems	-	(29)
Allison Transmission	-	(1)
	\$ 71	\$ (46)

Genesis Healthcare

In February 2015, Skilled Healthcare Group combined with Genesis HealthCare, LLC, as described in the significant transactions section starting on page 27 of this MD&A. As a result of the transaction, Onex no longer controls Skilled Healthcare Group and its investment in the combined company, Genesis Healthcare, is recorded as an other long-term investment at fair value through earnings, with changes in fair value recorded in other income (expense).

Tomkins

In April 2014, Onex, together with Canada Pension Plan Investment Board ("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 income (expense) in the consolidated statements of earnings.

The sale was completed in July 2014 for an enterprise value of \$5.4 billion. Proceeds from the sale to Onex Partners III Group were \$2.0 billion. Onex' share of the proceeds was \$542 million, including carried interest and after the reduction for distributions paid on account of the MIP. After the sale of Gates, Onex continued to own residual assets of Tomkins. Through December 2015, Onex Partners III sold the residual assets for proceeds of \$45 million.

Income of \$21 million recorded in other expense (income) during the year ended December 31, 2014 primarily represents the change in fair value of the residual assets of Tomkins.

Spirit AeroSystems

In June 2014, under a secondary public offering and share repurchase of Spirit AeroSystems, Onex Partners I Group sold 8.0 million shares of Spirit AeroSystems, of which Onex' portion was approximately 2.1 million shares. As a result of this transaction, Onex Partners I Group lost its controlling interest in Spirit AeroSystems, and the remaining interest held by Onex Partners I Group was recorded as a long-term investment at fair value, with changes in fair value recorded in other income (expense).

In August 2014, under a secondary public offering of Spirit AeroSystems, Onex Partners I Group sold its remaining 8.4 million shares of Spirit AeroSystems, of which Onex' portion was approximately 2.2 million shares. Other income of \$29 million recorded 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.

Allison Transmission

In 2014, Allison Transmission completed secondary offerings to the public of 85.6 million shares of common stock and repurchased 8.4 million shares of common stock. The secondary offerings included the full exercise of the over-allotment options. As part of the offerings and share repurchases, Onex Partners II Group sold 47.0 million shares of common stock.

After completion of the June 2014 secondary offering and share repurchase, Onex Partners II Group continued to own approximately 2 percent in the aggregate of Allison Transmission's outstanding common stock. As a result, the Onex Partners II Group no longer had a significant influence over Allison Transmission and the remaining investment in Allison Transmission was recorded within other long-term investments at fair value through earnings, with changes in fair value recorded in other income (expense), until the Onex Partners II Group sold its remaining interest in September 2014.

Income recorded in other income (expense) of \$1 million during 2014 represents the change in fair value of the shares held after the June 2014 secondary offering and share repurchase up until the September 2014 secondary offering.

Restructuring

Restructuring charges are the costs incurred by the operating companies to realign organizational structures or restructure manufacturing capacity to obtain operating synergies critical to building the long-term value of those operating companies. Table 9 provides a breakdown of and the change in restructuring charges (recoveries) by operating company for the years ended December 31, 2015 and 2014.

Restructuring Charges (Recoveries)

TABLE 9	(\$ millions)	2015	2014	Change
Celestica		\$ 24	\$ (2)	\$ 26
JELD-WEN		17	31	(14)
USI		16	6	10
Carestream Health		3	11	(8)
Other		4	3	1
Total restructuring charges		\$ 64	\$ 49	\$ 15

Celestica

Celestica's restructuring charges for 2015 primarily related to costs to consolidate certain sites and to reduce the workforce. During 2014, Celestica recorded a recovery of \$2 million primarily due to a reversal of estimated contractual lease obligations.

JELD-WEN

JELD-WEN's restructuring charges for 2015 primarily related to the closure of a facility and personnel restructuring. The charges recorded by JELD-WEN in 2014 primarily related to severance costs and the modification of a management incentive plan.

USI

USI's restructuring charges for 2015 and 2014 primarily related to severance and lease abandonment costs.

Carestream Health

Carestream Health's restructuring charges for 2014 related primarily to the establishment of a central functions location for its European operations.

Foreign exchange loss

For the year ended December 31, 2015, Onex reported consolidated loss from foreign exchange of \$52 million (2014 – \$27 million). The foreign exchange loss during 2015 was primarily due to losses recognized by SIG, Carestream Health and Survitec. For the year ended December 31, 2014, foreign exchange loss was primarily due to losses recognized by Carestream Health and JELD-WEN.

Change in fair value of contingent consideration

Onex recorded a net recovery of \$76 million (2014 – \$2 million) during 2015 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, 2015 was \$318 million (2014 – \$203 million). The increase in the total estimated fair value of contingent consideration liabilities at December 31, 2015 was primarily due to the contingent consideration associated with the acquisition of SIG, as discussed on page 28 of this MD&A. At December 31, 2015, SIG had revised its estimate of the additional amount to €125 million (\$136 million), resulting in a recovery of €50 million (\$55 million) recognized in other income (expense) during 2015. The amount represented management's best estimate of the fair value at December 31, 2015, which is subject to sensitivity associated with various factors, including foreign currency fluctuations, as well as uncertainty regarding the treatment of certain items.

Derivatives losses (gains)

For the year ended December 31, 2015, Onex reported consolidated gains from derivatives of \$120 million (2014 – losses of \$16 million). The derivatives gains in 2015 primarily relate to mark-to-market gains at SIG, which was acquired in March 2015. Derivative gains and losses for the year ended December 31, 2014 primarily relate to Meridian Aviation.

Other

For the year ended December 31, 2015, Onex reported consolidated other income of \$11 million (2014 – \$34 million). Other includes realized and unrealized gains (losses) on Onex Corporation investments in managed accounts and gains on the sale of tax losses, as discussed below.

In December 2015, Onex sold entities, the sole assets of which were certain tax losses, as described on page 85 of this MD&A. The cash received of \$11 million (2014 – \$9 million) was recorded as a gain in other expense (income) during the fourth quarter.

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

Table 10 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, 2015 and 2014.

Impairment (Recovery) of Goodwill, Intangible Assets and Long-lived Assets, Net

TABLE 10	(\$ millions)	2015	2014
ResCare		\$ 51	\$ -
Celestica		12	41
Emerald Expositions		6	15
CiCi's Pizza		-	26
Flushing Town Center		-	(42)
Other, net ^(a)		13	9
Total		\$ 82	\$ 49

(a) 2015 other includes net impairments related to JELD-WEN, sgsco and SIG.
2014 other includes net impairments related to JELD-WEN and sgsco.

ResCare

Due to a decline in the recoverable amount of ResCare's HomeCare segment, measured in accordance with IAS 36, *Impairment of Assets*, ResCare recorded a non-cash goodwill and intangible asset impairment of \$51 million during 2015. The impairment was calculated primarily on a fair value less costs to sell basis. The recoverable amount calculated was approximately \$140 million 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.

Celestica

During 2015, Celestica recorded a non-cash impairment charge of \$12 million to impair certain of its property, plant and equipment. During 2014, Celestica recorded a non-cash goodwill impairment charge related to its semiconductor business.

Emerald Expositions

During 2015 and 2014, Emerald Expositions recorded non-cash impairment charges primarily related to certain trade names and customer relationships.

CiCi's Pizza

ONCAP II's operating company, CiCi's Pizza, recorded a non-cash goodwill impairment charge of \$26 million during 2014. 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 an impairment charge of \$42 million associated with its retail space and parking structures. During 2015, Flushing Town Center sold substantially all of its retail space and parking structures, as described on page 29 of this MD&A.

Limited Partners' Interests charge

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

During 2015, Onex recorded a charge of \$882 million (2014 – \$1.1 billion) for Limited Partners' Interests for Onex Partners and ONCAP Funds. The increase in the fair value of certain of the investments held in the Onex Partners and ONCAP Funds contributed significantly to the Limited Partners' Interests charge for the Onex Partners and ONCAP Funds recorded in 2015.

The Limited Partners' Interests charge for the Onex Partners and ONCAP Funds is net of an increase of \$192 million (2014 – \$239 million) in carried interest for the year ended December 31, 2015. Onex' share of the carried interest change for 2015 was an increase of \$64 million (2014 – \$84 million). The change in the amount of carried interest that has been netted against the Limited Partners' Interests for the Onex Partners and ONCAP Funds decreased during 2015 due to a lower increase in the fair value of certain of the investments in the Onex Partners and ONCAP Funds. The ultimate amount of carried interest realized will be dependent on the actual realizations for each fund in accordance with the limited partnership agreements.

In January 2015, Onex acquired control of the Onex Credit asset management platform and began consolidating the Onex Credit Funds in which Onex has an investment. The Limited Partners' Interests liability for the Onex Credit Funds includes investments by those other than Onex in the Onex Credit Funds consolidated by Onex. During the year ended December 31, 2015, Onex recorded a recovery of \$26 million for Limited Partners' Interests for the Onex Credit Funds.

Loss from continuing operations

Table 11 shows the earnings (loss) from continuing operations by industry segment for the years ended December 31, 2015, 2014 and 2013.

Earnings (Loss) from Continuing Operations by Industry Segment

TABLE 11 (\$ millions)	2015	2014	2013
Earnings (loss) from continuing operations:			
Electronics Manufacturing Services	\$ 67	\$ 108	\$ 118
Healthcare Imaging	(30)	41	(86)
Health and Human Services	(1)	29	52
Building Products	(1)	(123)	(85)
Insurance Services ^(a)	(79)	(76)	(63)
Packaging Products and Services ^(b)	69	14	(5)
Credit Strategies ^(c)	(50)	(31)	62
Other ^(d)	(859)	(754)	(508)
Loss from continuing operations	\$ (884)	\$ (792)	\$ (515)

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

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

(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 the other segment. Onex Credit Manager and Onex Credit Funds began to be consolidated in January 2015, when Onex acquired control of the Onex Credit asset management platform.

(d) 2015 other includes Flushing Town Center, Tropicana Las Vegas (up to August 2015), Meridian Aviation, Emerald Expositions, Survitec (since March 2015), Jack's (since July 2015), Schumacher (since late July 2015), the operating companies of ONCAP II and ONCAP III (Chatters since July 2015) and the parent company. In addition, consolidated earnings include the changes in fair value of AIT, BBAM, Genesis Healthcare (since February 2015), ITG (since June 2015) and Mavis Discount Tire. 2014 other includes Flushing Town Center, Tropicana Las Vegas, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II (Mister Car Wash up to August 2014) and ONCAP III 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 Flushing Town Center, Tropicana Las Vegas, 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. 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.

Table 12 shows the major components of the earnings (loss) from continuing operations recorded in the other segment for the years ended December 31, 2015, 2014 and 2013.

Loss from Continuing Operations Recorded in the Other Segment

TABLE 12 (\$ millions)	2015	2014	2013
Loss (earnings) from continuing operations – other:			
Limited Partners' Interests charge	\$ 882	\$ 1,069	\$ 1,855
Interest expense of operating companies	145	104	89
Stock-based compensation expense	143	151	270
Unrealized carried interest due to Onex and ONCAP management	130	160	262
Impairment (recovery) of goodwill, intangible assets and long-lived assets, net	6	(1)	201
Other gains	(201)	(317)	(561)
Increase in value of investments in joint ventures and associates at fair value, net	(175)	(412)	(1,098)
Non-cash recovery of deferred income taxes by Onex, the parent company	-	-	(480)
Other	(71)	-	(30)
Loss from continuing operations – Other	\$ 859	\$ 754	\$ 508

Table 13 presents the earnings (loss) from continuing operations attributable to equity holders of Onex Corporation and non-controlling interests for the years ended December 31, 2015, 2014 and 2013.

Earnings (Loss) from Continuing Operations

TABLE 13 (\$ millions)	2015	2014	2013
Earnings (loss) from continuing operations attributable to:			
Equity holders of Onex Corporation	\$ (946)	\$ (859)	\$ (549)
Non-controlling interests	62	67	34
Loss from continuing operations	\$ (884)	\$ (792)	\$ (515)

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

The earnings (loss) from discontinued operations for 2015 represent the results of operations of KraussMaffei, Sitel Worldwide (up to September 2015) and Skilled Healthcare Group (up to February 2015). Discontinued operations for 2014 represent the results of operations of KraussMaffei, Sitel Worldwide, Skilled Healthcare Group, The Warranty Group (up to August 2014) and Spirit AeroSystems (up to June 2014). Discontinued operations for 2013 represent the results of operations of KraussMaffei, Sitel Worldwide, Skilled Healthcare Group, The Warranty Group, Spirit AeroSystems and TMS International Corp. ("TMS International") (up to October 2013).

Table 14 presents the after-tax earnings (loss), gain on sale, net of tax, and earnings (loss) from discontinued operations for the years ended December 31, 2015, 2014 and 2013.

After-Tax Earnings (Loss) from Discontinued Operations

	After-Tax Earnings (Loss)			Gain on Sale, Net of Tax			Earnings (Loss) from Discontinued Operations		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
Earnings (loss) from discontinued operations:									
KraussMaffei	\$ 5	\$ 38	\$ (27)	\$ -	\$ -	\$ -	\$ 5	\$ 38	\$ (27)
Sitel Worldwide	(61)	(69)	(21)	365	-	-	304	(69)	(21)
Skilled Healthcare Group	2	5	(83)	68	-	-	70	5	(83)
The Warranty Group	-	49	112	-	368	-	-	417	112
Spirit AeroSystems	-	250	(540)	-	310	-	-	560	(540)
TMS International	-	-	19	-	-	242	-	-	261
Total	\$ (54)	\$ 273	\$ (540)	\$ 433	\$ 678	\$ 242	\$ 379	\$ 951	\$ (298)

Onex' portion of the after-tax results from discontinued operations during 2015 was earnings of \$373 million (\$3.48 per share) compared to \$744 million (\$6.76 per share) in 2014 and \$195 million (\$1.43 per share) in 2013.

KraussMaffei

In January 2016, the Onex Partners III Group entered into an agreement to sell KraussMaffei for a cash enterprise value of approximately €925 million. Under the terms of the agreement, Onex Partners III Group will receive net proceeds of approximately €670 million. Onex' portion will be approximately €180 million, including estimated carried interest of €12 million and after the reduction for amounts on account of the MIP. By early 2016, the Onex Partners III Group had hedged the foreign exchange exposure for substantially all of its estimated net proceeds. The transaction is expected to close during the first half of 2016 and is subject to customary closing conditions and regulatory approvals.

Sitel Worldwide

In September 2015, Onex completed the sale of Sitel Worldwide, as described in the significant transactions section starting on page 27 of this MD&A. The Company's cash proceeds were \$35 million, of which Onex' share was \$33 million. In addition, the Company estimates it may receive an earn-out component of approximately \$21 million, of which Onex' share is \$20 million. Onex' consolidated results include a gain of \$365 million related to the sale based on the excess of the proceeds over the carrying value of the investment. The carrying value of the investment was negative at the time of sale as a result of Onex' portion of accumulated losses from the operations of Sitel Worldwide that offset Onex' investments. Onex' share of the gain was \$360 million.

Skilled Healthcare Group

In February 2015, Skilled Healthcare Group combined with Genesis HealthCare, a leading U.S. operator of long-term care facilities, as discussed in the significant transactions section starting on page 27 of this MD&A. During the first quarter of 2015, Onex recognized after-tax earnings from discontinued operations of \$70 million, which included a non-cash gain of \$68 million associated with measuring its interest in Genesis Healthcare at fair value at the date of the combination.

The Warranty Group

In August 2014, the Onex Partners I and Onex Partners II Groups sold their investments in The Warranty Group for an enterprise value of approximately \$1.5 billion. The Onex Partners I and Onex Partners II Groups received net proceeds of \$1.1 billion, resulting in a gain of \$368 million. Onex' portion of the proceeds was \$382 million, including carried interest of \$51 million and after the reduction for amounts paid on account of the MIP.

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

Including prior distributions of \$403 million, the Onex Partners I and Onex Partners II Groups received total net proceeds of \$1.5 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.

Spirit AeroSystems

In June 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. As a result of this transaction, Onex lost its multiple voting rights, which reduced its voting interest in Spirit AeroSystems to 6 percent from 55 percent. 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 income (expense), as described on page 44 of this MD&A.

In August 2014, under a secondary public offering of Spirit AeroSystems, the Onex Partners I Group sold its remaining 8.4 million shares of Spirit AeroSystems, of which Onex' portion was approximately 2.2 million shares.

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

A gain of \$310 million 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 million. The portion of the gain associated with the shares sold was \$151 million.

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.

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

Consolidated net earnings (loss)

Table 15 shows the net earnings (loss) by industry segment for the years ended December 31, 2015, 2014 and 2013.

Consolidated Net Earnings (Loss) by Industry Segment

TABLE 15 (\$ millions)	2015	2014	2013
Net earnings (loss):			
Electronics Manufacturing Services	\$ 67	\$ 108	\$ 118
Healthcare Imaging	(30)	41	(86)
Health and Human Services	(1)	29	52
Building Products	(1)	(123)	(85)
Insurance Services ^(a)	(79)	(76)	(63)
Packaging Products and Services ^(b)	69	14	(5)
Credit Strategies ^(c)	(50)	(31)	62
Other ^(d)	(859)	(754)	(508)
Earnings (loss) from discontinued operations	379	951	(298)
Consolidated net earnings (loss)	\$ (505)	\$ 159	\$ (813)

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

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

(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 the other segment. Onex Credit Manager and Onex Credit Funds began to be consolidated in January 2015, when Onex acquired control of the Onex Credit asset management platform.

(d) 2015 other includes Flushing Town Center, Tropicana Las Vegas (up to August 2015), Meridian Aviation, Emerald Expositions, Survitec (since March 2015), Jack's (since July 2015), Schumacher (since late July 2015), the operating companies of ONCAP II and ONCAP III (Chatters since July 2015) and the parent company. In addition, consolidated earnings include the changes in fair value of AIT, BBAM, Genesis Healthcare (since February 2015), ITG (since June 2015) and Mavis Discount Tire. 2014 other includes Flushing Town Center, Tropicana Las Vegas, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II (Mister Car Wash up to August 2014) and ONCAP III 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 Flushing Town Center, Tropicana Las Vegas, 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. 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.

Table 16 presents the net earnings (loss) attributable to equity holders of Onex Corporation and non-controlling interests for the years ended December 31, 2015, 2014 and 2013.

Net Earnings (Loss)

TABLE 16 (\$ millions)	2015	2014	2013
Net earnings (loss) attributable to:			
Equity holders of			
Onex Corporation	\$ (573)	\$ (115)	\$ (354)
Non-controlling interests	68	274	(459)
Net earnings (loss) for the year	\$ (505)	\$ 159	\$ (813)

Table 17 presents the net earnings (loss) per SVS of Onex Corporation.

Net Earnings (Loss) per SVS of Onex Corporation

TABLE 17 (\$ per share)	2015	2014	2013
Basic and Diluted:			
Continuing operations	\$ (8.84)	\$ (7.80)	\$ (4.55)
Discontinued operations	3.48	6.76	1.43
Net loss per SVS for the year	\$ (5.36)	\$ (1.04)	\$ (3.12)

Other comprehensive earnings (loss)

Other comprehensive earnings (loss) represent the unrealized gains or losses, all net of income taxes, related to cash flow hedges, remeasurements for post-employment benefit plans and foreign exchange gains or losses on foreign self-sustaining operations. During the year ended December 31, 2015, Onex reported other comprehensive loss of \$245 million compared to \$280 million in 2014. The loss recorded

during 2015 was largely due to unfavourable currency translation adjustments on foreign operations of \$270 million (2014 – \$144 million) and unfavourable change in fair value of derivatives designated as hedges of \$19 million (2014 – \$13 million). Partially offsetting the unfavourable items were favourable remeasurements for post-employment benefit plans of \$34 million (2014 – unfavourable of \$61 million).

FOURTH QUARTER RESULTS

Fourth quarter statements of loss

Table 18 presents the statements of loss for the three months ended December 31, 2015 and 2014.

Fourth Quarter Statements of Loss

TABLE 18 (\$ millions)	2015	2014
Revenues	\$ 5,442	\$ 4,444
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(3,820)	(3,097)
Operating expenses	(1,050)	(916)
Interest income	75	39
Amortization of property, plant and equipment	(126)	(92)
Amortization of intangible assets and deferred charges	(160)	(120)
Interest expense of operating companies	(241)	(223)
Increase in value of investments in joint ventures and associates at fair value, net	41	22
Stock-based compensation expense	(88)	(64)
Other gains	1	-
Other expense	(105)	(78)
Impairment of goodwill, intangible assets and long-lived assets, net	(71)	(81)
Limited Partners' Interests charge	(191)	(229)
Loss before income taxes and discontinued operations	(293)	(395)
Recovery of (provision for) income taxes	(24)	8
Loss from continuing operations	(317)	(387)
Earnings (loss) from discontinued operations	(19)	20
Net Loss for the Period	\$ (336)	\$ (367)

Fourth quarter consolidated revenues and cost of sales

Table 19 provides a breakdown of the 2015 and 2014 fourth quarter revenues and cost of sales by industry segment.

Revenues and Cost of Sales by Industry Segment

Year ended December 31	Revenues			Cost of Sales		
	2015	2014	Change	2015	2014	Change
Electronics Manufacturing Services	\$ 1,515	\$ 1,424	6 %	\$ 1,394	\$ 1,303	7 %
Healthcare Imaging	602	669	(10)%	323	385	(16)%
Health and Human Services	463	446	4 %	349	335	4 %
Building Products	888	893	(1)%	697	715	(3)%
Insurance Services ^(a)	431	402	7 %	-	-	-
Packaging Products and Services ^(b)	642	124	418 %	423	82	416 %
Credit Strategies ^(c)	1	-	n/a	-	-	-
Other ^(d)	900	486	85 %	634	277	129 %
Total	\$ 5,442	\$ 4,444	22 %	\$ 3,820	\$ 3,097	23 %

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

- (a) The insurance services segment consists of USI and York. USI and York report their costs in operating expenses. York began to be consolidated in October 2014, when the business was acquired by the Onex Partners III Group.
- (b) The packaging products and services segment consists of sgsco and SIG. sgsco was previously included within the other segment. SIG began to be consolidated in March 2015, when the business was acquired by the Onex Partners IV Group.
- (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 the other segment. Onex Credit Manager and Onex Credit Funds began to be consolidated in January 2015, when Onex acquired control of the Onex Credit asset management platform.
- (d) 2015 other includes Flushing Town Center, Meridian Aviation, Emerald Expositions, Survitec, Jack's, Schumacher, the operating companies of ONCAP II and ONCAP III and the parent company. 2014 other includes Flushing Town Center, Tropicana Las Vegas, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II and ONCAP III and the parent company.

During the fourth quarter of 2015, revenues in the health-care imaging segment, consisting of Carestream Health, decreased by \$67 million, or 10 percent, compared to the same quarter of 2014. The decrease in revenues was primarily due to unfavourable foreign exchange translation on Carestream Health's non-U.S. revenues, lower x-ray traditional volume, as well as unfavourable equipment mix and lower prices in the Dental and Medical Digital segments. The revenue decrease was partially offset by higher dental digital equipment volume. Cost of sales for the three months ended December 31, 2015 decreased by \$62 million, or 16 percent, compared to the same period of 2014 primarily due to favourable foreign exchange translation and lower costs for silver, which is a major component in the production of film.

Revenues in the packaging products and services segment, consisting of sgsco and SIG, increased by \$518 million compared to the fourth quarter of 2014. The increase was primarily due to the inclusion of the revenues of SIG, acquired by the Onex Partners IV Group in March 2015.

Revenues in the other segment increased by \$414 million compared to the fourth quarter of 2014 primarily due to the inclusion of revenues from Survitec, Jack's and Schumacher, which were acquired during 2015. Partially offsetting the increase was the sale of Tropicana Las Vegas in August 2015.

Fourth quarter interest expense

Fourth quarter 2015 interest expense totalled \$241 million compared to \$223 million during the fourth quarter of 2014. Fourth quarter interest expense increased by \$18 million primarily due to the inclusion of interest expense for (i) Survitec, SIG, Chatters, Jack's and Schumacher, which were acquired during 2015, and (ii) the additional debt from CLOs.

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

The 2015 fourth quarter increase in value of investments in joint ventures and associates at fair value was \$41 million compared to an increase of \$22 million during 2014. The increase in income recorded in 2015 compared to 2014 was primarily due to improved operating performance at certain of the investments.

Fourth quarter stock-based compensation expense

During the fourth quarter of 2015, Onex recorded a consolidated stock-based compensation expense of \$88 million compared to \$64 million for the same quarter of 2014. Onex, the parent company, recorded a stock-based compensation expense of \$57 million (2014 – \$38 million) in the fourth quarter of 2015 related to its stock options and MIP equity interests. That expense was primarily due to the 10 percent increase (2014 – 8 percent) in the market value of Onex' shares in the fourth quarter.

Fourth quarter other expense

During the fourth quarter of 2015, Onex recorded other expense of \$105 million compared to \$78 million during the same quarter of 2014. The charge for carried interest due to management of Onex and ONCAP contributed \$34 million (2014 – \$37 million) to other 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 quarters of 2015 and 2014. The charge for other expense was partially offset by other income recorded during the fourth quarter of 2015, which includes \$11 million (2014 – \$9 million) of gains on the sale of tax losses, as discussed below.

In December 2015, 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 \$11 million (2014 – \$9 million) in cash for tax losses of \$109 million (2014 – \$84 million). The cash received was recorded as a gain in other expense (income) 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 consolidated financial statements for the tax losses sold. In connection with the 2015 and 2014 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 2015, \$71 million of impairments of goodwill, intangible assets and long-lived assets were recorded by Onex' operating companies compared to \$81 million during the same quarter of 2014. A discussion of these impairments by company is provided on page 46 of this MD&A.

Fourth quarter Limited Partners' Interests charge

During the fourth quarter of 2015, Onex recorded a \$191 million charge for Limited Partners' Interests compared to a \$229 million charge during 2014. 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 charge is net of a \$52 million (2014 – \$56 million) increase in carried interest for the three months ended December 31, 2015.

Fourth quarter earnings (loss) from discontinued operations

During the fourth quarter of 2015, Onex recorded a loss from discontinued operations of \$19 million related to KraussMaffei, as discussed on page 50 of this MD&A. For the three months ended December 31, 2014, Onex recorded earnings from discontinued operations of \$20 million related to KraussMaffei, Sitel Worldwide and Skilled Healthcare Group.

Fourth quarter cash flow

Table 20 presents the major components of cash flow for the fourth quarters of 2015 and 2014.

Major Cash Flow Components

TABLE 20	(\$ millions)	2015	2014
Cash from operating activities		\$ 670	\$ 275
Cash from (used in) financing activities		\$ (290)	\$ 730
Cash used in investing activities		\$ (268)	\$ (1,176)
Consolidated cash and cash equivalents held by continuing operations		\$ 2,313	\$ 3,662

Cash used in financing activities in the fourth quarter of 2015 included (i) cash interest paid of \$231 million; and (ii) distributions of \$199 million to the limited partners of the Onex Partners Funds, primarily related to Meridian Aviation and Jack's. Partially offsetting the cash used in financing activities was \$145 million of net debt issuances primarily by the CLOs.

Included in the \$730 million of cash from financing activities in the fourth quarter of 2014 was \$789 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 Aviation; (ii) certain limited partners of Onex Partners III for their co-investment 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 \$168 million; (ii) share repurchases of \$105 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.

Cash used in investing activities was \$268 million in the fourth quarter of 2015, primarily consisting of (i) \$181 million in purchases of property, plant and equipment; (ii) \$162 million used to fund acquisitions by the operating companies; (iii) \$161 million of cash used by Onex, the parent company, for purchases of short- and long-term investments by third-party investment managers; and (iv) \$70 million of net purchases of investments and securities by the CLOs and Onex Credit Funds. Partially offsetting the cash used in investing activities were (i) \$164 million of proceeds from the sale of property, plant and equipment; and (ii) \$76 million of cash interest received.

Cash used in investing activities in the fourth quarter of 2014 includes cash proceeds 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 \$438 million mainly by 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) \$79 million in purchases of property, plant and equipment by the 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.

SUMMARY QUARTERLY INFORMATION

Table 21 summarizes Onex' key consolidated financial information for the last eight quarters. The financial information has been restated for discontinued operations.

Consolidated Quarterly Financial Information

TABLE 21 (\$ millions except per share amounts)	2015				2014			
	Dec.	Sept.	June	March	Dec.	Sept.	June	March
Revenues	\$ 5,442	\$ 5,184	\$ 4,926	\$ 4,129	\$ 4,444	\$ 4,272	\$ 4,277	\$ 3,887
Earnings (loss) from continuing operations	\$ (317)	\$ (144)	\$ (271)	\$ (152)	\$ (387)	\$ 48	\$ (398)	\$ (55)
Net earnings (loss)	\$ (336)	\$ 204	\$ (289)	\$ (84)	\$ (367)	\$ 388	\$ 39	\$ 99
Net earnings (loss) attributable to:								
Equity holders of Onex Corporation	\$ (346)	\$ 186	\$ (306)	\$ (107)	\$ (350)	\$ 364	\$ (89)	\$ (40)
Non-controlling Interests	10	18	17	23	(17)	24	128	139
Net earnings (loss)	\$ (336)	\$ 204	\$ (289)	\$ (84)	\$ (367)	\$ 388	\$ 39	\$ 99
Earnings (loss) per SVS of Onex Corporation								
Earnings (loss) from continuing operations	\$ (3.10)	\$ (1.39)	\$ (2.74)	\$ (1.63)	\$ (3.35)	\$ 0.17	\$ (3.95)	\$ (0.67)
Earnings (loss) from discontinued operations	(0.17)	3.15	(0.12)	0.65	0.15	3.14	3.15	0.31
Net earnings (loss)	\$ (3.27)	\$ 1.76	\$ (2.86)	\$ (0.98)	\$ (3.20)	\$ 3.31	\$ (0.80)	\$ (0.36)

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 \$35.8 billion at December 31, 2015 compared to \$28.9 billion at December 31, 2014. Onex' consolidated assets at December 31, 2015 increased from December 31, 2014 primarily due to: (i) the acquisitions of Survitec, SIG, Jack's, Chatters and Schumacher; (ii) the

investments in ITG and Mavis Discount Tire; (iii) acquiring control of the Onex Credit asset management platform; and (iv) the closings of CLO-8, CLO-9 and CLO-10.

Partially offsetting the increase in consolidated assets was the redemption of CLO-1, the deconsolidation of Skilled Healthcare Group upon its combination with Genesis HealthCare, LLC, and the sales of Sitel Worldwide and Tropicana Las Vegas in 2015.

Table 22 shows the consolidated assets by industry segment as at December 31, 2015, 2014 and 2013.

Consolidated Assets by Industry Segment

TABLE 22 (\$ millions)	2015	Percentage Breakdown	2014	Percentage Breakdown	2013	Percentage Breakdown
Electronics Manufacturing Services	\$ 2,612	7%	\$ 2,584	10%	\$ 2,639	11%
Healthcare Imaging	1,609	5%	1,803	7%	1,966	8%
Health and Human Services	1,034	3%	1,110	4%	1,078	5%
Building Products	2,374	7%	2,351	9%	2,483	10%
Insurance Services ^(a)	5,034	15%	5,088	19%	3,099	13%
Packaging Products and Services ^(b)	6,366	18%	1,037	4%	1,060	4%
Credit Strategies ^(c)	6,284	18%	4,373	17%	2,499	11%
Other ^(d)	9,169	27%	7,812	30%	9,049	38%
Assets held by continuing operations	34,482	100%	26,158	100%	23,873	100%
Other – assets held by discontinued operations ^(e)	1,328		2,778		12,994	
Total consolidated assets	\$ 35,810		\$ 28,936		\$ 36,867	

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

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

(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 the other segment. Onex Credit Manager and Onex Credit Funds began to be consolidated in January 2015, when Onex acquired control of the Onex Credit asset management platform.

(d) 2015 other includes Flushing Town Center, Meridian Aviation, Emerald Expositions, Survitec, Jack's, Schumacher, the operating companies of ONCAP II, ONCAP III and the parent company. In addition, other includes investments in AIT, BBAM, Genesis Healthcare, ITG and Mavis Discount Tire. 2014 other includes Flushing Town Center, Tropicana Las Vegas, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II and ONCAP III and the parent company. In addition, other includes investments in AIT, BBAM, Mavis Discount Tire and certain Onex Real Estate investments. 2013 other includes the consolidated earnings of Flushing Town Center, Tropicana Las Vegas, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II and ONCAP III and the parent company. In addition, other includes investments in Allison Transmission, BBAM, Tomkins and certain Onex Real Estate investments.

(e) At December 31, 2015, the assets of KraussMaffei are included in the other segment as the company has been presented as a discontinued operation. At December 31, 2014, the assets of KraussMaffei, Sitel Worldwide and Skilled Healthcare Group are included in the other segment as the companies have been presented as discontinued operations. At December 31, 2013, the assets of KraussMaffei, Sitel Worldwide, Skilled Healthcare Group, The Warranty Group and Spirit AeroSystems 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 \$18.1 billion at December 31, 2015 compared to \$13.3 billion at December 31, 2014. Consolidated long-term debt does not include the debt of operating businesses that are included in investments in joint ventures and associates as investments in those businesses are accounted for at fair value and are not consolidated. In addition, when operating companies are reported as discontinued operations or as held for sale, their long-term debt is excluded from consolidated long-term debt on a prospective basis. Prior periods are not restated.

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

TABLE 23 (\$ millions)	2015	2014	2013
Electronics Manufacturing Services	\$ 261	\$ -	\$ -
Healthcare Imaging	1,999	2,115	2,248
Health and Human Services	525	455	353
Building Products	1,257	804	661
Insurance Services ^(a)	2,866	2,644	1,605
Packaging Products and Services ^(b)	3,487	568	575
Credit Strategies ^(c)	4,899	3,431	1,723
Other ^{(d)(e)}	2,760	3,265	4,805
	18,054	13,282	11,970
Current portion of long-term debt of operating companies	(411)	(408)	(651)
Total	\$ 17,643	\$ 12,874	\$ 11,319

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

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

(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) 2015 other includes Flushing Town Center, Meridian Aviation, Emerald Expositions, Survitec, Jack's, Schumacher, the operating companies of ONCAP II, ONCAP III and the parent company. 2014 other includes Flushing Town Center, Tropicana Las Vegas, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II and ONCAP III and the parent company. 2013 other includes the consolidated earnings of Flushing Town Center, Tropicana Las Vegas, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II and ONCAP III and the parent company.

(e) At December 31, 2014, the long-term debt of KraussMaffei and Sitel Worldwide is included in the other segment as the companies have been presented as discontinued operations. At December 31, 2013, the long-term debt of KraussMaffei, Sitel Worldwide, Skilled Healthcare Group, The Warranty Group and Spirit AeroSystems is included in the other segment as the companies have been presented as discontinued operations.

Celestica (Electronics Manufacturing Services segment)

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

At December 31, 2015, \$25 million (2014 – nil) was outstanding under the revolving credit facility and \$238 million was outstanding under the term loan. Celestica had issued \$27 million (2014 – \$29 million) of letters of credit under its revolving credit facility at December 31, 2015.

ResCare (Health and Human Services segment)

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

ResCare's senior secured credit facility consists of a \$250 million revolving credit facility and a \$505 million combined term loan. At December 31, 2015, \$60 million (2014 – \$70 million) and \$472 million (2014 – \$392 million) were outstanding under the revolving credit facility and combined term loan, respectively. The combined term loan is recorded net of the unamortized discount of \$1 million (2014 – \$1 million).

JELD-WEN (Building Products segment)

In July 2015, JELD-WEN increased its borrowings under its existing credit facility with an incremental \$480 million term loan. JELD-WEN's amended credit facility consists of \$1,255 million of term loans and a \$300 million revolving credit facility. The proceeds were used to fund a distribution of \$432 million to shareholders with the balance to be used to fund future add-on acquisitions. The offering price of the incremental term loan was 99.50 percent of par. The incremental term loan bears interest at LIBOR (subject to a floor of 1.00 percent) plus a margin of up to 4.00 percent, depending on the company's leverage ratio, and requires quarterly principal repayments beginning in December 2015. The incremental term loan has no financial maintenance covenants and matures in July 2022. The Onex Partners III Group's portion of the distribution to shareholders was \$359 million. Onex' portion of the distribution was \$89 million, of which \$51 million related to Onex' investment through Onex Partners III and \$38 million related to Onex' co-investment. The remaining balance was primarily distributed to third-party shareholders and management of JELD-WEN.

At December 31, 2015, the term loans with \$1,246 million (2014 – \$775 million) outstanding were recorded net of the unamortized discount of \$9 million (2014 – \$7 million). JELD-WEN had no amounts outstanding under its revolving credit facility at December 31, 2015 and 2014. The amount available under the revolving credit facility was reduced by \$36 million (2014 – \$39 million) of letters of credit outstanding at December 31, 2015.

USI (Insurance Services segment)

In August 2015, USI amended its senior secured credit facility to add an incremental \$230 million senior secured term loan. The amended senior secured credit facility consists of \$1,380 million of senior secured term loans and a \$150 million senior secured revolving credit facility. The proceeds were used primarily to fund a distribution of \$230 million to shareholders. The Company's portion of the distribution to shareholders was \$181 million. Onex' portion of the distribution was \$51 million, of which \$38 million related to Onex' investment through Onex Partners III and \$13 million related to Onex' co-investment. The balance of the proceeds was primarily distributed to employees of USI. The offering price of the incremental senior secured term loan was 99.03 percent of par. The terms and conditions of

the amendments in 2015, including interest rates and maturity date, are consistent with the existing senior secured term loan.

At December 31, 2015, \$1,346 million and nil (2014 – \$1,129 million and \$20 million) were outstanding under the senior secured term loans and senior secured revolving credit facility, respectively. The senior secured term loans are recorded net of the unamortized discount of \$6 million (2014 – \$5 million). In addition, USI had \$1 million (2014 – \$1 million) of letters of credit outstanding that were issued under its senior secured revolving credit facility at December 31, 2015.

SIG (Packaging Products and Services segment)

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

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

In May 2015, SIG amended its senior secured credit facility to reduce the rate at which borrowings under its euro- and U.S. dollar-denominated term loans bear interest to EURIBOR or LIBOR (subject to a floor of 1.00 percent) plus a margin of 3.25 percent. The amendment resulted in a total interest rate reduction of 100 basis points on the company's term loans. As a result of the amendment, SIG incurred \$26 million in fees during the second quarter of 2015, representing the payment of the soft call protection on the term loans and expenses associated with the amendment. The fees will be amortized over the term of the senior secured credit facility. At December 31, 2015, the euro-denominated term loan with €1,042 million (\$1,128 million) outstanding was recorded net of an unamortized discount of €5 million (\$5 million) and the U.S. dollar-denominated term loan with \$1,216 million outstanding was recorded net of an unamortized discount of \$5 million. In addition, the term loans are recorded net of unamortized embed-

ded derivatives of €72 million (\$78 million), which were recognized at the inception of the term loans. There were no amounts drawn under the revolving credit facility at December 31, 2015. The amount available under the revolving credit facility was reduced by €4 million (\$4 million) due to an ancillary facility outstanding at December 31, 2015.

In February 2015, SIG issued €675 million in aggregate principal amount of 7.75 percent senior notes in connection with the acquisition. The amount raised was held in escrow until the closing of the acquisition. Interest is payable semi-annually beginning in August 2015. The senior notes may be redeemed by the company at various premiums above face value at any time before February 2020 and mature in February 2023. At December 31, 2015, senior notes of €675 million (\$733 million) were outstanding and were recorded together with an unamortized embedded derivative of €30 million (\$33 million), which was recognized at the inception of the senior notes.

CLO-8 (Credit Strategies segment)

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

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

CLO-1 (Credit Strategies segment)

In June 2015, Onex redeemed CLO-1, its first CLO denominated in U.S. dollars. CLO-1 was established in March 2012 and its reinvestment period ended in March 2015. Upon the redemption of CLO-1, all secured notes were repaid, including accrued interest, and the equity was settled for the residual proceeds in the CLO. Onex received \$16 million for its remaining investment in the equity of CLO-1. In aggregate, Onex has received \$53 million of proceeds and distributions related to CLO-1 compared to its original investment of \$38 million.

CLO-9 (Credit Strategies segment)

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

In October 2015, Onex invested an additional \$9 million in the most subordinated capital of CLO-9, increasing its ownership to 93 percent of the most subordinated capital.

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

CLO-10 (Credit Strategies segment)

In October 2015, Onex closed CLO-10, its tenth CLO denominated in U.S. dollars. CLO-10 issued secured notes and equity in a private placement transaction in an aggregate amount of \$512 million. The equity is the most subordinated capital of CLO-10. Onex invested \$39 million for 100 percent of the most subordinated capital and \$8 million for 90 percent of the most subordinated secured notes of CLO-10.

The secured notes were offered in an aggregate principal amount of approximately \$470 million and are due in October 2027. Secured notes of \$443 million bear interest at a rate of LIBOR plus a margin of 1.54 percent to 7.50 percent, and secured notes of \$27 million bear interest at 4.15 percent.

Survitec (Other segment)

In March 2015, Survitec entered into a senior secured credit facility consisting of a £125 million pound sterling-denominated term loan, a €175 million euro-denominated term loan, a £30 million revolving facility and a £30 million acquisition facility. In September 2015, Survitec entered into an incremental £15 million pound sterling-denominated term loan in connection with the acquisition of SCI, as described on page 27 of this MD&A. Borrowings under the pound sterling- and euro-denominated term loans bear interest at LIBOR plus a margin of 4.75 percent and EURIBOR plus a margin of 4.25 percent, respectively. The term loans can be repaid in whole or in part without premium or penalty at

any time before maturity in March 2022. The revolving and acquisition facilities bear interest at LIBOR plus a margin of 4.00 percent and mature in March 2021. At December 31, 2015, £140 million (\$206 million) was outstanding under the pound sterling-denominated term loans, €175 million (\$191 million) was outstanding under the euro-denominated term loan, £5 million (\$7 million) was outstanding under the revolving facility and £14 million (\$21 million) was outstanding under the acquisition facility. The amount available under the revolving facility was reduced by £20 million (\$29 million) of letters of guarantee outstanding at December 31, 2015.

Jack's (Other segment)

In July 2015, Jack's entered into a senior secured credit facility consisting of a \$230 million term loan and a \$30 million revolving credit facility. Borrowings under the term loan bear interest at LIBOR (subject to a floor of 1.00 percent) plus a margin of 4.75 percent. The term loan requires quarterly principal repayments, and can be repaid in whole or in part at any time before maturity in July 2022. The revolving credit facility bears interest at LIBOR plus a margin of 4.75 percent and matures in July 2020.

At December 31, 2015, \$230 million was outstanding under the term loan and no amounts were outstanding under the revolving credit facility. The term loan is recorded net of the unamortized discount of \$3 million.

In July 2015, Jack's entered into a \$195 million promissory note with the Onex Partners IV Group, as described on page 28 of this MD&A. The promissory note bears interest at LIBOR plus a margin ranging from 2.00 percent to 3.50 percent and matures in June 2016. During 2015, Jack's repaid \$143 million of the promissory note, including accrued interest, with net proceeds from sale-leaseback transactions completed for certain of its fee-owned restaurant properties. Onex' share of the repayment was \$41 million. At December 31, 2015, the amount outstanding under the promissory note was \$54 million, of which Onex' share was \$16 million.

In January 2016, Jack's repaid an additional \$23 million of the promissory note, including accrued interest, with net proceeds from a sale-leaseback transaction completed for certain of its fee-owned restaurant properties. Onex' share of the repayments was \$7 million. After giving effect to the repayment, the amount outstanding under the promissory note was \$31 million, of which Onex' share was \$9 million.

Flushing Town Center (Other segment)

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

The credit facilities have customary financial maintenance covenants and include a guarantee which is limited to the required minimum net worth and liquidity reserves being maintained for the benefit of the third-party lenders. Draws from the credit facilities are made over time as project construction costs are incurred. At December 31, 2015, no amounts were outstanding under the mortgage loan, and mezzanine loans of \$77 million were outstanding.

Schumacher (Other segment)

In late July 2015, Schumacher entered into first and second lien senior secured credit facilities. In August 2015, Schumacher acquired HPP, as described on page 29 of this MD&A. In connection with this transaction, Schumacher amended its senior secured facilities to increase its first lien term loan by \$120 million to \$400 million, its first lien revolving loan by \$25 million to \$75 million and its second lien term loan by \$30 million to \$135 million.

In September 2015, Schumacher completed syndication of its senior secured credit facilities, resulting in an offering price of the first lien term loan of 99.25 percent of par. Borrowings under the first lien term loan bear interest at LIBOR (subject to a floor of 1.00 percent) plus a margin of up to 4.00 percent. The first lien term loan matures in July 2022 and requires quarterly principal repayments beginning in December 2015. Borrowings under the first lien revolving loan bear interest at LIBOR (subject to a floor of zero percent) plus a margin of up to 4.00 percent and mature in July 2020.

The offering price of the second lien term loan was 99.00 percent of par. Borrowings under the second lien term loan bear interest at LIBOR (subject to a floor of 1.00 percent) plus 8.50 percent. The second lien term loan is not subject to amortization and matures in July 2023. At December 31, 2015, \$399 million and \$135 million were outstanding under the first and second lien term loans, respectively, and no amounts were outstanding under the first lien revolving loan.

Meridian Aviation (Other segment)

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

Table 24 details the aggregate debt maturities as at December 31, 2015 for Onex' consolidated operating businesses for each of the years up to 2020 and in total thereafter. As the table includes debt of investments in joint ventures and associates and excludes debt of the CLOs, the total amount does not reconcile to reported consolidated debt. As the following table illustrates, most of the maturities occur in 2019 and thereafter.

Debt Maturity Amounts by Year

TABLE 24 (\$ millions)	2016	2017	2018	2019	2020	Thereafter	Total
Consolidated operating companies ^(a)	\$ 382	\$ 277	\$ 373	\$ 4,369	\$ 1,058	\$ 7,015	\$ 13,474
Investments in joint ventures and associates	21	12	13	14	461	38	559
Total	\$ 403	\$ 289	\$ 386	\$ 4,383	\$ 1,519	\$ 7,053	\$ 14,033

(a) Debt amounts are presented gross of financing fees. Excludes debt amounts of subsidiaries held by Onex, the parent company, debt of the credit strategies segment, and debt amounts of KraussMaffei, which is a discontinued operation.

Limited Partners' Interests

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

In January 2015, Onex acquired control of the Onex Credit asset management platform and began consolidating the Onex Credit Funds in which Onex has an investment, as discussed on page 27 of this MD&A. The Limited Partners' Interests liability for Onex Credit Funds includes investments by those other than Onex in the Onex Credit Funds consolidated by Onex.

Table 25 shows the change in Limited Partners' Interests from December 31, 2013 to December 31, 2015.

Limited Partners' Interests

TABLE 25 (\$ millions)	Onex Partners and ONCAP Funds	Onex Credit Funds	Total
Balance – December 31, 2013	\$ 6,959	\$ –	\$ 6,959
Limited Partners' Interests charge	1,069	–	1,069
Contributions by Limited Partners	867	–	867
Distributions paid to Limited Partners	(3,719)	–	(3,719)
Balance – December 31, 2014 ^(a)	5,176	–	5,176
Addition from the Onex Credit transaction	–	368	368
Limited Partners' Interests charge (recovery)	882	(26)	856
Contributions by Limited Partners	1,819	6	1,825
Distributions paid to Limited Partners	(888)	(19)	(907)
Balance – December 31, 2015	6,989	329	7,318
Current portion of Limited Partners' Interests ^(b)	(598)	–	(598)
Non-current portion of Limited Partners' Interests	\$ 6,391	\$ 329	\$ 6,720

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

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

Table 26 shows contributions by limited partners of Onex Partners and ONCAP Funds for the years ended December 31, 2015 and 2014.

Contributions by Limited Partners

TABLE 26 | (\$ millions)

Company	Fund	Transaction	2015
SIG ⁽ⁱ⁾	Onex Partners IV	Original investment	\$ 810
Jack's	Onex Partners IV	Original investment	295
Survitec ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	Onex Partners IV	Original and add-on investments	270
Schumacher ⁽ⁱⁱⁱ⁾	Onex Partners IV	Original and add-on investments	230
ITG	ONCAP III	Original investment	49
Chatters	ONCAP III	Original investment	30
Mavis Discount Tire ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	ONCAP III	Add-on investment	25
Management fees, partnership expenses and other	Various	Various	110
Contributions by Limited Partners			\$ 1,819

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

(ii) Includes amounts to fund a foreign currency hedge for the investments.

(iii) Includes amounts to fund initial and add-on investments.

Contributions by Limited Partners

TABLE 26 | (\$ millions)

Company	Fund	Transaction	2014
York ⁽ⁱ⁾	Onex Partners III	Original investment	\$ 348
AIT	Onex Partners IV	Original investment	159
Emerald Expositions	Onex Partners III	Add-on investment	106
Mavis Discount Tire ⁽ⁱ⁾	ONCAP III	Original investment	75
JELD-WEN ⁽ⁱ⁾	Onex Partners III	Investment in common stock	50
Meridian Aviation	Onex Partners III	Add-on investment	15
Management fees, partnership expenses and other	Various	Various	114
Contributions by Limited Partners			\$ 867

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

Table 27 shows distributions made to limited partners of Onex Partners and ONCAP Funds for the years ended December 31, 2015 and 2014.

Distributions to Limited Partners

TABLE 27 | (\$ millions)

Company	Fund	Transaction	2015
JELD-WEN ⁽ⁱ⁾	Onex Partners III	Dividend	\$ 270
Tropicana Las Vegas	Onex Partners III	Sale of business	180
USI ⁽ⁱ⁾	Onex Partners III	Dividend	130
ResCare	Onex Partners I & III	Dividend	77
Jack's	Onex Partners IV	Repayments of promissory note	75
Meridian Aviation	Onex Partners III	Distributions	64
BBAM	Onex Partners III	Distributions	37
Tomkins ⁽ⁱ⁾	Onex Partners III	Sale of residual assets	21
AIT ⁽ⁱⁱ⁾	Onex Partners IV	Distributions	13
PURE Canadian Gaming	ONCAP II & III	Dividend	10
Other	Various	Various	11
Distributions to Limited Partners			\$ 888

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

(ii) Includes amounts received for a purchase price adjustment.

Distributions to Limited Partners

TABLE 27 | (\$ millions)

Company	Fund	Transaction	2014
Tomkins ⁽ⁱ⁾	Onex Partners III	Sale of business	\$ 1,361
Allison Transmission ⁽ⁱ⁾	Onex Partners II	Share repurchases, secondary offerings and dividend	927
The Warranty Group	Onex Partners I & II	Sale of business	646
Spirit AeroSystems ⁽ⁱ⁾	Onex Partners I	Share repurchases and secondary offerings	451
Mister Car Wash	ONCAP II	Sale of business	178
ResCare	Onex Partners I & III	Dividend	95
PURE Canadian Gaming	ONCAP II & III	Debt repayment and return of capital	23
BBAM	Onex Partners III	Distributions	20
Other	Various	Various	18
Distributions to Limited Partners			\$ 3,719

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

At December 31, 2015, total carried interest netted against the Limited Partners' Interests for Onex Partners and ONCAP Funds in Onex' consolidated balance sheets was \$503 million (2014 – \$315 million), of which Onex' share was \$178 million (2014 – \$115 million).

The Limited Partners' Interests charge recorded for 2015 is discussed in detail on page 47 of this MD&A.

Equity

Table 28 provides a reconciliation of the change in equity from December 31, 2014 to December 31, 2015. Onex' consolidated statements of equity also show the changes to the components of equity for the year ended December 31, 2015.

Change in Equity

TABLE 28 | (\$ millions)

Balance – December 31, 2014	\$ 2,498
Dividends declared	(18)
Issuance of shares	6
Repurchase and cancellation of shares	(175)
Investments in operating companies by shareholders other than Onex	292
Distributions to non-controlling interests and other adjustments	(184)
Repurchase of shares of operating companies	(435)
Non-controlling interests on loss of control of investments in operating companies or sale of investments in operating companies	(44)
Net loss for the year	(505)
Other comprehensive loss for the year, net of tax	(245)
Equity as at December 31, 2015	\$ 1,190

Dividend policy

In May 2015, Onex announced that it had increased its quarterly dividend by 25 percent to C\$0.0625 per SVS beginning with the dividend declared by the Board of Directors payable in July 2015. In May 2014, Onex increased its quarterly dividend by 33 percent to C\$0.05 per SVS beginning with the dividend declared by the Board of Directors in July 2014.

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.

Shares outstanding

At December 31, 2015, Onex had 100,000 Multiple Voting Shares outstanding, which have a nominal paid-in value reflected in Onex' consolidated financial statements. Onex also had 105,893,578 SVS issued and outstanding. Note 17 to the consolidated financial statements provides additional information on Onex' share capital. There was no change in the Multiple Voting Shares outstanding during 2015 or in January 2016.

Table 29 shows the change in the number of SVS outstanding from December 31, 2014 to January 31, 2016.

Change in SVS Outstanding

TABLE 29

SVS outstanding at December 31, 2014	108,858,066
Shares repurchased and cancelled	(4,222,172)
Issuance of shares – Dividend Reinvestment Plan	11,166
Issuance of shares – Onex Credit transaction ^(a)	111,393
SVS outstanding at January 31, 2016	104,758,453

(a) In January 2015, in connection with acquiring control of the Onex Credit asset management platform, as discussed on page 27 of this MD&A, Onex issued 111,393 of its SVS as part of the consideration in the transaction.

Shares repurchased and cancelled

For the year ended December 31, 2015, Onex repurchased 3,084,877 SVS for a total cost of \$175 million (C\$218 million) or an average cost per share of \$56.83 (C\$70.70). The shares repurchased were comprised of: (i) 2,809,877 SVS repurchased under its Normal Course Issuer Bids (the "Bids") for a total cost of \$160 million (C\$199 million) or an average cost per share of \$56.99 (C\$70.82); and (ii) 275,000 SVS repurchased in private transactions for a total cost of \$15 million (C\$19 million) or an average cost per share of \$55.12 (C\$69.50).

In January 2016, Onex repurchased 137,295 SVS under its NCIB for a total cost of \$8 million (C\$11 million) or an average cost per share of \$56.48 (C\$81.78). In addition, Onex repurchased 1,000,000 SVS in a private transaction at C\$84.12 per SVS or a total cost of \$59 million (C\$84 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, Onex' controlling shareholder.

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

On April 16, 2015, Onex renewed its Normal Course Issuer Bid ("NCIB") following the expiry of its previous NCIB on April 15, 2015. Under the new NCIB, Onex is permitted to purchase up to 10 percent of its public float of SVS, or 8,407,536 SVS. Onex may purchase up to 30,385 SVS during any trading day, being 25 percent of its average daily trading volume for the six months ended March 31, 2015. Onex may also purchase SVS from time to time under the Toronto Stock Exchange's block purchase exemption, if available, or by way of private agreement pursuant to an issuer bid exemption order, if sought and received, under the new NCIB. The new NCIB commenced on April 16, 2015 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 15, 2016. A copy of the Notice of Intention to make the NCIB filed with the Toronto Stock Exchange is available at no charge to shareholders by contacting Onex.

Under the previous NCIB that expired on April 15, 2015, Onex repurchased 1,615,734 SVS at a total cost of \$92 million (C\$109 million), or an average purchase price of C\$67.19 per share.

Table 30 shows a summary of Onex' repurchases of SVS for the past 10 years.

Onex' Repurchases of SVS for the Past 10 Years

TABLE 30	Shares Repurchased	Total Cost of Shares Repurchased (in C\$ millions)	Average Share Price (in C\$ per share)
2006	9,176,300	C\$ 203	C\$ 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⁾	2,593,986	163	62.98
2015 ⁽³⁾	3,084,877	218	70.70
Total	32,371,651	C\$ 1,179	C\$ 36.45

(1) Includes 1,000,000 SVS repurchased in a private transaction.

(2) Includes 1,310,000 SVS repurchased in private transactions.

(3) Includes 275,000 SVS repurchased in private transactions.

Issuance of shares – Dividend Reinvestment Plan

Onex' Dividend Reinvestment Plan enables Canadian shareholders to reinvest cash dividends to acquire new SVS of Onex at a market-related price at the time of reinvestment. During the period from January 1, 2015 to January 31, 2016, Onex issued 11,166 SVS at an average cost of C\$74.46 per SVS, creating a cash savings of \$1 million (C\$1 million). During the year ended December 31, 2014, Onex issued 7,952 SVS at an average cost of C\$61.18 per SVS, creating a cash savings of less than \$1 million (less than C\$1 million).

Investments in operating companies by shareholders other than Onex

Onex reported an increase in consolidated equity of \$304 million during 2015 primarily due to an increase in investments in operating companies by shareholders other than Onex, including \$132 million associated with Schumacher and its acquisitions. In addition, stock-based compensation provided to employees at the operating companies contributed to the increase during 2015.

Repurchase of shares of operating companies

Onex reported a decrease in equity of \$435 million during 2015 primarily due to shares repurchased by Celestica and JELD-WEN.

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

Under IFRS, non-controlling interests represent the ownership interests of shareholders, other than Onex and its third-party limited partners in the Onex Partners and ONCAP Funds, in Onex' controlled operating companies. Onex recorded a decrease in equity of \$44 million during 2015 related to non-controlling interests on the loss of a controlling interest in Skilled Healthcare Group and on the sale of Tropicana Las Vegas. The decrease was partially offset by the increase in non-controlling interests related to the sale of Sitel Worldwide.

Onex lost its controlling interest in Skilled Healthcare Group as a result of the purchase and combination transaction in February 2015, as described on page 27 of this MD&A. The non-controlling interests attributable to Skilled Healthcare Group have been removed from equity since the operations of Skilled Healthcare Group are no longer consolidated.

In addition, following the sales of Tropicana Las Vegas and Sitel Worldwide during 2015, the non-controlling interests attributable to Tropicana Las Vegas and Sitel Worldwide have been removed from equity as the investments are no longer consolidated. The non-controlling interests in Sitel Worldwide were negative at the time of sale as a result of the non-controlling interests' portion of the accumulated losses from the operations of Sitel Worldwide that offset their original investment.

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 SVS 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 SVS on the business day preceding the day of the grant. Vested options are not exercisable unless the average five-day market price of Onex SVS is at least 25 percent greater than the exercise price at the time of exercise.

At December 31, 2015, Onex had 12,628,033 options outstanding to acquire SVS, of which 4,713,415 options were vested and exercisable.

Table 31 provides information on the activity during 2015 and 2014.

Change in Stock Options Outstanding

TABLE 31	Number of Options	Weighted Average Exercise Price
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
Granted	965,000	C\$ 80.85
Surrendered	(643,359)	C\$ 28.22
Expired	(105,150)	C\$ 49.50
Outstanding at December 31, 2015	12,628,033	C\$ 52.37

Options issued during 2015 consisted of: (i) 10,000 options to acquire SVS with an exercise price of C\$74.87 per share issued in March 2015; (ii) 10,000 options to acquire SVS with an exercise price of C\$79.79 per share issued in September 2015; and (iii) 885,000 options to acquire SVS with an exercise price of C\$81.76 per share issued in November 2015. The options vest at a rate of 20 percent per year from the date of grant.

In addition, in January 2015, in connection with acquiring control of the Onex Credit asset management platform as discussed on page 27 of this MD&A, Onex issued 60,000 options to Onex Credit's chief executive officer to acquire SVS. 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.

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 2015, 643,359 options were surrendered at a weighted average exercise price of C\$28.22 for aggregate cash consideration of \$24 million (C\$32 million) and 105,150 options expired.

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.

Director Deferred Share Unit Plan

During the second quarter of 2015, an annual grant of 29,653 DSUs was issued to directors having an aggregate value, at the date of grant, of \$2 million (C\$2 million) in lieu of that amount of cash compensation for directors' fees. At December 31, 2015, there were 626,481 Director DSUs outstanding. Onex has hedged 578,799 of the outstanding Director DSUs with a counterparty financial institution.

Management Deferred Share Unit Plan

In early 2015, Onex issued 116,037 Management Deferred Share Units ("MDSUs") to management having an aggregate value, at the date of grant, of \$7 million (C\$8 million) in lieu of that amount of cash compensation for Onex' 2014 fiscal year. At December 31, 2015, there were 684,515 (2014 – 566,494) MDSUs outstanding.

In early 2016, Onex issued 44,333 MDSUs to management having an aggregate value, at the date of grant, of \$3 million (C\$4 million) in lieu of that amount of cash compensation for Onex' 2015 fiscal year.

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 32 reconciles the changes in the DSUs and MDSUs outstanding at December 31, 2015 from December 31, 2013.

Change in Outstanding Deferred Share Units

TABLE 32	Director DSU Plan		Management DSU Plan	
	Number of DSUs	Weighted Average Price	Number of MDSUs	Weighted Average Price
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	
Granted	29,653	C\$ 69.01	-	-
Additional units issued in lieu of compensation and cash dividends	12,321	C\$ 75.80	118,021	C\$ 68.73
Outstanding at December 31, 2015	626,481		684,515	
Hedged with a counterparty financial institution at December 31, 2015	(578,799)		(684,515)	
Outstanding at December 31, 2015 – Unhedged	47,682		-	

Management of capital

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

- preserve a financially strong parent company with appropriate liquidity and no, or a limited amount of, debt so that funds are available to pursue new acquisitions and growth opportunities, as well as support expansion of its existing businesses. Onex does not generally have the ability to draw cash from its operating businesses. Accordingly, maintaining adequate liquidity at the parent company is important;
- achieve an appropriate return on capital invested commensurate with the level of assumed risk;

- build the long-term value of its operating businesses;
- control the risk associated with capital invested in any particular business or activity. All debt financing is within the operating businesses and each company is required to support its own debt. Onex Corporation does not guarantee the debt of the operating businesses and there are no cross-guarantees of debt between the operating businesses; and
- have appropriate levels of committed limited partners' capital available to invest along with Onex' capital. This allows Onex to respond quickly to opportunities and pursue acquisitions of businesses of a size it could not achieve using only its own capital. The management of limited partners' capital also provides management fees to Onex and the ability to enhance Onex' returns by earning a carried interest on the profits of limited partners.

At December 31, 2015, Onex, the parent company, had \$588 million of cash on hand and \$1.5 billion of near-cash items at market value. Near-cash items include short- and long-term investments managed by third-party investment managers, as described below, as well as \$351 million invested in a segregated unlevered fund managed by Onex Credit.

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

Beginning in the second quarter of 2015, Onex, the parent company, transferred cash and cash equivalents to accounts managed by third-party investment managers in order to increase the return on this capital while maintaining appropriate liquidity. At December 31, 2015, the fair value of investments, including cash yet to be deployed, managed by third-party investment managers was \$1.2 billion. The investments are managed in a mix of short-term and long-term portfolios. Short-term investments consist of liquid investments including money market instruments and commercial paper with original maturities of three months to a year. Long-term investments consist of securities including money market instruments, federal and municipal debt instruments, corporate obligations and structured products with maturities of one to five years. The investments are managed to maintain an overall weighted average duration of two years or less.

At December 31, 2015, Onex had access to \$3.0 billion of uncalled committed limited partners' capital for acquisitions through Onex Partners IV (\$2.8 billion) and ONCAP III (C\$148 million).

Non-controlling interests

Non-controlling interests in equity in Onex' consolidated balance sheets as at December 31, 2015 primarily represent the ownership interests of shareholders, other than Onex and its limited partners in the funds, in Onex' controlled operating companies. The non-controlling interests balance at December 31, 2015 decreased to \$1.4 billion from \$1.7 billion at December 31, 2014. The decrease was primarily due to: (i) the repurchase of shares of operating companies, primarily at Celestica and JELD-WEN; (ii) the loss of Onex' controlling interest in Skilled Healthcare Group as a result of the purchase and combination transaction in February 2015, as described on page 27 of this MD&A; and (iii) the sale of Tropicana Las Vegas, as described on page 29 of this MD&A. The decrease was partially offset by non-controlling interests associated with the acquisition of Schumacher and the non-controlling interests related to Sitel Worldwide, which were negative at the time of sale as a result of non-controlling interests' portion of accumulated losses from the operations of Sitel Worldwide that more than offset their investments. Additional information about non-controlling interests is provided in note 18 to the consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

Major cash flow components

This section should be read in conjunction with the consolidated statements of cash flows and the corresponding notes thereto. Table 33 summarizes the major consolidated cash flow components for the years ended December 31, 2015 and 2014.

Major Cash Flow Components

TABLE 33 (\$ millions)	2015	2014
Cash from operating activities	\$ 1,880	\$ 989
Cash from (used in) financing activities	\$ 1,652	\$ (1,624)
Cash from (used in) investing activities	\$ (4,837)	\$ 1,236
Consolidated cash and cash equivalents held by continuing operations	\$ 2,313	\$ 3,662

Cash from operating activities

Table 34 provides a breakdown of cash from operating activities by cash generated from operations, changes in non-cash working capital items, other operating activities and operating activities of discontinued operations for the years ended December 31, 2015 and 2014.

Components of Cash from Operating Activities

TABLE 34	(\$ millions)	2015	2014
Cash generated from operations		\$ 1,754	\$ 930
Changes in non-cash working capital items:			
Accounts receivable		(23)	(152)
Inventories		92	(121)
Other current assets		3	(120)
Accounts payable, accrued liabilities and other current liabilities		(52)	41
Increase (decrease) in cash and cash equivalents due to changes in non-cash working capital items		20	(352)
Decrease in other operating activities		(113)	(54)
Cash flows from operating activities of discontinued operations		219	465
Cash from operating activities		\$ 1,880	\$ 989

Cash generated from operations includes net loss from continuing operations before interest and income taxes, adjusted for cash taxes paid and items not affecting cash and cash equivalents. The significant changes in non-cash working capital items for the year ended December 31, 2015 were:

- a \$92 million decrease in inventory, primarily at Meridian Aviation, due to the sale of an aircraft, partially offset by increases in inventory at Celestica and Flushing Town Center; and
- a \$52 million decrease in accounts payable, accrued liabilities and other current liabilities primarily at Schumacher and Survitec.

Cash from operating activities for the year ended December 31, 2015 also included \$219 million (2014 – \$465 million) of cash flows from the operating activities of discontinued operations. Discontinued operations for the year ended December 31, 2015 represent the operations of KraussMaffei, Sitel Worldwide and Skilled Healthcare Group. Discontinued operations for the year ended December 31, 2014 represent the operations of KraussMaffei, Sitel Worldwide, Skilled Healthcare Group, The Warranty Group and Spirit AeroSystems.

Cash from (used in) financing activities

Cash from financing activities was \$1.7 billion for 2015 compared to cash used in financing activities of \$1.6 billion for 2014. Cash from financing activities for 2015 included:

- \$2.4 billion of net new long-term debt primarily from the closings of CLO-8, CLO-9 and CLO-10 and an increase in outstanding debt at Celestica, JELD-WEN, Schumacher and USI. This was partially offset by debt repayments made by Carestream Health, Jack's and Meridian Aviation; and
- \$1.8 billion of contributions received primarily from the limited partners of Onex Partners IV and ONCAP III, as discussed under the Limited Partners' Interests on page 65 of this MD&A.

Partially offsetting these were:

- \$1.0 billion of distributions primarily to the limited partners of the Onex Partners and ONCAP Funds, as discussed under the Limited Partners' Interests on page 66 of this MD&A, and distributions to third-party shareholders of JELD-WEN and USI;
- \$776 million of cash interest paid;
- \$435 million of cash used for share repurchases primarily by Celestica and JELD-WEN;
- \$175 million of cash used by Onex, the parent company, for purchases of its shares; and
- \$123 million of cash used in financing discontinued operations.

For the year ended December 31, 2014, cash used in financing activities was \$1.6 billion and included:

- \$3.7 billion of distributions primarily to the limited partners of the Onex Partners and ONCAP Funds, as discussed under the Limited Partners' Interests on page 66 of this MD&A;
- \$596 million of cash interest paid;
- \$297 million of cash used in financing activities of discontinued operations, including an increase of restricted cash by Spirit AeroSystems for its share repurchase of \$129 million;
- \$167 million of cash used primarily by Celestica for purchases of its shares;
- \$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:

- \$2.4 billion of net new long-term debt primarily from the note issuances by CLO-5, CLO-6 and CLO-7 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 65 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.

Cash from (used in) investing activities

Cash used in investing activities totalled \$4.8 billion for the year ended December 31, 2015 compared to cash from investing activities of \$1.2 billion during 2014. Cash used in investing activities during 2015 primarily consisted of:

- \$2.5 billion of cash used to fund investments in operating companies, which primarily related to the Onex Partners IV Group's investments in Jack's, Schumacher, SIG and Survitec;
- \$1.5 billion of net purchases of investments and securities by the CLOs and Onex Credit Funds;
- \$1.2 billion of cash used by Onex, the parent company, for purchases of short- and long-term investments by third-party investment managers; and
- \$120 million for the ONCAP III Group's joint venture investments in ITG and Mavis Discount Tire.

Partially offsetting these were:

- \$525 million of proceeds from the sale of property, plant and equipment consisting primarily of \$190 million of proceeds from the sale of two aircraft by Meridian Aviation, \$143 million of net proceeds received by Jack's from the sale-leaseback transaction completed for certain of its fee-owned restaurant properties, \$128 million of proceeds from the sale of substantially all of the retail space and adjoining parking structures of Flushing Town Center and \$54 million of proceeds from the sale of the B.C. Sugar residual property;
- \$264 million of proceeds from the sale of investments in Sitel Worldwide and Tropicana Las Vegas;
- \$257 million of cash interest received; and
- \$82 million of distributions received from BBAM and AIT.

Cash from investing activities totalled \$1.2 billion for the year ended December 31, 2014 and consisted primarily 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);
- \$213 million of proceeds received from the sale of property, plant and equipment consisting primarily of proceeds from the sale of two aircraft by Meridian Aviation; and
- \$122 million of cash interest received.

Partially offsetting these were:

- \$2.0 billion of net purchases of investments and securities mainly by the 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;
- \$765 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.

In addition, there was \$704 million (2014 – \$467 million) of cash used for purchases of property, plant and equipment by Onex' operating companies during 2015. Table 35 details the property, plant and equipment expenditures by industry segment.

Cash used for property, plant and equipment purchases

Table 35 provides a breakdown of cash used for the purchases of property, plant and equipment by industry segment for the years ended December 31, 2015 and 2014.

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

TABLE 35	(\$ millions)	2015	2014
Electronics Manufacturing Services		\$ 58	\$ 58
Healthcare Imaging		52	66
Health and Human Services		21	23
Building Products		74	69
Insurance Services ^(a)		24	11
Packaging Products and Services ^(b)		157	21
Credit Strategies ^(c)		–	–
Other ^(d)		318	219
Total		\$ 704	\$ 467

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

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

(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) 2015 other includes Flushing Town Center, Tropicana Las Vegas (up to August 2015), Meridian Aviation, Emerald Expositions, Survitec (since March 2015), Jack's (since July 2015), Schumacher (since late July 2015), the operating companies of ONCAP II and ONCAP III (Chatters since July 2015) and the parent company. 2014 other includes Flushing Town Center, Tropicana Las Vegas, Meridian Aviation, Emerald Expositions, the operating companies of ONCAP II (Mister Car Wash up to August 2014) and ONCAP III and the parent company.

During 2015, cash used for property, plant and equipment purchases primarily consisted of:

- \$58 million invested by Celestica primarily to enhance manufacturing capabilities and to support new customer programs;
- \$52 million invested by Carestream Health primarily to support growth initiatives, invest in rental capital and for recurring maintenance;
- \$74 million invested by JELD-WEN primarily for improvements and upgrades for its production machinery;
- \$147 million invested by SIG primarily for maintenance and upgrades to existing facilities and the construction of new facilities; and
- cash used for the purchase of property, plant and equipment in the other segment consisting primarily of cash used by Meridian Aviation to purchase two aircraft.

Consolidated cash resources

At December 31, 2015, consolidated cash held by continuing operations decreased to \$2.3 billion from \$3.8 billion at December 31, 2014. The major component at December 31, 2015 was \$588 million of cash on hand at Onex, the parent company (December 31, 2014 – \$2.5 billion). In addition to cash at the parent company, Onex had \$1.5 billion of near-cash items at December 31, 2015 (December 31, 2014 – \$346 million). Near-cash items at December 31, 2015 include short- and long-term investments managed by third-party investment managers, as described on page 72 of this MD&A, as well as \$351 million invested in a segregated unlevered fund managed by Onex Credit.

Cash and near-cash at Onex, the parent company

Table 36 provides a reconciliation of the change in cash and near-cash at Onex, the parent company, from December 31, 2014 to December 31, 2015.

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

TABLE 36 (\$ millions)	Amount
Cash and near-cash on hand at December 31, 2014^(a)	\$ 2,877
Private equity realizations:	
JELD-WEN dividend	89
USI dividend	51
Sale of Tropicana Las Vegas	50
Jack's promissory note repayment	41
Sale of B.C. Sugar residual property	33
Sale of Sitel Worldwide	33
Meridian Aviation distribution	21
ResCare dividend	20
BBAM distributions	13
PURE Canadian Gaming dividend	8
AIT distributions	7
Private equity investments:	
Investment in SIG	(405)
Investment in Jack's	(120)
Investments in Schumacher	(93)
Investments in Survitec	(76)
Add-on investment in Mavis Discount Tire	(25)
Investment in ITG	(21)
Investment in Chatters	(13)
Investment in Onex Credit asset management platform	(26)
Net Onex Credit activity, including investments in warehouse facilities	(72)
Net Onex Real Estate activity, including sale of property in Flushing Town Center	97
Onex share repurchases	(175)
Other, net, including dividends, management fees and operating costs ^(b)	(176)
Cash and near-cash on hand at December 31, 2015^(c)	\$ 2,138

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

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

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

Subsequent to December 31, 2015, Onex, the parent company, received cash of \$7 million from Jack's in repayment of the promissory note, as described on page 28 of this MD&A. In January 2016, Onex, the parent company, repurchased in a private transaction 1,000,000 SVS that were held indirectly by Mr. Gerald W. Schwartz, Onex' controlling shareholder, for a total cost of \$59 million (C\$84 million).

ADDITIONAL USES OF CASH

Contractual obligations

Table 37 presents the contractual obligations of Onex and its operating companies as at December 31, 2015.

Contractual Obligations

TABLE 37 (\$ 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)	\$ 18,373	\$ 411	\$ 650	\$ 5,427	\$ 11,885
Finance and operating leases	1,287	298	416	225	348
Purchase obligations	133	101	22	3	7
Total contractual obligations	\$ 19,793	\$ 810	\$ 1,088	\$ 5,655	\$ 12,240

(a) Excludes debt amounts of subsidiaries held by Onex, the parent company, debt of investments in joint ventures and associates, and debt amounts of KraussMaffei, which is a discontinued operation. Amounts are gross of financing charges.

In addition to the obligations in table 37, certain of Onex' consolidated operating companies have funding obligations related to their defined benefit pension plans. The operating companies estimate that \$49 million of contributions will be required in 2016 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 23 on page 59 of this MD&A. In addition, notes 12 and 13 to the 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, 2015, Onex and its operating companies had total commitments of \$494 million. Commitments by Onex and its operating companies provided in the normal course of business include commitments for corporate investments, capital assets and letters of credit, letters of guarantee and surety and performance bonds.

Approximately \$361 million of the total commitments in 2015 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, in February 2016, Onex, the parent company, committed to investing \$75 million in Incline Aviation Fund, an aircraft investment fund to be managed by BBAM and focused on investments in contractually leased commercial jet aircraft.

Onex' commitment to the Funds

Onex, the parent company, is the largest limited partner in each of the Onex Partners and ONCAP Funds. Table 38 presents the commitment and the uncalled committed capital of Onex, the parent company, in these funds at December 31, 2015.

Commitment and Uncalled Committed Capital of Onex, the Parent Company, at December 31, 2015

TABLE 38	(\$ millions)	Fund Size	Onex' Commitment	Onex' Uncalled Committed Capital ^(a)
Onex Partners I		\$ 1,655	\$ 400	\$ 20 ^(b)
Onex Partners II		\$ 3,450	\$ 1,407	\$ 158 ^(b)
Onex Partners III		\$ 4,700	\$ 1,200	\$ 123
Onex Partners IV ^{(c)(d)}		\$ 5,660	\$ 1,700	\$ 1,116
ONCAP II		C\$ 574	C\$ 252	C\$ 1 ^(b)
ONCAP III ^(e)		C\$ 800	C\$ 252	C\$ 62

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

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

(c) The principal repayments of the promissory note by Jack's, as described on page 28 of this MD&A, increased the uncalled commitments for Onex Partners Funds.

(d) Onex increased its commitment to \$1,700 million for new Onex Partners IV investments completed after June 3, 2015.

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

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

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, SIG and Survitec. KraussMaffei, which is a discontinued operation, has defined benefit pension plans which are included in the 2014 comparative information. At December 31, 2015, the defined benefit pension plans of the six Onex operating companies had combined assets of \$1.4 billion (2014 – \$872 million)

against combined obligations of \$1.6 billion (2014 – \$1.2 billion), with a net deficit of \$151 million (2014 – \$339 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, 2015, Celestica's defined benefit pension plans were overfunded on a net basis by \$38 million (2014 – \$39 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 \$13 million of contributions will be required for its defined benefit pension plans in 2016 based on the most recent actuarial valuations.

Carestream Health's defined benefit pension plans were in an underfunded position of approximately \$72 million at December 31, 2015 (2014 – \$83 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 2016 to its defined benefit pension plans, and it does not believe that future pension contributions will materially impact its liquidity.

At December 31, 2015, JELD-WEN's defined benefit pension plans were in an underfunded position of approximately \$117 million (2014 – \$153 million). The company's pension plan assets are broadly diversified in equity and debt securities, as well as other investments. JELD-WEN estimates that \$10 million of contributions will be required for its defined benefit pension plans in 2016.

At December 31, 2015, SIG's defined benefit pension plans were in an overfunded position of approximately \$9 million. The company's pension plan assets are broadly diversified in equity and debt investment funds, as well as other investments. SIG estimates that \$5 million of contributions will be required for its defined benefit pension plans in 2016.

At December 31, 2015, Survitec's defined benefit pension plans were in an underfunded position of approximately \$8 million. The company's pension plan assets are broadly diversified in equity and debt securities, as well as other investments. Survitec estimates that \$2 million of contributions will be required for its defined benefit pension plans in 2016.

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 39 provides a summary of the remaining commitments available from limited partners at December 31, 2015. The remaining commitments for Onex Partners IV and ONCAP III will be used for future Onex-sponsored acquisitions. The remaining commitments from limited partners of Onex Partners I and Onex Partners II are for future funding of management fees and partnership expenses. The remaining commitments from limited partners of Onex Partners III and ONCAP II are for possible future funding for remaining businesses in each respective fund and for future funding of management fees and partnership expenses.

Private Equity Funds' Uncalled Limited Partners' Committed Capital

TABLE 39	(\$ millions)	Available Uncalled Committed Capital (excluding Onex) ^(a)
Onex Partners I		\$ 65 ^(b)
Onex Partners II		\$ 241 ^(b)
Onex Partners III		\$ 388
Onex Partners IV		\$ 2,845 ^(c)
ONCAP II		C\$ 2 ^(b)
ONCAP III		C\$ 148

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

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

(c) The principal repayments of the promissory note by Jack's, as described on page 28 of this MD&A, increased the uncalled commitments for Onex Partners Funds.

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

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, 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 \$65 million for possible future funding of partnership expenses. In January 2015, with the approval of a majority in interest of the limited partners, the term of Onex Partners I was extended to February 4, 2016. In connection with this extension, the management fee was reduced to 1 percent of net funded commitments relating to Onex Partners I's investment in ResCare only. In January 2016, with the approval of a majority in interest of the limited partners, the term of Onex Partners I was further extended to February 4, 2017. As a result of this extension, management fees will no longer be earned for Onex Partners I as of February 4, 2016.

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, 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 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' commitment to Onex Partners III has been \$1.2 billion for new investments completed since May 15, 2012. Onex Partners III has completed 10 investments, investing \$4.2 billion, including Onex. The amount invested includes capitalized costs. While Onex Partners III has concluded its investment period, the fund still has uncalled limited partners' committed capital of \$388 million for possible future funding for any of Onex Partners III's remaining businesses and for management fees and partnership expenses.

During 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 June 2015, Onex increased its commitment to the fund by \$500 million to \$1.7 billion. The increased commitment was applied to new Onex Partners IV investments completed after June 3, 2015 and did not change Onex' ownership of businesses acquired prior to that date. The investment in Jack's, in July 2015, was the first investment to reflect Onex' increased commitment. At December 31, 2015, Onex Partners IV had completed five investments, investing \$1.7 billion, including Onex. The amount invested includes capitalized costs and \$54 million of bridge financing. At December 31, 2015, Onex Partners IV had \$2.8 billion of uncalled limited partners' capital available for future investments 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 investments, investing C\$483 million, including Onex. At December 31, 2015, this fund had uncalled committed limited partners' capital of C\$2 million for possible future funding for ONCAP II's partnership expenses.

During 2011, Onex raised 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 seven investments, investing C\$552 million, including Onex. At December 31, 2015, this fund has uncalled committed limited partners' capital of C\$148 million available for future investments and for management fees and partnership expenses.

RELATED PARTY TRANSACTIONS

Investment programs

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 40.

TABLE 40	Minimum Stock Price Appreciation/ Return Threshold	Vesting	Associated Investment by Management
Management Investment Plan ⁽ⁱⁱ⁾	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 SVS or Management DSUs until 1,000,000 shares and DSUs owned
Carried Interest Participation – Onex Partners ⁽ⁱⁱⁱ⁾	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 Onex Partners IV 25% of gross proceeds to be reinvested in SVS or Management DSUs until 1,000,000 shares and DSUs owned
Carried Interest Participation – ONCAP ⁽ⁱⁱⁱ⁾	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 ⁽ⁱⁱⁱ⁾	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 ^(iv)	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 ^(iv)	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

(i) Management Investment Plan

Onex has a 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 2015, management invested \$18 million (2014 – \$13 million) under the MIP, including amounts invested under the minimum investment requirements of the Onex Partners Funds to meet the 1.5 percent MIP requirement. Management received \$4 million under the MIP in 2015 (2014 – \$117 million). Notes 1 and 30 to the consolidated financial statements provide additional details on the MIP.

In addition, management of ONCAP has an incentive program related to Onex' co-investment in ONCAP operating companies.

(ii) 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, the General Partners 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.

Table 41 shows the amount of net carried interest received by Onex, the parent company, up to December 31, 2015.

Carried Interest

TABLE 41 (\$ millions)	Carried Interest Received
2010 and prior years	\$ 172
2011	65
2012	3
2013	75
2014	171
2015	1
Total	\$ 487

During 2015, Onex, the parent company, received carried interest totalling \$1 million associated with residual proceeds on investments sold in 2014. Onex has the potential to receive \$178 million of carried interest on its businesses in the Onex Partners Funds based on their fair values determined at December 31, 2015. The amount of potential carried interest that Onex may receive takes into consideration the realized cash loss on Tropicana Las Vegas that occurred during the third quarter of 2015. Until fully offset, this realized cash loss is expected to result in a \$7 million reduction in the carried interest that would otherwise be distributed to Onex in respect of a future realization in the Onex Partners III Fund. The amount of carried interest ultimately received from the Onex Partners III Fund will be based on the overall performance of the Fund.

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

During the year ended December 31, 2015, management of Onex and ONCAP received carried interest totalling \$3 million associated with residual proceeds on investments sold prior to 2015. Management of Onex and ONCAP has the potential to receive \$331 million of carried interest on businesses in the Onex Partners and ONCAP Funds based on their values determined at December 31, 2015. The amount of potential carried interest that Onex may receive takes into consideration the realized cash loss on Tropicana Las Vegas that occurred during the third quarter of 2015.

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

(iii) 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 SVS 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 SVS on the business day preceding the day of the grant. Vested options are not exercisable unless the average five-day market price of Onex SVS is at least 25 percent greater than the exercise price at the time of exercise. Table 31 on page 70 of this MD&A provides details of the change in the stock options outstanding at December 31, 2015 and 2014.

(iv) 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 SVS. 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 SVS. Additional units are issued equivalent to the value of any cash dividends that would have been paid on the SVS. 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 32 on page 71 of this MD&A provides details of the change in the MDSUs outstanding during 2015 and 2014.

(v) 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 an SVS 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 SVS. To hedge Onex’ exposure to changes in the trading price of Onex shares associated with the Director DSU Plan, the Company has entered into forward agreements with a counterparty financial institution for a portion of the grants under the Director DSU Plan. Table 32 on page 71 of this MD&A provides details of the change in the DSUs outstanding during 2015 and 2014.

Onex management team investments in Onex’ Funds

The Onex management team invests meaningfully in each operating business acquired by the Onex Partners and ONCAP Funds and in strategies managed by Onex Credit.

The structure of the Onex Partners and ONCAP Funds requires the management of Onex Partners and ONCAP Funds to invest a minimum of 1 percent in all acquisitions, with the exception of Onex Partners IV, which requires a minimum of 2 percent investment in all acquisitions. This investment represents the minimum “at risk” equity investment on which the management of Onex and ONCAP earn carried interest, as described on page 82 of this MD&A.

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 2016, including the minimum “at risk” equity investment. The Onex management team and 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 2015 by the Onex management team and directors in acquisitions and investments completed through the Onex Partners and ONCAP Funds was \$142 million (2014 – \$60 million).

In addition, the Onex management team may invest in Onex Credit strategies. At December 31, 2015, investments at market held by the Onex management team in Onex Credit strategies were approximately \$275 million (2014 – approximately \$240 million).

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 SVS and/or Management DSUs until they individually hold at least 1,000,000 Onex SVS and/or Management DSUs. Under this program, during 2015 Onex management reinvested C\$1 million (2014 – C\$55 million) in the purchase of SVS.

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 2015, \$5 million (2014 – \$10 million) in investments were made by the Onex management team and directors.

Repurchase of shares

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

In July 2014, Onex repurchased in a private transaction 1,000,000 of its SVS 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 C\$65.99 per SVS, or a total cost of \$62 million (C\$66 million), which represents a slight discount to the trading price of Onex shares at that date.

Tax loss transaction

During 2015, 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 \$11 million (2014 – \$9 million) in other expense (income) in 2015. A discussion of these transactions is included on page 55 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 Onex utilized certain tax losses associated with distributions of carried interest to management of Onex, for which Onex received cash of \$4 million.

Management fees

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

During the initial fee period of the Onex Partners and ONCAP Funds, Onex receives a management fee based on limited partners' committed capital to each fund. At December 31, 2015, the management fees of Onex Partners IV and ONCAP III are determined based on limited partners' committed capital.

Following the termination of the initial fee period, Onex becomes entitled to a management fee based on limited partners' invested capital. At December 31, 2015, the management fees of Onex Partners I, II and III and ONCAP II are determined based on their limited partners' invested capital. As realizations occur in these funds, the management fees calculated based on invested limited partners' capital will decline.

In January 2015, with the approval of a majority in interest of the limited partners, the term of Onex Partners I was extended to February 4, 2016. In connection with this extension, the management fee was further reduced to 1 percent of net funded commitments relating to Onex Partners I's investment in ResCare. In January 2016, with the approval of a majority in interest of the limited partners, the term of Onex Partners I was further extended to February 4, 2017. As a result of this extension, management fees will no longer be earned for Onex Partners I as of February 4, 2016.

Onex Credit earns management fees on \$5.9 billion of other investors' capital invested in a variety of investment strategies focused on event-driven, long/short, stressed and distressed opportunities as well as its CLOs. The management fees range from 0.50 percent to 2.00 percent on the capital invested in Onex Credit Funds and 0.50 percent on the capital invested in its CLOs.

Incentive fees

Onex Credit is entitled to incentive fees on \$5.6 billion of other investors' capital it manages. Incentive fees range between 5 percent and 20 percent. Certain incentive fees (including incentive fees on CLOs) are subject to a hurdle or minimum preferred return to investors. Onex acquired control of the Onex Credit asset management platform in January 2015. As such, beginning in January 2015, incentive fees earned by Onex Credit are entirely attributable to Onex for accounting purposes.

During the year ended December 31, 2015, Onex Credit earned \$1 million of incentive fees, of which Onex' share as an owner of Onex Credit was \$1 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 \$395 million at December 31, 2015 compared to \$584 million at December 31, 2014. Note 12 to the consolidated financial statements provides information on the debt of operating companies held by Onex.

Related party transaction with Celestica

In July 2015, Celestica entered into an agreement of purchase and sale to sell certain of its real property to a special-purpose entity to be formed by a consortium of three real estate developers (the "Property Purchaser") for approximately \$99 million (C\$137 million), exclusive of taxes and subject to adjustment. The proceeds to Celestica consist of a C\$15 million deposit that was received upon execution of the agreement, C\$54 million upon closing and C\$68 million in the form of an interest-free, first-ranking mortgage having a term of two years from the closing date. The transaction is subject to various conditions, including municipal approvals, and is expected to close within approximately two years from the execution date of the purchase and sale agreement.

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

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

Limitation on scope of design

Management has limited the scope of the design of internal controls over financial reporting and disclosure controls and procedures to exclude the controls, policies and procedures of SIG (acquired in March 2015) and Schumacher (acquired in late July 2015), the operating results of which are included in the December 31, 2015 consolidated financial statements of Onex. The scope limitation is in accordance with Section 3.3 of National Instrument 52-109, *Certification of Disclosure in Issuer's Annual and Interim Filings*, which allows an issuer to limit its design of internal controls over financial reporting and disclosure controls and procedures to exclude the controls, policies and procedures of a company acquired not more than 365 days before the end of the financial period to which the certificate relates.

Table 42 shows a summary of the financial information for SIG and Schumacher, which is included in the December 31, 2015 consolidated financial statements of Onex.

TABLE 42	(\$ millions)	SIG	Schumacher
Year ended December 31, 2015			
Revenue		\$ 1,575	\$ 408
Net earnings (loss)		\$ 67	\$ (1)
As at December 31, 2015			
Current assets		\$ 717	\$ 223
Non-current assets		\$ 4,605	\$ 953
Current liabilities		\$ 653	\$ 127
Non-current liabilities		\$ 3,510	\$ 594

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 9 percent of its capital. The table in note 33 to the 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 \$130 million in annualized management fees that are expected to be earned by Onex Partners, ONCAP and Onex Credit in 2016 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 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, 2015, Onex Partners IV has \$2.8 billion of undrawn committed limited partners' capital and ONCAP III has C\$148 million of such undrawn capital.

At December 31, 2015, ONCAP III is more than 75 percent invested and Onex is now in a position to raise a subsequent fund to continue its program of investing new third-party capital in large-scale acquisitions. The ability to raise new capital commitments is dependent on 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 have committed 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 24 on page 63 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 2021 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, 2015, excluding Onex Credit CLOs, approximately 45 percent (2014 – 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 exposure to interest rate risk primarily through its short- and long-term investments managed by third-party investment managers. As interest rates change, the fair values of fixed income investments are inversely impacted. Investments with shorter durations are less impacted by changes in interest rates compared to investments with longer durations. At December 31, 2015, Onex' short- and long-term investments included \$1.0 billion of fixed income securities measured at fair value, which are subject to interest rate risk. These securities had a weighted average duration of 1.5 years. Other factors, including general economic conditions and political conditions, may also affect the value of fixed income securities. These risks are monitored on an ongoing basis and the short- and long-term investments may be repositioned in response to changes in market conditions.

Currency fluctuations The functional currency of Onex, the parent company, and a majority of Onex' operating companies, is the U.S. dollar. Onex' investments in operating companies that have a functional currency other than the U.S. dollar or companies with global operations increase Onex' exposure to changes in many currency exchange rates. In addition, a number of the 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. Fluctuations in the value of the U.S. dollar relative to these other currencies impact 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. Additionally, where possible, Onex and its operating companies aim to reduce the exposure to foreign currency fluctuations through natural hedges by transacting in local currencies.

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 will have an impact on Onex' reported results and consolidated financial position. During 2015, Onex' equity balance reflected a \$268 million decrease in the value of Onex' equity for the translation of its operations with non-U.S. dollar functional currencies (2014 – \$150 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.

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.

Additionally, resin and aluminum are significant commodities used by SIG. The company generally purchases commodities at spot market prices and actively uses derivative instruments to hedge the exposure in relation to the cost of resin (and its components) and aluminum. Due to this approach, the company has been able to fix the prices one year forward for approximately 90 percent of its expected resin and aluminum purchases, which substantially minimizes exposure to the price fluctuations of the commodities over that period.

Regulatory risk

Certain of Onex' operating companies 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.

Integration of acquired companies

An important aspect of Onex' strategy for value creation is to acquire what we consider to be "platform" companies. Such companies often have distinct competitive advantages in products or services in their respective industries that provide a solid foundation for growth in scale and value. In these instances, Onex works with company management to identify attractive add-on acquisitions that may enable the platform company to achieve its goals more quickly and successfully than by focusing solely on the development and/or diversification of its customer base, which is known as organic growth. Growth by acquisition, however, may carry more risk than organic growth. While as many of these risks as possible are considered in the acquisition planning, operating companies undertaking these acquisitions also face such risks as unknown expenses related to the cost-effective amalgamation of operations, the retention of key personnel and customers, and the future value of goodwill, intangible assets and intellectual property. There are also risk factors associated with the industry and the combined business 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 and Medicare 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 on their consideration and analysis of their exposure in respect of such claims. Such provisions are reflected, as appropriate, in Onex' consolidated financial statements. Onex, the parent company, has not currently recorded any further liability provision and we do not believe that the resolution of known claims would reasonably be expected to have a material adverse impact on Onex' consolidated financial position. However, the final outcome with respect to outstanding, pending or future actions cannot be predicted with certainty, and therefore there can be no assurance that their resolution will not have an adverse effect on our consolidated financial position.

MANAGEMENT'S RESPONSIBILITY FOR 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]

Christopher A. Govan
Chief Financial Officer
February 25, 2016

[signed]

Christine M. Donaldson
Managing Director – 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, 2015 and December 31, 2014, and the consolidated statements of earnings, comprehensive earnings, equity and cash flows for the years ended December 31, 2015 and December 31, 2014, 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, 2015 and December 31, 2014 and their financial performance and their cash flows for the years ended December 31, 2015 and December 31, 2014 in accordance with International Financial Reporting Standards.

[signed]

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

February 25, 2016

CONSOLIDATED BALANCE SHEETS

<i>(in millions of U.S. dollars)</i>	As at December 31, 2015	As at December 31, 2014
Assets		
Current assets		
Cash and cash equivalents (note 3)	\$ 2,313	\$ 3,764
Short-term investments (note 3)	206	-
Accounts receivable	2,933	3,085
Inventories (note 4)	1,982	2,013
Other current assets (note 5)	920	803
Assets held by discontinued operations (note 6)	1,328	680
	9,682	10,345
Property, plant and equipment (note 7)	3,265	2,902
Long-term investments (note 8)	7,863	5,026
Other non-current assets (note 9)	795	666
Intangible assets (note 10)	6,528	5,069
Goodwill (note 10)	7,677	4,928
	\$ 35,810	\$ 28,936
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,404	\$ 3,330
Current portion of provisions (note 11)	334	273
Other current liabilities	976	965
Current portion of long-term debt of operating companies, without recourse to Onex Corporation (note 12)	411	408
Current portion of Limited Partners' Interests (note 14)	598	23
Liabilities held by discontinued operations (note 6)	1,011	545
	6,734	5,544
Non-current portion of provisions (note 11)	368	324
Long-term debt of operating companies, without recourse to Onex Corporation (note 12)	17,643	12,874
Other non-current liabilities (note 15)	1,704	1,302
Deferred income taxes (note 16)	1,451	1,241
Limited Partners' Interests (note 14)	6,720	5,153
	34,620	26,438
Equity		
Share capital (note 17)	333	336
Non-controlling interests (note 18)	1,353	1,692
Retained earnings and accumulated other comprehensive earnings (loss)	(496)	470
	1,190	2,498
	\$ 35,810	\$ 28,936

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>	2015	2014
Revenues	\$ 19,681	\$ 16,880
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(13,582)	(12,163)
Operating expenses	(3,967)	(3,152)
Interest income	264	140
Amortization of property, plant and equipment (note 7)	(483)	(356)
Amortization of intangible assets and deferred charges	(584)	(432)
Interest expense of operating companies (note 20)	(878)	(669)
Increase in value of investments in joint ventures and associates at fair value, net (note 8(a))	175	412
Stock-based compensation expense (note 21)	(260)	(228)
Other gains (note 22)	239	317
Other expense (note 23)	(435)	(358)
Impairment of goodwill, intangible assets and long-lived assets, net (note 24)	(82)	(49)
Limited Partners' Interests charge (note 14)	(856)	(1,069)
Loss before income taxes and discontinued operations	(768)	(727)
Provision for income taxes (note 16)	(116)	(65)
Loss from continuing operations	(884)	(792)
Earnings from discontinued operations (note 6)	379	951
Net Earnings (Loss) for the Year	\$ (505)	\$ 159
Earnings (Loss) from Continuing Operations attributable to:		
Equity holders of Onex Corporation	\$ (946)	\$ (859)
Non-controlling Interests	62	67
Loss from Continuing Operations for the Year	\$ (884)	\$ (792)
Net Earnings (Loss) attributable to:		
Equity holders of Onex Corporation	\$ (573)	\$ (115)
Non-controlling Interests	68	274
Net Earnings (Loss) for the Year	\$ (505)	\$ 159
Net Earnings (Loss) per Subordinate Voting Share of Onex Corporation (note 25)		
Basic and Diluted:		
Continuing operations	\$ (8.84)	\$ (7.80)
Discontinued operations	3.48	6.76
Net Loss per Subordinate Voting Share for the Year	\$ (5.36)	\$ (1.04)

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>	2015	2014
Net earnings (loss) for the year	\$ (505)	\$ 159
Other comprehensive earnings (loss), net of tax		
Items that may be reclassified to net earnings (loss):		
Currency translation adjustments	(270)	(144)
Change in fair value of derivatives designated as hedges	(19)	(13)
Unrealized gains on available-for-sale financial assets	2	-
	(287)	(157)
Items that will not be reclassified to net earnings (loss):		
Remeasurements for post-employment benefit plans	34	(61)
Other comprehensive earnings (loss) from discontinued operations, net of tax (note 6)	8	(62)
Other comprehensive loss, net of tax	(245)	(280)
Total Comprehensive Loss for the Year	\$ (750)	\$ (121)
Total Comprehensive Earnings (Loss) attributable to:		
Equity holders of Onex Corporation	\$ (808)	\$ (366)
Non-controlling Interests	58	245
Total Comprehensive Loss for the Year	\$ (750)	\$ (121)

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, 2013	\$ 346	\$ 860	\$ (52) ^(b)	\$ 1,154	\$ 3,191	\$ 4,345
Dividends declared ^(a)	-	(18)	-	(18)	-	(18)
Purchase and cancellation of shares (note 17)	(10)	(140)	-	(150)	-	(150)
Investments in operating companies 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 company 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 loss of control or 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	-	-	(122)	(122)	(22)	(144)
Change in fair value of derivatives designated as hedges	-	-	(11)	(11)	(2)	(13)
Remeasurements for post-employment benefit plans (note 31)	-	(62)	-	(62)	1	(61)
Other comprehensive loss from discontinued operations, net of tax (note 6)	-	(19)	(37)	(56)	(6)	(62)
Balance – December 31, 2014	\$ 336	\$ 692	\$ (222)^(d)	\$ 806	\$ 1,692	\$ 2,498
Dividends declared ^(a)	1	(19)	-	(18)	-	(18)
Issuance of shares (note 2)	6	-	-	6	-	6
Purchase and cancellation of shares (note 17)	(10)	(165)	-	(175)	-	(175)
Investments in operating companies by shareholders other than Onex	-	30	-	30	262	292
Distributions to non-controlling interests and other adjustments	-	23	-	23	(207)	(184)
Repurchase of shares of operating companies ^(c)	-	(27)	-	(27)	(408)	(435)
Non-controlling interests on loss of control or sale of investments in operating companies (notes 6 and 22)	-	-	-	-	(44)	(44)
Comprehensive Earnings (Loss)						
Net earnings (loss) for the year	-	(573)	-	(573)	68	(505)
Other comprehensive earnings (loss) for the year, net of tax:						
Currency translation adjustments	-	-	(262)	(262)	(8)	(270)
Change in fair value of derivatives designated as hedges	-	-	(13)	(13)	(6)	(19)
Unrealized gains on available-for-sale financial assets	-	-	2	2	-	2
Remeasurements for post-employment benefit plans (note 31)	-	36	-	36	(2)	34
Other comprehensive earnings (loss) from discontinued operations, net of tax (note 6)	-	6	(4)	2	6	8
Balance – December 31, 2015	\$ 333	\$ 3	\$ (499)^(e)	\$ (163)	\$ 1,353	\$ 1,190

(a) Dividends declared per Subordinate Voting Share during 2015 totalled C\$0.2375 (2014 – C\$0.1875). In 2015, shares issued under the dividend reinvestment plan amounted to \$1 (2014 – 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, 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 \$10 of net losses related to discontinued operations. Income taxes did not have a significant effect on these items.

(c) Repurchase of shares of operating companies during 2014 consisted primarily of shares repurchased by Celestica. Repurchase of shares of operating companies during 2015 consisted primarily of shares repurchased by Celestica and JELD-WEN.

(d) 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 included \$47 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, 2015 consisted of currency translation adjustments of negative \$466, unrealized losses on the effective portion of cash flow hedges of \$35 and unrealized gains on available-for-sale financial assets of \$2. Accumulated Other Comprehensive Earnings (Loss) as at December 31, 2015 included \$51 of net losses 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>	2015	2014
Operating Activities		
Loss for the year from continuing operations	\$ (884)	\$ (792)
Adjustments to earnings (loss) from continuing operations:		
Provision for income taxes (note 16)	116	65
Interest income	(264)	(140)
Interest expense of operating companies (note 20)	878	669
Loss before interest and provision for income taxes	(154)	(198)
Cash taxes paid	(241)	(119)
Items not affecting cash and cash equivalents:		
Amortization of property, plant and equipment (note 7)	483	356
Amortization of intangible assets and deferred charges	584	432
Increase in value of investments in joint ventures and associates at fair value, net (note 8(a))	(175)	(412)
Stock-based compensation	231	96
Foreign exchange loss	50	7
Other gains (note 22)	(239)	(317)
Impairment of goodwill, intangible assets and long-lived assets, net (note 24)	82	49
Limited Partners' Interests charge (note 14)	856	1,069
Change in carried interest	127	(138)
Change in provisions	(51)	90
Other	201	15
	1,754	930
Changes in non-cash working capital items:		
Accounts receivable	(23)	(152)
Inventories	92	(121)
Other current assets	3	(120)
Accounts payable, accrued liabilities and other current liabilities	(52)	41
Increase (decrease) in cash and cash equivalents due to changes in non-cash working capital items	20	(352)
Decrease in other operating activities	(113)	(54)
Cash flows from operating activities of discontinued operations (note 6)	219	465
	1,880	989
Financing Activities		
Issuance of long-term debt	4,219	4,525
Repayment of long-term debt	(1,791)	(2,099)
Cash interest paid	(776)	(596)
Cash dividends paid	(19)	(17)
Repurchase of share capital of Onex Corporation	(175)	(150)
Repurchase of share capital of operating companies	(435)	(167)
Financing provided by Limited Partners (note 14)	1,825	867
Issuance of share capital by operating companies	39	17
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 14)	(1,030)	(3,730)
Decrease due to other financing activities	(82)	(83)
Cash flows used in financing activities of discontinued operations (note 6)	(123)	(297)
	1,652	(1,624)
Investing Activities		
Acquisitions, net of cash and cash equivalents in acquired companies of \$437 (2014 - \$46) (note 2)	(2,452)	(1,315)
Purchase of property, plant and equipment	(704)	(467)
Proceeds from sale of property, plant and equipment	525	213
Proceeds from sale of investments in joint ventures and associates at fair value and other investments (notes 8(a) and 23)	20	3,960
Proceeds from sales of operating investments no longer controlled (notes 6 and 22)	264	1,759
Distributions received from investments in joint ventures and associates (note 8)	82	43
Purchase of investments in joint ventures of Onex Partners and ONCAP (note 8)	(120)	(309)
Cash interest received	257	122
Net purchases of investments and securities for CLOs and Onex Credit Funds (note 8)	(1,518)	(1,951)
Net purchases of investments and securities at parent company (note 8)	(1,197)	-
Increase (decrease) due to other investing activities	87	(54)
Cash flows used in investing activities of discontinued operations (note 6)	(81)	(765)
	(4,837)	1,236
Increase (Decrease) in Cash and Cash Equivalents for the Year	(1,305)	601
Decrease in cash due to changes in foreign exchange rates	(37)	(24)
Cash and cash equivalents, beginning of the year - continuing operations	3,662	2,469
Cash and cash equivalents, beginning of the year - discontinued operations (note 6)	106	722
Cash and Cash Equivalents	2,426	3,768
Cash and cash equivalents held by discontinued operations (note 6)	113	106
Cash and Cash Equivalents Held by Continuing Operations	\$ 2,313	\$ 3,662

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, building products, insurance services, packaging products and services, credit strategies, aerospace automation, tooling and components, aircraft leasing and management, business services/tradeshows, restaurants, hospital management services, survival equipment and plastics processing equipment. Additionally, the Company has investments in mid-market private equity opportunities and real estate. Note 33 provides additional discussion 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, 2015.

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 25, 2016.

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 controls and consolidates the operations of the Onex Credit asset management platform, certain funds managed by Onex Credit in which Onex, the parent company, holds an investment and collateralized loan obligations (“CLOs”) of Onex Credit, referred to collectively as “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, 2015			December 31, 2014		
	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"] ^(a)	13%	13%	80%	11%	11%	75%
SITEL Worldwide Corporation ["Sitel Worldwide"] ^(b)	-	-	-	86%	86%	89%
<i>Investments made through Onex and Onex Partners I</i>						
Genesis Healthcare, Inc. ["Genesis Healthcare"] ^(c)	2%	10%	10%	9%	39%	86%
<i>Investments made through Onex and Onex Partners II</i>						
Carestream Health, Inc. ["Carestream Health"]	36%	91%	100%	36%	91%	100%
<i>Investments made through Onex and Onex Partners III</i>						
BBAM Limited Partnership ["BBAM"]	13%	50%	50% ^(d)	13%	50%	50% ^(d)
Emerald Expositions, LLC ["Emerald Expositions"]	24%	99%	99%	24%	99%	99%
JELD-WEN Holding, inc. ["JELD-WEN"] ^(e)	21%	83%	83%	20%	81%	81%
KraussMaffei Group GmbH ["KraussMaffei"] ^(f)	24%	95%	100%	24%	96%	100%
Meridian Aviation Partners Limited and affiliates ["Meridian Aviation"]	25%	100%	100%	25%	100%	100%
SGS International, Inc. ["sgsco"]	23%	93%	93%	23%	93%	93%
Tropicana Las Vegas, Inc. ["Tropicana Las Vegas"] ^(g)	-	-	-	18%	82%	82%
USI Insurance Services ["USI"]	25%	88%	100%	25%	89%	100%
York Risk Services Holding Corp. ["York"]	29%	88%	100%	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"]	9%	40%	50% ^(d)	9%	40%	50% ^(d)
Jack's Family Restaurants ["Jack's"] ^(h)	28%	95%	100%	-	-	-
Schumacher Clinical Partners ["Schumacher"] ^(h)	21%	71%	71%	-	-	-
SIG Combibloc Group Holdings S.a.r.l. ["SIG"] ^(h)	33%	99%	95%	-	-	-
Survitec Group Limited ["Survitec"] ^(h)	22%	99%	85%	-	-	-
<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% ⁽ⁱ⁾	100%	100%	46% ⁽ⁱ⁾	100%	100%
ONCAP III Fund ["ONCAP III"]	29%	100%	100%	29%	100%	100%
Onex Credit ^(j)	100%	100%	(k)	70%	70%	50%

(a) During 2015, Celestica repurchased and cancelled approximately 32.4 million (2014 – 8.5 million) of its Subordinate Voting Shares, as described in note 12(b).

(b) Sitel Worldwide was sold during the third quarter of 2015, as described in note 6(b). 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 was calculated using a common share economic ownership of 70%.

(c) In February 2015, Skilled Healthcare Group, Inc. ["Skilled Healthcare Group"] combined with Genesis HealthCare, LLC, as described in note 6(c). As of the transaction date, the Company no longer had control or significant influence over the combined company and, as a result, its investment was recorded as an other long-term investment at fair value through earnings, with changes in fair value recorded in other income (expense).

(d) 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.

(e) The economic ownership and voting interests of JELD-WEN are presented on an as-converted basis as the Company's investment is in common and convertible preferred shares. The allocation of net earnings (loss) and comprehensive earnings (loss) attributable to equity holders of Onex Corporation and non-controlling interests is calculated using an as-converted economic ownership of 88% at December 31, 2015 (December 31, 2014 – 86%) to reflect certain JELD-WEN shares that are recorded as liabilities at fair value.

(f) KraussMaffei has been recorded as a discontinued operation, as described in note 6(a).

(g) Tropicana Las Vegas was sold during the third quarter of 2015, as described in note 22(a).

(h) Jack's, Schumacher, SIG and Survitec were acquired during 2015, as described in note 2.

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

(j) 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 2(f). The continuing ownership interest of Onex Credit's chief executive officer is recorded as compensation expense in the consolidated financial statements.

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

The ownership percentages are before the effect of any potential dilution relating to the Management Investment Plan (the "MIP"), as described in note 30(k). 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. Onex may also control a company through contractual rights.

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 that include money market instruments and commercial paper with original maturities of three months to one year. The investments are carried at fair value.

Accounts receivable

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

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

Subsequent expenditures for maintenance and repairs are expensed as incurred, while costs related to betterments and improvements that extend the useful lives of property and equipment are capitalized.

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 50 years
Machinery and equipment	up to 22 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.

At December 31, 2014, the Company's investment property consisted of Flushing Town Center's retail space and parking structures, which were substantially sold during 2015. The fair value of Flushing Town Center's investment property at December 31, 2014 was \$385, which was pledged as collateral for the outstanding third-party long-term debt of Flushing Town Center. The fair value of Flushing Town Center's investment property at December 31, 2014 was 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, 2015, property, plant and equipment additions included \$3 (2014 – \$8) related to Flushing Town Center's investment property. At December 31, 2015, the Company had an insignificant amount of 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 their property, plant and equipment under operating leases to third parties. 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 term borrowings and revolving credit facilities. Transaction costs related to the term borrowings 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.

Costs incurred to establish revolving credit facilities are recognized as an other non-current asset and are amortized on a straight-line basis over the term of the facility; however, to the extent that the Company expects to draw on the facility, the costs are deferred until the amounts are drawn on the facility and are then amortized over the remaining term of the facility.

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) Contingent consideration

Contingent consideration is established for business acquisitions where the Company has the obligation to transfer additional assets or equity interests to the former owners if specified future events occur or conditions are met. 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. Contingent consideration is classified as a liability when the obligation requires settlement in cash or other assets, and is classified as equity when the obligation requires settlement in own equity instruments.

b) Self-insurance

Self-insurance provisions may be established for automobile, workers’ compensation, healthcare coverage, 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.

c) 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.

d) 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 offer 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, the 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.

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, ONCAP and Onex Credit Funds are recorded as a financial liability in accordance with IAS 32, *Financial Instruments: Presentation*. The structure of the Onex Partners, ONCAP and Onex Credit Funds as defined in the partnership agreements, specifically the limited life of the Onex Partners and ONCAP Funds and the redemption provisions of the Onex Credit Funds, requires presentation of the limited partners' interests as a liability. The liability is recorded at fair value and is primarily impacted by the change in fair value of the underlying investments in the Onex Partners, ONCAP and Onex Credit Funds, the change in carried interest on investments held by the Onex Partners and ONCAP funds, the changes in incentive fees on investments held by the Onex Credit Funds, 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 and incentive fees.

Note 14 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 16 provides further details on income taxes.

Revenue recognition

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

Electronics Manufacturing Services

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

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

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. Services 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. Services 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.

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. Fees may be 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 fees are

recognized when the fees 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 proportionately over the life of the contract.

Packaging Products and Services

Revenue from the packaging products and services segment primarily consists of sales of goods and services. Revenue is measured as the fair value of the consideration received or receivable net of returns and allowances, trade discounts, volume rebates and other customer incentives. Revenue from the sale of goods is recognized when significant risks and rewards of ownership have been substantially transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be reliably estimated, and there is no continuing management involvement with the goods. Transfer of risks and rewards of ownership vary depending on the individual terms of the contract of sale and occur either upon shipment of the goods or upon receipt of the goods and/or their deployment or installation at a customer location. Revenue is recognized by reference to the stage of completion of the transaction at the end of the reporting period, when the outcome of a transaction involving rendering of services can be reliably estimated.

Credit Strategies

The credit strategies segment consists of (i) Onex Credit Manager, (ii) Onex Credit Collateralized Loan Obligations and (iii) Onex Credit Funds. In January 2015, Onex began to consolidate the Onex Credit Manager and certain funds managed by Onex Credit in which Onex, the parent company, holds an investment as a result of the transaction described in note 2(f). Revenue from the credit strategies segment consists of management and incentive fees earned on capital managed by Onex Credit. Revenue is recognized when earned in accordance with the terms of the relevant investment management agreements.

The consolidated revenues exclude management and incentive fees earned from investments in Onex Credit Funds and CLOs consolidated by Onex. The credit strategies segment did not record any revenues for the year ended December 31, 2014, as the Onex Credit Manager began to be consolidated in January 2015.

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, and is recorded net of provisions for contractual discounts and estimated uncompensated care. 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 within 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 2015, \$254 (2014 – \$198) of research and development costs were expensed and \$16 (2014 – \$23) of development costs were 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(k). 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 ("SVS") 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 SVS. The Company has recorded a liability for the future settlement of the DSUs by reference to the value of the underlying SVS at the balance sheet date. On a quarterly basis, the liability is adjusted for the change in the market value of the underlying shares, with the corresponding amount reflected in the consolidated statements of earnings. To economically hedge a portion of the Company's exposure to changes in the trading price of Onex shares, the Company enters into forward agreements 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 SVS. Additional units are issued for any cash dividends paid on the SVS. The Company has recorded a liability for the future settlement of the DSUs by reference to the value of the underlying SVS 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 income (expense) in the consolidated statements of earnings.

Incentive fees

Onex Credit is entitled to incentive fees on other investors' capital it manages. Incentive fees range between 5% and 20%. Certain incentive fees (including incentive fees on CLOs) are subject to a hurdle or a minimum preferred return to investors. Onex acquired control of the Onex Credit asset management platform in January 2015. As such, beginning in January 2015, incentive fees earned by Onex Credit are entirely attributable to Onex for accounting purposes.

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 income (expense) 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 short- and long-term investments managed by third-party investment managers, as described in note 8(e), have been recognized at fair value through net earnings. The long-term debt of the CLOs is designated at fair value through net earnings upon initial recognition to eliminate a measurement inconsistency, as the asset portfolio of the 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 on 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 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 income (expense) 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 income (expense).

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 income (expense). 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.

Derecognition of financial instruments

A financial asset is derecognized if substantially all risks and rewards of ownership and, in certain circumstances, control of the financial asset are transferred. A financial liability is derecognized when it is extinguished, with any gain or loss on extinguishment to be recognized in other income (expense) 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.

Earnings per share

Basic earnings per share is based on the weighted average number of SVS 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.

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- and long-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 CLOs of Onex Credit. The CLOs are structured entities for which voting and similar rights are not the dominant factor in determining control. 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 control (2014 – joint control) of the asset manager of the CLOs. Onex has determined that it is a principal of the CLOs with the power to affect the returns of its investment and, as a result, indirectly controls the CLOs.

During 2015 and 2014, Onex invested capital in and received distributions and proceeds from the CLOs and warehouse facilities, as described in note 8(c). Onex intends to provide additional financial collateral for CLO warehouse facilities. The collateral to be provided for the warehouse facilities is expected to be substantially reinvested in the most subordinated notes and equity of the CLOs 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 has exercised 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 include the use of third-party pricing information and 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 at fair value through earnings 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 at fair value through earnings.

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 is 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 14. Investments in joint ventures and associates designated at fair value are measured with significant unobservable inputs (Level 3 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. In the year of acquisition, the fair value in excess of the carrying value at an operating company will typically

be minimal as a result of the recent business combination accounting. 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 and Medicare. 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.
- Revenues for Schumacher in the other segment are recognized net of an allowance for uncompensated care related to uninsured patients in the period during which the services are provided. The allowance for uncompensated care is estimated on the basis of historical experience of collections associated with self-pay patients treated during the period.

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

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, 2018, 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.

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16, *Leases*, which replaces IAS 17, *Leases*. The standard provides an updated definition of a lease contract, including guidance on the combination and separation of contracts. The standard requires lessees to recognize a right-of-use asset and a lease liability for substantially all lease contracts. The accounting for lessors is substantially unchanged from IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted if IFRS 15 is also applied. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

2. ACQUISITIONS

During 2015 and 2014 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.

2015 ACQUISITIONS

Details of the purchase price and allocation to the assets and liabilities acquired, net of debt financing, are as follows:

	Survitec ^(a)	SIG ^(b)	Jack's ^(c)	Schumacher ^(d)	ONCAP ^(e)	Onex Credit ^(f)	Other ^(g)	Total
Cash and cash equivalents	\$ 42	\$ 144	\$ 11	\$ 74	\$ 4	\$ 158	\$ 4	\$ 437
Other current assets	167	445	202	191	50	20	53	1,128
Long-term investments	-	227	-	19	-	751	-	997
Intangible assets with limited life	373	1,102	12	232	15	43	157	1,934
Intangible assets with indefinite life	-	336	175	-	35	-	12	558
Goodwill	294	1,780	202	681	33	62	174	3,226
Property, plant and equipment and other non-current assets	66	1,300	62	64	17	-	16	1,525
	942	5,334	664	1,261	154	1,034	416	9,805
Current liabilities	(112)	(640)	(214) ⁽¹⁾	(168)	(23)	(43)	(49)	(1,249)
Other non-current liabilities	(452)	(3,479)	(220)	(490)	(48)	(29)	(25)	(4,743)
Limited Partners' Interests	-	-	-	-	-	(368)	-	(368)
	378	1,215	230	603	83	594	342	3,445
Non-controlling interests in net assets	(1)	-	(10)	(125)	(10)	-	-	(146)
Interest in net assets acquired	\$ 377	\$ 1,215	\$ 220	\$ 478	\$ 73	\$ 594	\$ 342	\$ 3,299

(1) Included in current liabilities of Jack's was \$195 of acquisition financing provided by the Company, of which Onex' share was \$57.

a) In March 2015, the Company acquired Survitec Group Limited ("Survitec") for £450 (\$670). Based in the United Kingdom, Survitec is a provider of mission-critical marine, defence and aerospace survival equipment. Onex Partners IV invested \$322 for substantially all of the equity, with the remainder of the equity owned by Survitec's management. Onex' share of the equity investment was \$73. The balance of the purchase price was substantially financed with debt financing, without recourse to Onex Corporation. The Company had an initial 99% economic interest, of which Onex' portion was 22%. Survitec is included within the other segment.

In September 2015, Survitec acquired Survival Craft Inspectorate Limited ("SCI") for up to £45 (\$68). The purchase price consisted of £32 (\$49) paid on closing of the transaction and an additional amount of up to £13 (\$19) payable based on the future performance of SCI. Based in the United Kingdom, SCI is a supplier of certified lifeboat-related safety equipment and services. In connection with this transaction, Onex Partners IV invested £9 (\$13) in Survitec, of which Onex' share was £2 (\$3). The remainder of the purchase price and transaction costs was funded by Survitec through a draw on its acquisition facility and an incremental term loan, as described in note 12(o).

In addition, Survitec completed two other acquisitions during 2015 for total consideration of \$6.

b) In March 2015, the Company completed the acquisition of SIG Combibloc Group Holdings S.a.r.l. ("SIG") for a value of up to €4,040 (\$4,250). Based in Switzerland, SIG provides food and beverage producers with a comprehensive product portfolio of aseptic carton packaging filling systems, aseptic carton packaging sleeves, spouts and caps, as well as after-market support services. The purchase price consisted of €3,865 (\$4,067) paid on closing of the transaction and an additional amount of up to €175 (\$183) payable based on SIG's financial performance in 2015 and 2016. The purchase price includes the recognition of €175 (\$183) of the additional amount. The Company's equity investment in SIG was completed in U.S. dollars in the amount of \$1,215 for substantially all of the equity. The Company's equity investment was comprised of \$583 from Onex Partners IV and \$632 as a co-investment from Onex and certain limited partners. Onex' total investment in SIG was \$405 and was comprised of \$131 through Onex Partners IV and \$274 as a co-investment. The balance of the purchase price was financed with debt financing, without recourse to Onex Corporation, as described in note 12(m). At the date of the acquisition, the Company had a 100% economic interest, of which Onex' portion was 33%. SIG is included in the packaging products and services segment with sgsco.

Management of SIG completed investments in SIG during the second quarter of 2015, reducing the Company's economic interest in SIG at December 31, 2015 to 99%, of which Onex' portion was 33%.

At December 31, 2015, SIG had revised its estimate of the additional amount to €125 (\$136), resulting in a recovery of €50 (\$55) recognized in other income (expense). The amount represented management's best estimate of the fair value at December 31, 2015, which is subject to sensitivity associated with various factors, including foreign currency fluctuations, as well as uncertainty regarding the treatment of certain items.

c) In July 2015, the Company completed the acquisition of Jack's Family Restaurants ("Jack's") for \$640. Based in the United States, Jack's is a regional premium quick-service restaurant operator. Onex Partners IV initially invested a total of \$415 in Jack's, of which Onex' portion was \$120. The remainder of the purchase price was substantially financed with debt financing, without recourse to Onex Corporation. The Company's initial investment in Jack's consisted of an equity investment of \$220 and a \$195 promissory note, as described in note 12(f). Onex' initial investment in Jack's consisted of an equity investment of \$63 and \$57 of the promissory note. The Company had an initial 95% economic interest in Jack's, of which Onex' portion was 27%. Jack's is included within the other segment.

During the fourth quarter of 2015, Jack's made repayments of the promissory note totalling \$143, including accrued interest, with net proceeds from sale-leaseback transactions completed for certain of its fee-owned restaurant properties. Onex' share of the repayments was \$41.

In January 2016, Jack's repaid an additional \$23 of the promissory note, including accrued interest, with net proceeds from a sale-leaseback transaction completed for certain of its fee-owned restaurant properties. Onex' share of the repayment was \$7. After giving effect to the repayment, the amount outstanding under the promissory note was \$31, of which Onex' share was \$9.

d) In late July 2015, the Company acquired Schumacher Clinical Partners ("Schumacher") for \$690. Schumacher is a leading provider of emergency and hospital medicine physician practice management services in the United States. Onex Partners IV invested a total of \$219 in Schumacher, of which Onex' portion was \$63. The remainder of the purchase price was financed through a rollover of equity and cash contributed by other investors, and with proceeds of \$385 from its senior secured facilities, without recourse to Onex Corporation. The Company had an initial 65% economic interest in Schumacher, of which Onex' portion was 19%. Schumacher is included within the other segment.

In August 2015, Schumacher acquired Hospital Physician Partners ("HPP"), a provider of emergency and hospital medicine physician practice management services in the United States, for \$271. In connection with this transaction, Onex Partners IV made an add-on investment in Schumacher of \$105 and the balance of the equity was funded by an investment from the management of HPP and Schumacher and other investors. The remainder of the purchase price was financed by Schumacher with proceeds from an increase of \$150 to its senior secured facilities, as described in note 12(k), and cash from Schumacher's balance sheet. Onex' share of the add-on investment in Schumacher was \$30. The add-on investment increased the Company's economic interest in Schumacher to 71%, of which Onex' portion was 21%.

e) In July 2015, ONCAP III completed the acquisition of Chatters Canada ("Chatters"). Based in Canada, Chatters is a retailer and distributor of hair and beauty care products as well as an operator and franchisor of hair and beauty salons. The Company's equity investment of C\$55 (\$43) was made by ONCAP III, of which Onex' portion was C\$16 (\$13). The Company had an initial 81% economic interest in Chatters, of which Onex' portion was 24%. Chatters is included within the other segment.

In addition, ONCAP includes acquisitions made by CiCi's Holdings, Inc. ("CiCi's Pizza"), Bradshaw International, Inc. ("Bradshaw"), Davis-Standard Holdings, Inc. and Hopkins Manufacturing Corporation ("Hopkins") for total consideration of \$30.

f) The purchase price and allocation to the assets and liabilities acquired for Onex Credit include the acquisition of control of the Onex Credit asset management platform and the resulting consolidation of certain Onex Credit Funds. In January 2015, Onex acquired control of the Onex Credit asset management platform for \$32, which included non-cash consideration of \$6 associated with the issuance of 111,393 of Onex' SVS. The acquisition of control of the Onex Credit asset management platform was accounted for based on an implied fair value of \$119 for the business. The Company's previous interest in the Onex Credit asset management platform was equity-accounted with a carrying value of \$49 and was derecognized at fair value, resulting in the recognition of a non-cash gain of \$38 during the first quarter of 2015.

The Onex Credit asset management platform was previously jointly controlled with Onex Credit's 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 consolidates 100% of the Onex Credit asset management platform, with a reduced allocation of the net earnings to Onex Credit's chief executive officer recognized as compensation expense.

As a result of the above transaction, the Company consolidates 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 Funds was recorded at a fair value of \$475 and is included in the net assets acquired for the purchase price allocation at the same amount. The interests of other investors in the Onex Credit Funds consolidated by Onex are presented as Limited Partners' Interests for the Onex Credit Funds at fair value, as described in note 14. The addition to the Limited Partners' Interests included approximately \$200 of investments held by the Onex and Onex Credit management teams.

g) Other includes acquisitions made by Emerald Expositions, JELD-WEN, ResCare, sgsco, USI and York for total consideration of \$342, of which \$37 was non-cash consideration.

2014 ACQUISITIONS

Details of the purchase price and allocation to the assets and liabilities acquired, net of debt financing, were as follows:

	Emerald Expositions ^(h)	USI ⁽ⁱ⁾	ONCAP ^(j)	York ^(k)	Other ^(l)	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

h) 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 tradeshows in the United States. In conjunction with the transaction, Onex Partners III 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(d).

Included in the acquisitions above were gross receivables due from customers of \$443, of which \$31 of contractual cash flows is not expected to be recovered. The fair value of these receivables at the dates of acquisition was determined to be \$412.

Revenue and net earnings from the date of acquisition to December 31, 2015 for these acquisitions were \$2,764 and \$45, respectively.

The Company estimates it would have reported consolidated revenues of approximately \$20,900 and net loss of approximately \$545 for the year ended December 31, 2015 if the acquisitions completed during 2015 had been acquired on January 1, 2015.

Goodwill of the acquisitions is attributable primarily to the skills and competence of the acquired workforce and non-contractual established customer bases and industry relationships of the acquired companies. Goodwill of the acquisitions that is expected to be deductible for tax purposes is \$181.

i) 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(q), 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.

j) 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 included deferred consideration of \$3.

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

k) 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 Partners III and \$121 as a co-investment from Onex and certain limited partners. Onex’ total investment in York was \$173 and was 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. 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, as described in note 12(r), 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.

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

In addition to the acquisitions described above, in March 2014, Onex Partners III invested \$66 to acquire common stock of JELD-WEN from existing shareholders, of which Onex’ investment was \$16. In August 2014, Onex Partners III 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 Partners III’s as-converted economic interest in JELD-WEN at the date of the transaction increased by 7% and Onex’ as-converted economic ownership increased by 2%.

In December 2014, Onex Partners III 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 Partners III continues to have a 100% economic interest in Meridian Aviation.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following:

As at December 31	2015	2014
Cash at bank and on hand	\$ 1,458	\$ 984
Money market funds	457	1,296
Commercial paper	311	1,319
Bank term deposits	87	165
Total cash and cash equivalents	\$ 2,313	\$ 3,764

Beginning in the second quarter of 2015, Onex, the parent company, transferred a portion of its cash and cash equivalents to accounts managed by third-party investment managers, as described in note 8(e). At December 31, 2015, the fair value of investments managed by third-party investment managers was \$1,188, of which \$204 was included in short-term investments and \$984 was included in long-term investments.

4. INVENTORIES

Inventories comprised the following:

As at December 31	2015	2014
Raw materials	\$ 952	\$ 836
Work in progress	250	415
Finished goods	588	743
Real estate held for sale	192	19
Total inventories	\$ 1,982	\$ 2,013

During the year ended December 31, 2015, \$8,476 (2014 – \$7,757) of inventory was expensed in cost of sales. Note 11(b) provides details on inventory provisions recorded by the Company.

5. OTHER CURRENT ASSETS

Other current assets comprised the following:

As at December 31	2015	2014
Restricted cash	\$ 196	\$ 174
Prepaid expenses	144	171
Other receivables	135	73
Income and value-added taxes receivable	123	123
Other	322	262
Total other current assets	\$ 920	\$ 803

6. DISCONTINUED OPERATIONS

The following tables show revenues, expenses and net after-tax results from discontinued operations. The sale of Tropicana Las Vegas in August 2015, the partial sales of Flushing Town Center during 2015, and the sale of Mister Car Wash in August 2014, all as described in note 22, did not represent separate major lines of business, and as a result, have not been presented as discontinued operations.

Year ended December 31, 2015	KraussMaffei ^(a)	Sitel Worldwide ^(b)	Skilled Healthcare Group ^(c)	Total
Revenues	\$ 1,345	\$ 1,009	\$ 69	\$ 2,423
Expenses	(1,321)	(1,060)	(67)	(2,448)
Earnings (loss) before income taxes	24	(51)	2	(25)
Provision for income taxes	(19)	(10)	-	(29)
Gain, net of tax	-	365	68	433
Net earnings for the year	\$ 5	\$ 304	\$ 70	\$ 379

Year ended December 31, 2014	KraussMaffei ^(a)	Sitel Worldwide ^(b)	Skilled Healthcare Group ^(c)	The Warranty Group ^(d)	Spirit AeroSystems ^(e)	Total
Revenues	\$ 1,473	\$ 1,440	\$ 833	\$ 648	\$ 2,945	\$ 7,339
Expenses	(1,431)	(1,499)	(831)	(577)	(2,677)	(7,015)
Earnings (loss) before income taxes	42	(59)	2	71	268	324
Recovery of (provision for) income taxes	(4)	(10)	3	(22)	(18)	(51)
Gain, net of tax	-	-	-	368	310	678
Net earnings (loss) for the year	\$ 38	\$ (69)	\$ 5	\$ 417	\$ 560	\$ 951

a) KraussMaffei

In January 2016, the Company entered into an agreement to sell KraussMaffei for a cash enterprise value of approximately €925. Under the terms of the agreement, the Company will receive net proceeds of approximately €670. Onex' portion will be approximately €180, including estimated carried interest of €12 and after the reduction for amounts on account of the MIP. By early 2016, the Company had hedged the foreign exchange exposure for substantially all of its estimated net proceeds. The transaction is expected to close during the first half of 2016 and is subject to customary closing conditions and regulatory approvals. The operations of KraussMaffei have been presented as discontinued in the consolidated statements of earnings and cash flows and the prior year has been restated to report the results of KraussMaffei as discontinued on a comparative basis.

b) Sitel Worldwide

In September 2015, the Company sold its entire investment in Sitel Worldwide. The Company's cash proceeds were \$35, of which Onex' share was \$33. In addition, the Company estimates it may receive an earn-out component of approximately \$21, of which Onex' share would be \$20. No amounts were paid on account of the MIP for this transaction as the required investment return hurdle for Onex was not met.

A gain of \$365 was recorded within discontinued operations during the third quarter of 2015 based on the excess of the proceeds over the carrying value of the investment. The carrying value of the investment was negative at the time of sale as a result of the Company's portion of the accumulated losses from the operations of Sitel Worldwide that offset the Company's original investments. Onex' share of the gain was \$360.

The operations of Sitel Worldwide 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 Sitel Worldwide as discontinued on a comparative basis.

c) Skilled Healthcare Group

In February 2015, Skilled Healthcare Group combined with Genesis HealthCare, LLC, a leading U.S. operator of long-term care facilities. Under the terms of the purchase and combination transaction, each share of Skilled Healthcare Group common stock issued and outstanding immediately prior to the closing of the combination was converted into one share of the newly combined company. The combined company now operates under the Genesis Healthcare name and continues to be publicly traded (NYSE: GEN). At the date of the transaction, Skilled Healthcare Group shareholders owned approximately 26% of the combined company and Genesis HealthCare shareholders owned the remaining approximately 74% of the combined company. At the date of the transaction, Onex Partners I had a 10% economic interest in the newly combined company compared to a 39% economic interest 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 due to the loss of the multiple voting rights and, therefore, the operations of Skilled Healthcare Group up to the date of the transaction in February 2015 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 Skilled Healthcare Group as discontinued on a comparative basis.

Earnings from discontinued operations of \$70 for the year ended December 31, 2015 include the recognition of a non-cash gain of \$68 associated with measuring the Company's interest in Skilled Healthcare Group at fair value at the date of the combination. Subsequent to the February 2015 transaction date, the Company's investment in the combined company is recorded as an other long-term investment at fair value through earnings, with changes in fair value recorded in other income (expense).

d) The Warranty Group

In August 2014, the Company sold its entire investment in The Warranty Group, Inc. ("The Warranty Group") for an enterprise value of approximately \$1,500. Onex Partners I and Onex Partners II 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 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.

Amounts received on account of the carried interest related to this transaction totalled \$127. Consistent with the terms of Onex Partners, Onex was allocated 40% of the carried interest with 60% allocated to management. Onex' share of the carried interest received was \$51 and was 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 were presented as discontinued in the consolidated statements of earnings and cash flows for the year ended December 31, 2014.

e) Spirit AeroSystems

In June 2014, under a secondary public offering and share repurchase of Spirit AeroSystems, Inc. ("Spirit AeroSystems"), Onex Partners I 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, 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.

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 was allocated 40% of the carried interest with 60% allocated to management. Onex' share of the carried interest received was \$10 and was 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.

In August 2014, under a secondary public offering of Spirit AeroSystems, Onex Partners I 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 operations of Spirit AeroSystems were presented as discontinued in the consolidated statements of earnings and cash flows for the year ended December 31, 2014.

The following tables show the summarized assets and liabilities of discontinued operations at December 31, 2015 and 2014. The balances as at December 31, 2015 represent only those of KraussMaffei as Sitel Worldwide was sold in 2015, Onex no longer controls Skilled Healthcare Group, and The Warranty Group and Spirit AeroSystems were sold in 2014. The balances as at December 31, 2014 represent those of KraussMaffei, Sitel Worldwide and Skilled Healthcare Group as The Warranty Group and Spirit AeroSystems were sold in 2014.

As at December 31, 2015	
	KraussMaffei
Cash and cash equivalents	\$ 113
Other current assets	499
Intangible assets	327
Goodwill	202
Property, plant and equipment and other non-current assets	187
	1,328
Current liabilities	(485)
Non-current liabilities	(526)
Net assets of discontinued operations	\$ 317

As at December 31, 2014

	KraussMaffei	Sitel Worldwide	Skilled Healthcare Group	Total
Cash and cash equivalents	\$ 93	\$ 9	\$ 4	\$ 106
Other current assets	560	330	140	1,030
Long-term investments	-	-	5	5
Intangible assets	388	62	20	470
Goodwill	220	118	141	479
Property, plant and equipment and other non-current assets	197	121	370	688
	1,458	640	680	2,778
Current liabilities	(525)	(197)	(115)	(837)
Non-current liabilities	(607)	(799)	(430)	(1,836)
Net assets (liabilities) of discontinued operations	\$ 326	\$ (356)	\$ 135	\$ 105

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables present the summarized aggregate cash flows from (used in) discontinued operations of KraussMaffei, Sitel Worldwide (up to September 2015), Skilled Healthcare Group (up to February 2015), The Warranty Group (up to August 2014) and Spirit AeroSystems (up to June 2014).

For the year ended December 31, 2015	KraussMaffei	Sitel Worldwide	Skilled Healthcare Group	Total
Operating activities	\$ 132	\$ 82	\$ 5	\$ 219
Financing activities	(64)	(59)	-	(123)
Investing activities	(40)	(32)	(9)	(81)
Increase (decrease) in cash and cash equivalents for the year	28	(9)	(4)	15
Decrease in cash due to changes in foreign exchange rates	(8)	-	-	(8)
Cash and cash equivalents, beginning of the year	93	9	4	106
Cash and cash equivalents, end of the year	113	-	-	113
Proceeds from sales of operating companies no longer controlled	-	35	-	35
	\$ 113	\$ 35	\$ -	\$ 148

For the year ended December 31, 2014	KraussMaffei	Sitel Worldwide	Skilled Healthcare Group	The Warranty Group	Spirit AeroSystems	Total
Operating activities	\$ 70	\$ 45	\$ 53	\$ 103	\$ 194	\$ 465
Financing activities	(78)	1	(42)	(4)	(174)	(297)
Investing activities	(25)	(44)	(11)	(247)	(438)	(765)
Increase (decrease) in cash and cash equivalents for the year	(33)	2	-	(148)	(418)	(597)
Decrease in cash due to changes in foreign exchange rates	(16)	-	-	-	(3)	(19)
Cash and cash equivalents, beginning of the year	142	7	4	148	421	722
Cash and cash equivalents, end of the year	93	9	4	-	-	106
Proceeds from sales of operating companies no longer controlled	-	-	-	1,126	258	1,384
	\$ 93	\$ 9	\$ 4	\$ 1,126	\$ 258	\$ 1,490

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprised the following:

	Land	Buildings	Machinery and Equipment	Construction in Progress	Total
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	-	(78)	(278)	-	(356)
Amortization charge (discontinued operations)	-	(34)	(104)	-	(138)
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)	3	34	(2)	-	35
Impairment charge (discontinued operations)	(1)	-	(1)	-	(2)
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
Year ended December 31, 2015					
Opening net book amount	\$ 455	\$ 1,204	\$ 1,118	\$ 125	\$ 2,902
Additions	-	58	460	278	796
Disposals	(46)	(299)	(198)	(16)	(559)
Amortization charge	-	(91)	(392)	-	(483)
Amortization charge (discontinued operations)	-	(9)	(34)	-	(43)
Acquisition of subsidiaries	51	250	839	114	1,254
Disposition of operating companies	(199)	(45)	(31)	(5)	(280)
Transfer to discontinued operations	(27)	(41)	(82)	(9)	(159)
Impairment charge	(4)	(3)	(16)	(1)	(24)
Impairment charge (discontinued operations)	-	-	(1)	-	(1)
Transfers from construction in progress	-	26	255	(281)	-
Foreign exchange	(14)	(41)	(80)	(11)	(146)
Other	2	1	5	-	8
Closing net book amount	\$ 218	\$ 1,010	\$ 1,843	\$ 194	\$ 3,265
At December 31, 2015					
Cost	\$ 231	\$ 1,432	\$ 3,456	\$ 195	\$ 5,314
Accumulated amortization and impairments	(13)	(422)	(1,613)	(1)	(2,049)
Net book amount	\$ 218	\$ 1,010	\$ 1,843	\$ 194	\$ 3,265

Property, plant and equipment cost and accumulated amortization and impairments have been reduced for components retired during 2015 and 2014. At December 31, 2015, property, plant and equipment includes amounts under finance leases of \$101 (2014 – \$96) and related accumulated amortization of \$48 (2014 – \$57). During 2015, borrowing costs of \$5 (2014 – \$6) were capitalized and are included in the cost of additions.

8. LONG-TERM INVESTMENTS

Long-term investments comprised the following:

	December 31, 2015	December 31, 2014
Investments in joint ventures and associates – at fair value through earnings ^(a)	\$ 733	\$ 540
Investments in joint ventures and associates – equity-accounted ^(b)	297	148
Corporate loans held by CLOs and warehouse facilities ^(c)	4,992	3,683
Long-term investments held by Onex Credit Funds ^(d)	675	–
Onex Corporation investments in managed accounts ^(e)	984	–
Onex Corporation investments in Onex Credit Funds ^(f)	–	475
Other	182	180
Total	\$ 7,863	\$ 5,026

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

Certain investments in joint ventures and associates over which the Company has joint control or significant influence, but not control, are 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 Holdings, Inc. (“Allison Transmission”) (up to June 2014), BBAM, Cypress Insurance Group (up to July 2014), Ingersoll Tools Group (“ITG”) (since June 2015), Mavis Tire Supply LLC (“Mavis Discount Tire”) (since October 2014), Tomkins Limited (“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). The joint ventures and associates also typically have financing arrangements that restrict their ability to transfer cash and other assets to the Company.

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

Balance – December 31, 2013	\$ 3,504
Purchase of investments	309
Sale of investments	(3,561)
Distributions received	(43)
Transfer to other Onex Partners investments	(81)
Increase in fair value of investments, net	412
Balance – December 31, 2014	540
Purchase of investments	120
Sale of investments	(20)
Distributions received	(82)
Increase in fair value of investments, net	175
Balance – December 31, 2015	\$ 733

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 Partners IV, of which Onex’ share 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.

During 2015, AIT completed total distributions of \$42, including a purchase price adjustment, of which Onex Partners IV’s share was \$30. Onex’ share of the AIT distributions was \$7. There were no distributions completed in 2014 since the late December 2014 investment in AIT by Onex Partners IV.

Allison Transmission

During the first six months of 2014, Allison Transmission completed secondary offerings to the public of 85.6 million shares of common stock and repurchased 8.4 million shares of common stock. The secondary offerings included the full exercise of the over-allotment options. As part of the offerings and share repurchases, Onex Partners II sold 47.0 million shares of common stock for net proceeds of \$1,394, of which Onex’ portion was \$433, including carried interest and after the reduction for distributions paid on account of the MIP. Amounts received related to the carried interest on the 2014 transactions totalled \$89, of which Onex’ portion was \$36 and management’s portion was \$53. Amounts paid on account of the MIP totalled \$36, which included 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 Partners II 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 income (expense), until the Company sold its remaining interest in Allison Transmission in September 2014, as described in note 23(e).

The realized gains on the portion of Allison Transmission sold by Onex Partners II during 2014, including the September 2014 sale, totalled \$1,056, of which Onex' share was \$329.

BBAM

During 2015, BBAM completed total distributions of \$108 (2014 – \$63), of which Onex Partners III's share was \$52 (2014 – \$28). Onex' share of the BBAM distributions was \$13 (2014 – \$7).

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.

ITG

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

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. The Company's preferred investment of \$102 was made by ONCAP III. Onex' share of the preferred investment was \$30 for a 14% economic interest. In addition, in connection with this transaction, the Company's consolidated results include an additional \$3 equity investment by a third-party investor.

In August 2015, Mavis Discount Tire acquired Somerset Tire Service, Inc., one of the largest tire chains in the United States. In conjunction with this transaction, the Company invested additional capital in Mavis Discount Tire. The Company's investment was \$48 and was comprised of \$27 from ONCAP III and \$21 as a co-investment from Onex and certain limited partners. Onex' total add-on investment in Mavis Discount Tire was \$25 and was comprised of \$8 through ONCAP III and \$17 as a co-investment. In addition, in connection with this transaction, the Company's consolidated results include an additional \$2 equity investment by a third-party investor. Subsequent to the add-on investment, the Company had a 46% economic interest in Mavis Discount Tire, of which Onex' portion was a 17% economic interest.

Tomkins

In April 2014, Onex, together with Canada Pension Plan Investment Board ("CPPIB"), entered into an agreement to sell Gates Corporation ("Gates"), the principal remaining business of Tomkins. 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 income (expense) in the consolidated statements of earnings, as described in note 23(e). The sale was completed in July 2014 for an enterprise value of \$5,400. Proceeds from the sale to Onex Partners III 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 2015, Onex Partners III sold the residual assets for proceeds of \$45.

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 totalled \$138, including carried interest received on residual assets in 2015. 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 \$55 and is included in the proceeds to Onex. Management's share of the carried interest was \$83. Amounts paid on account of the MIP totalled \$29 for these transactions and have been deducted from the proceeds to Onex.

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

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

At December 31, 2015, the balance consisted primarily of investments in joint ventures and associates held by JELD-WEN, Meridian Aviation and SIG. At December 31, 2014, the balance consisted primarily of investments in joint ventures and associates held by JELD-WEN and Meridian Aviation.

c) Corporate loans held by CLOs and warehouse facilities

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, subordinated notes and equity. As of December 31, 2015, Onex Credit had established ten CLOs (2014 – seven CLOs), which were funded through the issuance of secured notes, subordinated notes and/or equity in private placement transactions in an initial aggregate amount of \$5,843 (2014 – \$3,810), as described in note 12(c). Onex' remaining total investment at original cost in the CLOs at December 31, 2015 was \$405 (2014 – \$268) and has been made in the most subordinated capital of each respective CLO. During 2015, Onex received distributions from the CLOs of \$53 (2014 – \$24), excluding investment income earned during the warehouse periods of the CLOs and proceeds from the redemption of CLO-1.

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, subordinated 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 CLOs, as described in note 1.

At December 31, 2015 and 2014, the asset portfolio of the CLOs and warehouse facilities comprised the following:

	Closing Date	As at December 31, 2015	As at December 31, 2014
CLO-1 ⁽ⁱ⁾	March 2012	\$ -	\$ 319
CLO-2	November 2012	457	491
CLO-3	March 2013	461	488
CLO-4	October 2013	456	484
CLO-5	March 2014	373	389
CLO-6	June 2014	881	937
CLO-7	November 2014	451	488
CLO-8	April 2015	694	-
CLO-9	July 2015	694	-
CLO-10	October 2015	472	-
Warehouse facilities		53	87
Total		\$ 4,992	\$ 3,683

(i) CLO-1

In June 2015, the Company redeemed its first CLO denominated in U.S. dollars. CLO-1 was established in March 2012 and its reinvestment period ended in March 2015. Upon the redemption of CLO-1, all secured notes were repaid, including accrued interest, and the equity was settled for the residual proceeds in the CLO. Onex received \$16 for its remaining investment in the equity of CLO-1. In aggregate, Onex has received \$53 of proceeds and distributions related to CLO-1 compared to its original investment of \$38.

Warehouse facilities**EURO CLO-1**

In March 2015, Onex established a warehouse facility in anticipation of its first CLO denominated in euros, EURO CLO-1. Onex purchased €20 (\$21) of subordinated notes to support the warehouse facility and a financial institution provided an initial borrowing capacity of up to €47 (\$50). The subordinated notes do not have a stated rate of interest, but will receive certain excess available funds after payment of principal, accrued interest and certain expenses upon the closing of EURO CLO-1. The warehouse facility matures on the earlier of the closing of EURO CLO-1 and September 2016. Onex consolidates the warehouse facility for EURO CLO-1, and at December 31, 2015, the asset portfolio included €50 (\$53) of corporate loans.

CLO-11

In January 2016, Onex established a warehouse facility in connection with its eleventh CLO denominated in U.S. dollars. Onex purchased \$10 of subordinated notes to support the warehouse facility's total return swap ("TRS"). The subordinated notes do not have a stated rate of interest, but will receive any excess available funds from the termination of the TRS. The TRS terminates on the earlier of the closing of CLO-11 and January 2017.

CLO-8

At December 31, 2014, warehouse facilities consisted of CLO-8, which held \$87 of corporate loans in its asset portfolio. CLO-8 closed in April 2015, with Onex investing \$54 for 94% of the most subordinated capital of CLO-8. At December 31, 2015, the asset portfolio of CLO-8 consisted of \$694 of corporate loans.

d) Long-term investments held by Onex Credit Funds

Long-term investments held by Onex Credit Funds began to be consolidated in January 2015, when the Company acquired control over the Onex Credit asset management platform, as discussed in note 2(f). The investments held by Onex Credit Funds are recorded at fair value and classified as fair value through earnings. At December 31, 2015, Onex' share of the net investment in the Funds was \$472 (2014 – \$475).

e) Onex Corporation investments in managed accounts

Beginning in the second quarter of 2015, Onex, the parent company, transferred a portion of its cash and cash equivalents to accounts managed by third-party investment managers. At December 31, 2015, the fair value of investments managed by third-party investment managers was \$1,188, of which \$204 was included in short-term investments and \$984 was included in long-term investments. Long-term investments consist of securities that include money market instruments, federal and municipal debt instruments, corporate obligations and structured products with maturities of one year to five years. Short-term investments consist of liquid investments that include money market instruments and commercial paper with original maturities of three months to one year. The investments are managed to maintain an overall weighted average duration of two years or less.

f) Onex Corporation investments in Onex Credit Funds

In January 2015, the Company acquired control over the Onex Credit asset management platform, as discussed in note 2(f). As a result, the funds managed by Onex Credit in which Onex, the parent company, held an investment are now consolidated in the consolidated financial statements.

9. OTHER NON-CURRENT ASSETS

Other non-current assets comprised the following:

As at December 31	2015	2014
Defined benefit pensions (note 31)	\$ 177	\$ 64
Deferred income taxes (note 16)	158	215
Restricted cash	138	60
Derivatives	108	14
Other	214	313
Total	\$ 795	\$ 666

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, 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	\$ 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	-	(15)	(310)	(41)	(49)	-	(415)
Amortization charge (discontinued operations)	-	(12)	(30)	(21)	(17)	-	(80)
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
Year ended December 31, 2015							
Opening net book amount	\$ 4,928	\$ 1,179	\$ 3,046	\$ 211	\$ 130	\$ 503	\$ 5,069
Additions	-	-	3	74	12	-	89
Disposals	(13)	-	(9)	(2)	(1)	-	(12)
Amortization charge	-	(19)	(410)	(51)	(86)	-	(566)
Amortization charge (discontinued operations)	-	(10)	(22)	(7)	(10)	-	(49)
Acquisition of subsidiaries	3,226	710	1,146	46	590	-	2,492
Disposition of operating companies	(118)	(36)	(1)	(12)	(2)	-	(51)
Transfer to discontinued operations	(202)	(164)	(132)	(6)	(25)	-	(327)
Impairment charge	(45)	(3)	(5)	(2)	-	(3)	(13)
Foreign exchange	(97)	(50)	(56)	(2)	5	(2)	(105)
Other	(2)	-	-	(8)	3	6	1
Closing net book amount	\$ 7,677	\$ 1,607	\$ 3,560	\$ 241	\$ 616	\$ 504	\$ 6,528
At December 31, 2015							
Cost	\$ 7,851	\$ 1,879	\$ 5,249	\$ 705	\$ 1,054	\$ 504	\$ 9,391
Accumulated amortization and impairments	(174)	(272)	(1,689)	(464)	(438)	-	(2,863)
Net book amount⁽¹⁾	\$ 7,677	\$ 1,607	\$ 3,560	\$ 241	\$ 616	\$ 504	\$ 6,528

(1) At December 31, 2015, trademarks and licenses include amounts determined to have indefinite useful lives of \$1,339 (2014 - \$977).

Additions to goodwill and intangible assets primarily arose through business combinations (note 2). Additions to intangible assets through internal development were \$24 (2014 – \$25) and those acquired separately were \$65 (2014 – \$48). Included in the balance of intangible assets at December 31, 2015 were \$109 (2014 – \$45) 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, 2014	\$ 84	\$ 118	\$ 202
Charged (credited) to statements of earnings:			
Additional provisions	40	47	87
Unused amounts reversed during the year	(10)	(21)	(31)
Disposition of operating companies	(3)	-	(3)
Transfer to discontinued operations	(10)	(62)	(72)
Amounts used during the year	(20)	(11)	(31)
Other adjustments	(6)	(4)	(10)
Balance – December 31, 2015	\$ 75	\$ 67	\$ 142

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.

	Contingent Consideration ^(c)	Restructuring ^(d)	Self- Insurance ^(e)	Warranty ^(f)	Other ^(g)	Total
Current portion of provisions	\$ 36	\$ 26	\$ 47	\$ 71	\$ 93	\$ 273
Non-current portion of provisions	167	6	53	56	42	324
Balance – December 31, 2014	\$ 203	\$ 32	\$ 100	\$ 127	\$ 135	\$ 597
Charged (credited) to statements of earnings:						
Additional provisions	10	68	227	81	55	441
Unused amounts reversed during the year	(86)	(4)	(1)	(9)	(14)	(114)
Acquisition of subsidiaries	213	15	62	14	17	321
Disposition of operating companies	-	(4)	-	-	(8)	(12)
Transfer to discontinued operations	-	(2)	-	(49)	(4)	(55)
Amounts used during the year	(21)	(62)	(165)	(74)	(101)	(423)
Increase in provisions due to passage of time and changes in discount rates	5	(2)	(46)	-	-	(43)
Other adjustments	(6)	-	(1)	(6)	3	(10)
Balance – December 31, 2015	\$ 318	\$ 41	\$ 176	\$ 84	\$ 83	\$ 702
Current portion of provisions	(137)	(35)	(70)	(50)	(42)	(334)
Non-current portion of provisions	\$ 181	\$ 6	\$ 106	\$ 34	\$ 41	\$ 368

c) The provision for contingent consideration relates to acquisitions completed by the Company. At December 31, 2015, the estimated fair value of contingent consideration liability was primarily related to the contingent consideration associated with Carestream Health and the acquisition of SIG, as discussed in note 2(b).

d) 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 2016 and 2021.

The closing balance of restructuring provisions comprised the following:

As at December 31	2015	2014
Employee termination costs	\$ 34	\$ 23
Lease and other contractual obligations	4	8
Facility exit costs and other	3	1
Total restructuring provisions	\$ 41	\$ 32

e) Self-insurance provisions are established by the operating companies for automobile, workers' compensation, healthcare coverage, 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.

f) 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.

g) Other includes 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, comprised the following:

As at December 31		2015	2014
Carestream Health^(a)	Revolving credit facility and term loans due 2018 and 2019	\$ 2,012	\$ 2,133
Celestica^(b)	Revolving credit facility and term loan due 2020	263	-
CLOs and warehouse facilities^(c)	Secured notes and subordinated notes due 2023 and 2027	4,899	3,431
Emerald Expositions^(d)	Revolving credit facility and term loan due 2018 and 2020	543	568
	Senior notes due 2021	200	200
		743	768
Flushing Town Center^(e)	Mezzanine loans due 2018	77	-
	Senior construction loan due 2020	47	46
	Mortgage loan due 2016	-	195
	Mezzanine A and B loans due 2016	-	70
	Mezzanine loan due 2016	-	36
		124	347
Jack's^(f)	Senior secured revolving credit facility and term loan due 2020 and 2022	227	-
	Promissory note due 2016	54	-
		281	-
JELD-WEN^(g)	Revolving credit facility and term loans due 2019 to 2022	1,237	768
	Other	38	48
		1,275	816
KraussMaffei^(h)	Senior secured notes due 2020	-	354
	Other	-	2
		-	356
Meridian Aviation⁽ⁱ⁾	Revolving credit facility due 2015	-	50
	Senior debt loan and senior Yen loan due 2026	-	179
		-	229
ResCare^(j)	Senior secured revolving credit facility and term loan due 2019	531	461
	Other	2	1
		533	462
Schumacher^(k)	Senior secured revolving credit facility and term loans due 2020 to 2023	534	-
	Other	6	-
		540	-
sgsco^(l)	Senior secured revolving credit facility and term loan due 2017 and 2019	385	375
	Senior notes due 2020	210	210
		595	585
SIG^(m)	Senior secured revolving credit facility and term loans due 2021 and 2022	2,256	-
	Senior notes due 2023	766	-
		3,022	-
Sitel Worldwide⁽ⁿ⁾	Revolving credit facility and term loan due 2016 and 2017	-	255
	Senior unsecured notes due 2018	-	292
	Senior secured notes due 2017	-	193
	Mandatorily redeemable preferred shares	-	228
		-	968
Survitec^(o)	Senior secured revolving and acquisition facilities and term loans due 2021 and 2022	425	-
Tropicana Las Vegas^(p)	Revolving credit facilities due 2018	-	62
USI^(q)	Senior secured revolving credit facility and term loans due 2017 and 2019	1,340	1,144
	Senior notes due 2021	630	630
	Other	9	11
		1,979	1,785
York^(r)	Senior secured revolving credit facility and term loans due 2019 and 2021	650	631
	Senior unsecured notes due 2022	302	302
		952	933
ONCAP operating companies^(s)	Revolving credit facilities and term loans due 2016 to 2020	783	788
	Subordinated notes due 2017 to 2024	329	372
	Other	9	9
		1,121	1,169
Other		4	5
Less: long-term debt held by the Company		(395)	(584)
Long-term debt, December 31		18,373	13,465
Less: financing charges		(319)	(183)
		18,054	13,282
Current portion of long-term debt of operating companies, without recourse to Onex Corporation		(411)	(408)
Consolidated long-term debt of operating companies, without recourse to Onex Corporation		\$ 17,643	\$ 12,874

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.

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

2016	\$ 411
2017	277
2018	373
2019	4,369
2020	1,058
Thereafter	11,885
Total	\$ 18,373

a) Carestream Health

Carestream Health's long-term debt consists of a \$1,850 first-lien term loan, a \$500 second lien term loan and a \$150 revolving credit 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 credit 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 credit facility.

In connection with the credit facility, the company has 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 \$1,010, reducing to \$920 during the term of the agreements.

At December 31, 2015, the first lien term loan with \$1,553 (2014 – \$1,673) outstanding was recorded net of the unamortized discount of \$15 (2014 – \$19). At December 31, 2015, the second lien term loan with \$480 (2014 – \$487) outstanding was recorded net of the unamortized discount of \$6 (2014 – \$8). At December 31, 2015 and 2014, no amounts were outstanding under the revolving credit facility.

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 from January 2015 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. 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 (2014 – \$70) at December 31, 2015.

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

At December 31, 2015, \$25 (2014 – nil) was outstanding under the revolving credit facility and \$238 was outstanding under the term loan. Celestica had issued \$27 (2014 – \$29) of letters of credit under its revolving credit facility at December 31, 2015.

c) CLOs and warehouse facilities

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, subordinated notes and equity. As of December 31, 2015, Onex Credit had established ten CLOs (2014 – seven CLOs), which had secured notes, subordinated notes and equity outstanding in the aggregate amount of \$5,511 (2014 – \$3,806) as follows:

	Closing Date	As at December 31, 2015	As at December 31, 2014
CLO-1	March 2012	\$ -	\$ 327
CLO-2	November 2012	515	517
CLO-3	March 2013	512	512
CLO-4	October 2013	514	514
CLO-5	March 2014	420	420
CLO-6	June 2014	1,002	1,002
CLO-7	November 2014	514	514
CLO-8	April 2015	764	-
CLO-9	July 2015	758	-
CLO-10	October 2015	512	-
		5,511	3,806
Onex' investment at notional amounts		(418)	(271)
Total		\$ 5,093	\$ 3,535

The secured notes and subordinated notes bear interest at a rate of LIBOR plus a margin and mature between November 2023 and October 2027. The secured notes, subordinated notes and equity of the CLOs are designated at fair value through net earnings upon initial recognition. At December 31, 2015, the fair value of the secured notes, subordinated notes and equity held by investors other than Onex was \$4,870 (2014 – \$3,431).

The notes of 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 March 2015, Onex established a warehouse facility in anticipation of its first CLO denominated in euros, EURO CLO-1. Onex purchased €20 (\$21) of subordinated notes to support the warehouse facility and a financial institution provided an initial borrowing capacity of up to €47 (\$50), as described in note 8(c). At December 31, 2015, €27 (\$29) was outstanding under the warehouse facility for EURO CLO-1.

In June 2015, the Company redeemed its first CLO denominated in U.S. dollars, as described in note 8(c).

d) Emerald Expositions

Emerald Expositions' credit facility consisted of a \$430 term loan and a \$90 revolving credit facility. The offering price of the term loan was 99.00% of par. Borrowings under the term loan bore 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 credit 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(h).

In July 2014, Emerald Expositions further 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, 2015, the term loan with \$550 (2014 – \$577) outstanding, net of the unamortized discount of \$7 (2014 – \$9), and no amounts (2014 – nil) were outstanding under the revolving credit facility.

In addition to the above credit facility, Emerald Expositions has senior notes with an aggregate principal amount of \$200. The senior notes bear interest at 9.00% and mature in June 2021. Interest is payable semi-annually. The senior notes may be redeemed by the company at any time at various premiums above face value.

At December 31, 2015, senior notes of \$200 (2014 – \$200) were outstanding.

e) Flushing Town Center

Flushing Town Center's long-term debt initially consisted of its senior construction loan and mezzanine loans associated with the construction of the retail space, parking structures and the first phase of condominiums at the project. The loans bore interest at LIBOR plus a margin that ranged between 1.55% and 3.65%.

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 bore interest at LIBOR (subject to a floor of 0.15%) plus 2.25%. The mezzanine loans consisted 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"). The mortgage and mezzanine loans were due in June 2016 and had three one-year extension options. The majority of Flushing Town Center's assets, with the exception of land that was under pre-development, were

pledged as collateral under the credit facilities. The proceeds from the new credit facilities, along with a \$95 equity investment by the Company, were used to repay the third-party lenders of the company's existing senior construction loan. Onex' share of the equity investment was \$84.

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.

In July 2015, Onex Real Estate Partners sold substantially all of the retail space and adjoining parking structures of Flushing Town Center, as described in note 22(b). In connection with this transaction, the buyer in the transaction assumed the company's liabilities under its mortgage and mezzanine loans.

In July 2015, Flushing Town Center entered into new credit facilities with third-party lenders, consisting of a \$152 mortgage loan and \$288 of mezzanine loans, in connection with the construction of the second phase of condominiums at the project. Borrowings under the mortgage loan bear interest at LIBOR (subject to a floor of 0.25%) plus a margin of 3.30%. The mezzanine loans consist of a \$138 loan bearing interest at LIBOR (subject to a floor of 0.25%) plus a margin of 11.00% and a \$150 loan bearing interest at LIBOR (subject to a floor of 0.25%) plus a margin of 8.00%. The new credit facilities mature in July 2018 and have two one-year extension options. The credit facilities have customary financial maintenance covenants and include a guarantee which is limited to the required minimum net worth and liquidity reserves being maintained for the benefit of the third-party lenders. Draws from the credit facilities are made over time as project construction costs are incurred.

At December 31, 2015, no amounts were outstanding under the mortgage loan and mezzanine loans of \$77 were outstanding.

The second phase of condominiums being constructed at Flushing Town Center is pledged as collateral under the new credit facilities.

In addition, at December 31, 2015, the company's long-term debt included \$47 (2014 – \$46) and nil (2014 – \$36) of principal plus accrued interest outstanding under the existing senior construction loan and mezzanine loans, respectively, all of which were held by the Company.

f) Jack's

Onex Partners IV acquired Jack's in July 2015, as described in note 2(c). In July 2015, Jack's entered into a senior secured credit facility consisting of a \$230 term loan and a \$30 revolving credit facility. Borrowings under the term loan bear interest at LIBOR (subject to a floor of 1.00%) plus a margin of 4.75%. The term loan requires quarterly principal repayments, and can be repaid in whole or in part at any time before maturity in July 2022. The revolving credit facility bears interest at LIBOR plus a margin of 4.75% and matures in July 2020.

At December 31, 2015, \$230 was outstanding under the term loan and no amounts were outstanding under the revolving credit facility. The term loan is recorded net of the unamortized discount of \$3.

Substantially all of Jack's assets, excluding specified real property owned by Jack's, are pledged as collateral under the senior secured credit facility.

In July 2015, Jack's entered into a \$195 promissory note with Onex Partners IV, as described in note 2(c). The promissory note bears interest at LIBOR plus a margin ranging from 2.00% to 3.50% and matures in June 2016.

During 2015, Jack's repaid \$143 of the promissory note, including accrued interest, with net proceeds from sale-leaseback transactions completed for certain of its fee-owned restaurant properties. Onex' share of the repayment was \$41. At December 31, 2015, the amount outstanding under the promissory note was \$54, of which Onex' share was \$16.

In January 2016, Jack's repaid an additional \$23 of the promissory note, including accrued interest, with net proceeds from a sale-leaseback transaction completed for certain of its fee-owned restaurant properties. Onex' share of the repayment was \$7. After giving effect to the repayment, the amount outstanding under the promissory note was \$31, of which Onex' share was \$9.

g) JELD-WEN

JELD-WEN's senior secured credit facility consisted of a \$300 revolving credit facility and a \$100 term loan maturing in April 2016. The revolving credit facility bore interest at either the Eurodollar rate or a base rate determined as the higher 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. 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. Borrowings under the senior secured credit facility were secured by first priority liens on substantially all of the present and future assets of JELD-WEN and its subsidiary guarantors.

In October 2014, JELD-WEN entered into a new credit facility 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. 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.

In July 2015, JELD-WEN increased its borrowings under its existing credit facility with an incremental \$480 term loan. The proceeds were used to fund a distribution of \$432 to shareholders with the balance to be used to fund future add-on acquisitions. The offering price of the incremental term loan was 99.50% of par. The incremental term loan bears interest at LIBOR (subject to a floor of 1.00%) plus a margin of up to 4.00%, depending on the company's ratio, and requires quarterly principal repayments beginning in December 2015. The incremental term loan has no financial maintenance covenants and matures in July 2022. The Company's portion of the distribution to shareholders was \$359. Onex' portion of the distribution was \$89, of which \$51 related to Onex' investment through Onex Partners III and \$38 related to Onex' co-investment. The remaining balance was primarily distributed to third-party shareholders and management of JELD-WEN.

In connection with the senior secured credit facility, the company has entered into a series of interest rate swap agreements that swap the variable rate portion for fixed rates through September 2019. The agreements have an initial notional amount of \$273, increasing to \$972 during the term of the agreements.

At December 31, 2015, term loans with \$1,246 (2014 – \$775) outstanding were recorded net of the unamortized discount of \$9 (2014 – \$7). JELD-WEN had no amounts outstanding under its revolving credit facility at December 31, 2015 and 2014. The amount available under the revolving credit facility was reduced by \$36 (2014 – \$39) of letters of credit outstanding at December 31, 2015.

Substantially all of JELD-WEN's North American assets are pledged as collateral under the credit facility.

In addition, in October 2014, the company redeemed its senior secured notes with proceeds from its new credit facility. The senior secured notes had an aggregate principal amount of \$460. The senior secured notes bore interest at 12.25% and were due in October 2017.

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

h) KraussMaffei

KraussMaffei's senior secured notes have an aggregate principal amount of €325. The senior secured notes bear interest at a fixed annual rate of 8.75% and mature in December 2020. The senior secured notes may be redeemed by the company on or after December 2015 at various premiums above face value. At December 31, 2015, €260 (\$282) (2014 – €293 (\$354)) was outstanding under the senior secured notes.

In addition, the company has a revolving credit facility with a €100 credit limit which matures in December 2017. 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 can 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.

At December 31, 2015, €1 (\$1) (2014 – nil) was outstanding under the revolving credit facility. The amount available under the revolving credit facility was reduced by €34 (\$36) (2014 – €49 (\$60)) of letters of guarantee and credit outstanding at December 31, 2015.

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

In January 2016, the Company entered into an agreement to sell KraussMaffei, as described in note 6(a). As a result, the operations of KraussMaffei have been presented as discontinued in the consolidated statements of earnings and cash flows for the year ended December 31, 2015, and the prior year has been restated to report the results of KraussMaffei as discontinued on a comparative basis. The consolidated long-term debt excludes long-term debt of KraussMaffei, which has been included in liabilities held by discontinued operations in the consolidated balance sheets as at December 31, 2015.

i) Meridian Aviation

In December 2014, Meridian Aviation entered into loan agreements in connection with the purchase of an aircraft, which was included in inventory at December 31, 2014 as the aircraft was under contract to be sold in the first quarter of 2015. The loan agreements consisted 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 were due in December 2026 and were secured by the aircraft. Borrowings under the revolving credit facility matured in April 2015 and were 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. During 2015, Meridian Aviation sold the aircraft and repaid all borrowings under the senior debt loan, senior Yen loan and revolving credit facility.

In January 2016, Meridian Aviation entered into a \$100 revolving credit facility. The revolving credit facility bears interest at LIBOR plus a margin of 1.5% and matures in January 2017. The borrowings under the revolving credit facility are guaranteed and reimbursable by capital calls from the limited partners of Onex Partners III.

j) ResCare

ResCare's senior secured credit facility initially consisted of a \$200 revolving credit facility and a \$175 term loan, which was due in April 2017. 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 reached \$7 in 2015. Substantially all of ResCare's assets were pledged as collateral under the senior secured credit facility.

In April 2014, ResCare entered into a new \$650 senior secured credit facility, which matures in 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. 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 March 2015, ResCare increased its term loan by an additional \$105 to fund a distribution to shareholders. The \$105 incremental term loan was combined with the existing \$200 term loan and \$200 delayed draw term loan. The newly combined term loan bears interest at LIBOR plus a margin of 2.75% and requires quarterly principal repayments of \$6 beginning in March 2015. The required quarterly principal repayments increase throughout the term until they reach \$16 in 2018. The entire facility matures in April 2019. The Company's portion of the distribution to shareholders was \$97, of which Onex' portion was \$20. The remaining balance was primarily distributed to management of ResCare.

At December 31, 2015, \$60 (2014 – \$70) and \$472 (2014 – \$392) were outstanding under the revolving credit facility and the combined term loan, respectively. The combined term loan is recorded net of the unamortized discount of \$1 (2014 – \$1).

Substantially all of ResCare's assets are pledged as collateral under the senior secured credit facility.

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. The company's senior subordinated notes had an aggregate principal amount of \$200. The senior secured notes bore interest at 10.75% and were due in January 2019. 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.

k) Schumacher

Onex Partners IV acquired Schumacher in late July 2015, as described in note 2(d). In late July 2015, Schumacher entered into first and second lien senior secured credit facilities. In connection with the August 2015 acquisition of HPP (note 2(d)), Schumacher amended its senior secured facilities to increase its first lien term loan by \$120 to \$400, its first lien revolving loan by \$25 to \$75 and its second lien term loan by \$30 to \$135.

In September 2015, Schumacher completed syndication of its senior secured credit facilities, resulting in an offering price of the first lien term loan of 99.25% of par. Borrowings under the first lien term loan bear interest at LIBOR (subject to a floor of 1.00%) plus a margin of up to 4.00%. The first lien term loan matures in July 2022 and requires quarterly principal repayments beginning in December 2015. Borrowings under the first lien revolving loan bear interest at LIBOR (subject to a floor of zero %) plus a margin of up to 4.00% and mature in July 2020. The offering price of the second lien term loan was 99.00% of par. Borrowings under the second lien term loan bear interest at LIBOR (subject to a floor of 1.00%) plus 8.50%. The second lien term loan is not subject to amortization and matures in July 2023.

At December 31, 2015, \$399 and \$135 were outstanding under the first and second lien term loans, respectively, and no amounts were outstanding under the first lien revolving loan.

Borrowings under the senior secured facility are secured by liens on substantially all of Schumacher's assets.

l) sgsco

sgsco's credit agreement consists of a \$400 senior secured term loan and a \$75 senior secured revolving credit facility. The senior secured term loan matures in October 2019 and the senior secured revolving credit facility matures in October 2017. Borrowings under the credit agreement bear interest at LIBOR (subject to a floor of 1.00%) 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, sgsco 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.

In connection with the credit agreement, sgsco entered into an interest rate swap agreement that swapped the variable rate portion for a fixed rate 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.

In November 2015, in connection with an acquisition, sgsco borrowed an additional \$15 under the same terms and conditions as its existing senior secured term loan. This additional borrowing resulted in an amendment to the senior secured term loan reducing the principal amount to \$385, representing the balance outstanding at the time.

At December 31, 2015, \$385 and nil (2014 – \$375 and nil) were outstanding under the senior secured term loan and senior secured revolving credit facility, respectively.

Substantially all of sgsco's assets are pledged as collateral under the credit agreement.

In addition, sgsco has senior notes with an aggregate principal amount of \$210. The senior notes bear interest at 8.38% and mature in October 2020. Interest is payable semi-annually. The senior notes may be redeemed by the company at any time at various premiums above face value.

At December 31, 2015, senior notes of \$210 (2014 – \$210) were outstanding.

m) SIG

Onex Partners IV and certain limited partners acquired SIG in March 2015, as described in note 2(b). In March 2015, SIG entered into a senior secured credit facility consisting of a €1,050 euro-denominated term loan, a \$1,225 U.S. dollar-denominated term loan and a multi-currency €300 revolving credit facility. Borrowings under the term loans initially bore interest at EURIBOR or LIBOR (subject to a floor of 1.00%) plus a margin of 4.25%. The term loans require quarterly principal repayments and can be repaid in whole or in part with a 1.00% premium up to and including May 2016. Subsequent repayments can be made without premium or penalty at any time before maturity in March 2022. The revolving credit facility bears interest at EURIBOR or LIBOR plus a margin of 4.00% and matures in March 2021.

In May 2015, SIG amended its senior secured credit facility to reduce the rate at which borrowings under its euro- and U.S. dollar-denominated term loans bear interest to EURIBOR or LIBOR (subject to a floor of 1.00%) plus a margin of 3.25%. The amendment resulted in a total interest rate reduction of 100 basis points on the company's term loans. As a result of the amendment, SIG incurred \$26 in fees during the second quarter of 2015, representing the payment of the soft call protection on the term loans and expenses associated with the amendment. The fees will be amortized over the term of the senior secured credit facility.

In connection with the senior secured credit facility, the company has entered into a series of interest rate swap agreements that swap the variable rate portion for fixed rates through December 2019. The agreements have notional amounts of €505 for the euro-denominated term loan and \$690 for the U.S. dollar-denominated term loan.

At December 31, 2015, the euro-denominated term loan with €1,042 (\$1,128) outstanding was recorded net of an unamortized discount of €5 (\$5) and the U.S. dollar-denominated term loan with \$1,216 outstanding was recorded net of an unamortized discount of \$5. In addition, the term loans are recorded net of unamortized embedded derivatives of €72 (\$78), which were recognized at the inception of the term loans. There were no amounts drawn under the revolving credit facility at December 31, 2015. The amount available under the revolving credit facility was reduced by €4 (\$4) due to an ancillary facility outstanding at December 31, 2015.

In February 2015, SIG issued €675 in aggregate principal amount of 7.75% senior notes in connection with the acquisition. The amount raised was held in escrow until the closing of the acquisition. Interest is payable semi-annually beginning in August 2015. The senior notes may be redeemed by the company at various premiums above face value at any time before February 2020 and mature in February 2023. At December 31, 2015, senior notes of €675 (\$733) were outstanding and were recorded together with an unamortized embedded derivative of €30 (\$33), which was recognized at the inception of the senior notes.

Approximately 80% of SIG's assets are pledged as collateral under the senior secured credit facility and senior notes.

n) Sitel Worldwide

Sitel Worldwide's credit facility consisted of a \$675 term loan maturing in January 2017 and a \$61 revolving credit facility maturing in January 2016. Borrowings under the term loan and revolving credit facility bore interest at a rate of LIBOR plus a margin of up to 7.25% or prime plus a margin of 6.25%. At December 31, 2014, \$223 and \$32 were outstanding under the term loan and revolving credit facility, respectively.

The company's senior unsecured notes had an aggregate principal amount of \$300. The senior unsecured notes bore interest at 11.50% and were due in April 2018. At December 31, 2014, the senior unsecured notes with \$300 outstanding were recorded net of the unamortized discount of \$4 and embedded derivative of \$4 associated with the senior unsecured notes.

The company's senior secured notes had an aggregate principal amount of \$200. The senior secured notes bore interest at 11.00% and were due in April 2017. At December 31, 2014, the senior secured notes with \$200 outstanding were recorded net of the unamortized discount of \$5 and the embedded derivative of \$2 associated with the senior secured notes.

Included in long-term debt at December 31, 2014 were \$228 of mandatorily redeemable Class B, C and D preferred shares, of which \$195 was held by Onex. The mandatorily redeemable preferred shares accrued annual dividends at a rate of 12.00% to 16.00% and were redeemable at the option of the company on or before July 2018. Outstanding amounts related to preferred shares at December 31, 2014 included accrued dividends.

The Company no longer consolidates Sitel Worldwide as a result of the September 2015 sale, as described in note 6(b).

o) Survitec

Onex Partners IV acquired Survitec in March 2015, as described in note 2(a). In March 2015, Survitec entered into a senior secured credit facility consisting of a £125 pound sterling-denominated term loan, a €175 euro-denominated term loan, a £30 revolving facility and a £30 acquisition facility.

In September 2015, Survitec entered into an incremental £15 pound sterling-denominated term loan in connection with the acquisition of SCI, as described in note 2(a). Borrowings under the pound sterling- and euro-denominated term loans bear interest at LIBOR plus a margin of 4.75% and EURIBOR plus a margin of 4.25%, respectively. The term loans can be repaid in whole or in part without premium or penalty at any time before maturity in March 2022. The revolving and acquisition facilities bear interest at LIBOR plus a margin of 4.00% and mature in March 2021.

In connection with the senior secured credit facility, the company has entered into a series of interest rate swap agreements that swap the variable rate portion for fixed rates for 85% of the initial principal amounts of the pound sterling- and euro-denominated term loans through June 2019, decreasing to 50% of the initial principal amounts through June 2020.

At December 31, 2015, £140 (\$206) was outstanding under the pound sterling-denominated term loans, €175 (\$191) was outstanding under the euro-denominated term loan, £5 (\$7) was outstanding under the revolving facility and £14 (\$21) was outstanding under the acquisition facility. The amount available under the revolving facility was reduced by £20 (\$29) of letters of guarantee outstanding at December 31, 2015.

Substantially all of Survitec's assets are pledged as collateral under the senior secured credit facility.

p) Tropicana Las Vegas

Tropicana Las Vegas' credit agreement consisted of a \$50 revolving credit facility that bore interest at a fixed annual rate of 4.00%, a \$5 revolving credit facility that bore interest at a fixed annual rate of 5.00% and a \$10 revolving credit facility that bore interest at a fixed annual rate of 6.00%. The borrowings under the credit facility were due in April 2018.

At December 31, 2014, \$62 was outstanding under the revolving credit facilities.

The Company no longer consolidates Tropicana Las Vegas as a result of the August 2015 sale, as described in note 22(a).

q) USI

USI's senior secured credit facility initially consisted 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. The 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.

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(i).

In August 2015, USI further amended its senior secured credit facility to add an incremental \$230 senior secured term loan. The proceeds were used primarily to fund a distribution of \$230 to shareholders. The Company's portion of the distribution to shareholders was \$181. Onex' portion of the distribution was \$51, of which \$38 related to Onex' investment through Onex Partners III and \$13 related to Onex' co-investment. The balance of the proceeds was primarily distributed to employees of USI. The offering price of the incremental senior secured term loan was 99.03% of par. The terms and conditions of the amendments in 2014 and 2015, including interest rates and maturity date, are consistent with the existing senior secured term loan. The senior secured term loans require quarterly instalments of \$3.

In connection with the credit agreement, USI entered into an interest rate swap agreement that swapped the variable rate portion for a fixed rate on a notional amount of \$525 through December 2017.

At December 31, 2015, \$1,346 and nil (2014 – \$1,129 and \$20) were outstanding under the senior secured term loans and senior secured revolving credit facility, respectively. The senior secured term loans are recorded net of the unamortized discount of \$6 (2014 – \$5). In addition, USI had \$1 of letters of credit (2014 – \$1) outstanding that were issued under its senior secured revolving credit facility at December 31, 2015.

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. Substantially all of USI's assets are pledged as collateral under the senior secured credit facility.

In addition, USI has 7.75% senior notes with an aggregate principal amount of \$630 which are due in January 2021. The 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, 2015 and 2014, senior notes of \$630 were outstanding.

r) York

Onex Partners III acquired York in October 2014, as described in note 2(k). 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 up to 3.75%, depending on the company's leverage ratio, and matures

in October 2019. In connection with the credit facility, York entered into an interest rate swap agreement that swaps the variable rate portion for a fixed rate on a notional amount of \$300 from January 2017 through December 2019.

At December 31, 2015, the term loans with \$607 (2014 – \$613) outstanding were recorded net of unamortized discounts of \$4 (2014 – \$4) and \$47 (2014 – \$22) was outstanding under the revolving facility.

Substantially all of York's assets are pledged as collateral under the senior secured credit facility.

In addition to the above senior secured credit facility, York has \$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, 2015, the senior unsecured notes with \$315 (2014 – \$315) outstanding were recorded net of an embedded derivative of \$13 (2014 – \$13) associated with the senior unsecured notes.

s) ONCAP operating companies

ONCAP's consolidated operating companies consist of Bradshaw, Chatters (acquired in July 2015), CiCi's Pizza, Davis-Standard, EnGlobe, Hopkins, Pinnacle Pellet, Inc. and PURE Canadian Gaming Corp. ("PURE Canadian Gaming"). 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 \$665 are outstanding and combined revolving credit facilities of \$118 are outstanding. The available facilities bear interest at various rates based on a base floating rate plus a margin. At December 31, 2015, effective interest rates ranged from 3.02% to 6.50% on borrowings under the revolving credit and term loan facilities. The term loans typically require quarterly repayments and are due between 2016 and 2020. The companies also have subordinated notes of \$329 due between 2017 and 2024 that bear interest at rates ranging from 10.00% to 18.00%, of which the Company owns \$294.

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, 2015 was \$167 with portions expiring through 2016.

Senior debt is generally secured by substantially all of the assets of the respective operating company.

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

In August 2015, PURE Canadian Gaming drew on its existing revolving credit facility to fund a distribution of C\$25 to shareholders. The Company's portion of the distribution was C\$23 (\$18), of which Onex' portion was C\$10 (\$8).

At December 31, 2015, \$100 (C\$138) (2014 – \$129 (C\$150)) and \$11 (C\$16) (2014 – \$10 (C\$12)) were outstanding under PURE Canadian Gaming's term loan and revolving credit facility, respectively.

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, 2015, the amount available under the deemed risk facility was C\$3 (2014 – C\$25). No amounts were outstanding on the line of credit at December 31, 2015 and 2014. At December 31, 2015, there were letters of credit issued for \$10 (€10) (2014 – \$12 (€10)) under the line of credit.

13. LEASES

a) The Company as lessee

Future minimum lease payments are as follows:

	Finance Leases	Operating Leases
For the year:		
2016	\$ 19	\$ 279
2017	14	223
2018	12	167
2019	10	121
2020	5	89
Thereafter	6	342
Total future minimum lease payments	\$ 66	\$ 1,221
Less: imputed interest	(9)	
Balance of obligations under finance leases, without recourse to Onex Corporation	57	
Less: current portion	(16)	
Non-current obligations under finance leases, without recourse to Onex Corporation	\$ 41	

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 lease expense for the year ended December 31, 2015 was \$295 (2014 – \$262) and primarily related 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:	
2016	\$ 80
2017	65
2018	23
2019	12
2020	8
Thereafter	3
Total minimum lease payments receivable	\$ 191

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, 2015 and 2014.

14. LIMITED PARTNERS' INTERESTS

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

	Onex Partners and ONCAP Funds	Onex Credit Funds ^(a)	Total
Balance – December 31, 2013	\$ 6,959	\$ -	\$ 6,959
Limited Partners' Interests charge ^(b)	1,069	-	1,069
Contributions by Limited Partners ^(c)	867	-	867
Distributions paid to Limited Partners ^(d)	(3,719)	-	(3,719)
Balance – December 31, 2014 ^(e)	5,176	-	5,176
Addition from the Onex Credit transaction ^(a)	-	368	368
Limited Partners' Interests charge (recovery) ^(b)	882	(26)	856
Contributions by Limited Partners ^(c)	1,819	6	1,825
Distributions paid to Limited Partners ^(d)	(888)	(19)	(907)
Balance – December 31, 2015	6,989	329	7,318
Current portion of Limited Partners' Interests ^(e)	(598)	-	(598)
Non-current portion of Limited Partners' Interests	\$ 6,391	\$ 329	\$ 6,720

a) In January 2015, Onex acquired control of the Onex Credit asset management platform, as described in note 2(f). In connection with this transaction, the Company recorded an addition of \$368 to Limited Partners' Interests, representing investments by those other than Onex in the Onex Credit Funds that the Company began consolidating in January 2015.

b) The gross Limited Partners' Interests charge for Onex Partners and ONCAP Funds is primarily due to net fair value increases of the underlying investments in the Onex Partners and ONCAP Funds. For the year ended December 31, 2015, the gross Limited Partners' Interests charge for the Onex Partners and ONCAP Funds of \$1,074 (2014 – \$1,308) was reduced for the change in carried interest of \$192 (2014 – \$239). Onex' share of the change in carried interest was \$64 for the year ended December 31, 2015 (2014 – \$84).

c) The following tables show contributions by limited partners of the Onex Partners and ONCAP Funds.

Company	Fund	Transaction	Year ended December 31, 2015
SIG ⁽ⁱ⁾	Onex Partners IV	Original investment	\$ 810
Jack's	Onex Partners IV	Original investment	295
Survitec ⁽ⁱⁱⁱ⁾	Onex Partners IV	Original and add-on investments	270
Schumacher ⁽ⁱⁱⁱ⁾	Onex Partners IV	Original and add-on investments	230
ITG	ONCAP III	Original investment	49
Chatters	ONCAP III	Original investment	30
Mavis Discount Tire ⁽ⁱⁱ⁾	ONCAP III	Add-on investment	25
Management fees, partnership expenses and other	Various	Various	110
Contributions by Limited Partners			\$ 1,819

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

(ii) Includes amounts to fund a foreign currency hedge for the investments.

(iii) Includes amounts to fund initial and add-on investments.

Company	Fund	Transaction	Year ended December 31, 2014
York ⁽ⁱ⁾	Onex Partners III	Original investment	\$ 348
AIT	Onex Partners IV	Original investment	159
Emerald Expositions	Onex Partners III	Add-on investment	106
Mavis Discount Tire ⁽ⁱ⁾	ONCAP III	Original investment	75
JELD-WEN ⁽ⁱ⁾	Onex Partners III	Investment in common stock	50
Meridian Aviation	Onex Partners III	Add-on investment	15
Management fees, partnership expenses and other	Various	Various	114
Contributions by Limited Partners			\$ 867

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

d) The following tables show distributions made to limited partners of the Onex Partners and ONCAP Funds.

Company	Fund	Transaction	Year ended December 31, 2015
JELD-WEN ⁽ⁱ⁾	Onex Partners III	Dividend	\$ 270
Tropicana Las Vegas	Onex Partners III	Sale of business	180
USI ⁽ⁱ⁾	Onex Partners III	Dividend	130
ResCare	Onex Partners I & III	Dividend	77
Jack's	Onex Partners IV	Repayment of promissory note	75
Meridian Aviation	Onex Partners III	Distributions	64
BBAM	Onex Partners III	Distributions	37
Tomkins ⁽ⁱ⁾	Onex Partners III	Sale of residual assets	21
AIT ⁽ⁱⁱ⁾	Onex Partners IV	Distributions	13
PURE Canadian Gaming	ONCAP II & III	Dividend	10
Other	Various	Various	11
Distributions to Limited Partners			\$ 888

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

(ii) Includes amounts received for a purchase price adjustment.

Company	Fund	Transaction	Year ended December 31, 2014
Tomkins ⁽ⁱ⁾	Onex Partners III	Sale of business	\$ 1,361
Allison Transmission ⁽ⁱ⁾	Onex Partners II	Share repurchases, secondary offerings and dividend	927
The Warranty Group	Onex Partners I & II	Sale of business	646
Spirit AeroSystems ⁽ⁱ⁾	Onex Partners I	Share repurchases and secondary offerings	451
Mister Car Wash	ONCAP II	Sale of business	178
ResCare	Onex Partners I & III	Dividend	95
PURE Canadian Gaming	ONCAP II & III	Debt repayment and return of capital	23
BBAM	Onex Partners III	Distributions	20
Other	Various	Various	18
Distributions to Limited Partners			\$ 3,719

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

e) At December 31, 2015, the current portion of the Limited Partners' Interests was \$598, and consisted primarily of the limited partners' share of a distribution from AIT, promissory note repayments by Jack's and expected proceeds from the sale of KraussMaffei, as described in note 6(a).

At December 31, 2014, the current portion of the Limited Partners' Interests was \$23, and consisted of the limited partners' share of the proceeds on the sale of the residual assets of Tomkins, as described in note 8(a).

15. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities comprised the following:

As at December 31	2015	2014
Stock-based compensation ^(a)	\$ 427	\$ 313
Defined benefit pensions and non-pension post-retirement benefits (note 31)	387	460
Unrealized carried interest due to Onex and ONCAP management ^(b)	311	204
Deferred revenue and other deferred items	126	63
JELD-WEN employee stock ownership plan ^(c)	125	87
Other ^(d)	328	175
Total other non-current liabilities	\$ 1,704	\$ 1,302

a) At December 31, 2015, the stock-based compensation liability consisted of \$417 (2014 – \$299) for the stock-based compensation plans at the parent company and \$17 (2014 – \$14) for stock option and other share-based compensation plans in place at the operating companies. At December 31, 2015, \$7 of the parent company stock-based compensation liability is recorded in other current liabilities. Included in long-term investments (note 8) is \$77 (2014 – \$66) 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.

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 14. 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 on 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 2015, the unrealized carried interest liability increased primarily due to an increase in the fair value of certain of the investments in the Onex Partners and ONCAP Funds. During 2014, the unrealized carried interest liability decreased for carried interest paid on the sale of shares of Allison Transmission (notes 8(a) and 23(e)) and Spirit AeroSystems (notes 6(e), 23(e) and 26), the sale of the Gates division and residual assets of Tomkins (notes 8(a) and 23(e)), and the sale of The Warranty Group (note 6(d)), partially offset by a charge for the change in carried interest of \$160, as described in note 23(b).

c) 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 2015, JELD-WEN repurchased stock from the ESOP for a cash cost of \$12 (2014 – \$15).

d) Other includes amounts for liabilities arising from indemnifications, unearned insurance contract fees, embedded derivatives on long-term debt, mark-to-market valuations of hedge contracts and the non-current portion of obligations under finance leases, without recourse to Onex Corporation (note 13).

16. INCOME TAXES

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

Year ended December 31	2015	2014
Income tax recovery at statutory rate	\$ (204)	\$ (192)
Changes related to:		
Income tax rate differential of operating companies	211	541
Non-taxable gains	(47)	(241)
Unbenefited tax losses	75	1
Utilization of tax loss carryforwards not previously benefited	(10)	(10)
Foreign exchange	6	(12)
Limited Partners' Interests	32	13
Other, including permanent differences	53	(35)
Provision for income taxes	\$ 116	\$ 65
Classified as:		
Current	\$ 228	\$ 137
Deferred	(112)	(72)
Provision for income taxes	\$ 116	\$ 65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, 2013	\$ -	\$ 176	\$ 126	\$ 338	\$ 64	\$ 190	\$ 894
Credited (charged) to net earnings	(1)	-	(1)	(1)	(12)	7	(8)
Credited (charged) to net earnings (discontinued operations)	-	-	-	(2)	4	4	6
Credited 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
Credited (charged) to net earnings	(1)	(4)	3	4	11	101	114
Credited (charged) to net earnings (discontinued operations)	-	3	-	(15)	-	9	(3)
Credited (charged) directly to equity	-	(3)	-	-	-	3	-
Exchange differences	-	(4)	(1)	(14)	(3)	(14)	(36)
Acquisition of subsidiaries	-	5	8	16	20	106	155
Disposition of operating companies	-	(3)	-	(20)	(12)	(8)	(43)
Transfer to discontinued operations	-	(31)	-	(18)	-	(49)	(98)
Other adjustments	1	(1)	(3)	(22)	(4)	12	(17)
Balance – December 31, 2015	\$ 1	\$ 103	\$ 17	\$ 280	\$ 57	\$ 350	\$ 808

	Gains on Sales of Operating Companies	Pension and Non-Pension Post-Retirement Benefits	Property, Plant and Equipment, and Intangibles	Foreign Exchange	Other	Total
Deferred Income Tax Liabilities						
Balance – December 31, 2013	\$ 38	\$ 9	\$ 1,425	\$ 106	\$ 233	\$ 1,811
Charged (credited) to net earnings	2	-	(31)	(37)	(14)	(80)
Charged (credited) to net earnings (discontinued operations)	-	(1)	(12)	-	15	2
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
Charged (credited) to net earnings	4	1	(36)	(21)	54	2
Charged (credited) to net earnings (discontinued operations)	-	-	(13)	-	6	(7)
Exchange differences	-	(1)	(29)	(7)	(6)	(43)
Acquisition of subsidiaries	-	21	592	-	34	647
Disposition of operating companies	-	(1)	(12)	-	(6)	(19)
Transfer to discontinued operations	-	-	(110)	-	(66)	(176)
Other adjustments	-	-	(72)	-	7	(65)
Balance – December 31, 2015	\$ 44	\$ 44	\$ 1,822	\$ 32	\$ 159	\$ 2,101

At December 31, 2015, Onex and its investment holding companies had \$1,072 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, 2015, deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset has been recognized were \$5,697 (2014 – \$5,494), of which \$1,613 (2014 – \$1,879) had no expiry, \$458 (2014 – \$412) was available to reduce future income taxes between 2016 and 2022 (2014 – 2015 and 2021), inclusive, and \$3,626 (2014 – \$3,203) was available with expiration dates of 2023 through 2035 (2014 – 2022 through 2034).

At December 31, 2015, the aggregate amount of taxable temporary differences not recognized in association with investments in subsidiaries, joint ventures and associates was \$3,974 (2014 – \$3,754).

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 SVS, 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 SVS 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 SVS 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 SVS 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, 2015, the issued and outstanding share capital consisted of 100,000 Multiple Voting Shares (December 31, 2014 – 100,000) and 105,893,578 SVS (December 31, 2014 – 108,858,066). 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, 2015 or December 31, 2014.

In January 2015, in connection with acquiring control of the Onex Credit asset management platform, as described in note 2(f), Onex issued 111,393 of its SVS as part of the consideration in the transaction.

The Company increased its quarterly dividend by 25% to C\$0.0625 per SVS beginning with the dividend declared by the Board of Directors in May 2015. 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.

c) During 2015, under the Dividend Reinvestment Plan, the Company issued 8,996 SVS (2014 – 7,952) at an average cost of C\$72.36 per share (2014 – C\$61.18). In 2015 and 2014, no SVS were issued upon the exercise of stock options.

Onex renewed its Normal Course Issuer Bid in April 2015 for one year, permitting the Company to purchase on the Toronto Stock Exchange up to 10% of the public float of its SVS. The 10% limit represents approximately 8.4 million shares.

During 2015, the Company repurchased and cancelled 3,084,877 of its SVS at a cash cost of \$175 (C\$218). The excess of the purchase cost of these shares over the average paid-in amount was \$165 (C\$205), which was charged to retained earnings. The shares repurchased were comprised of: (i) 2,809,877 SVS repurchased under the Normal Course Issuer Bids for a total cost of \$160 (C\$199) or an average cost per share of \$56.99 (C\$70.82); and (ii) 275,000 SVS repurchased in private transactions for a total cost of \$15 (C\$19) or an average cost per share of \$55.12 (C\$69.50). As at December 31, 2015, the Company has the capacity under the current Normal Course Issuer Bid to purchase approximately 6.1 million shares.

During 2014, the Company repurchased and cancelled 2,593,986 of its SVS 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. The shares repurchased were comprised of: (i) 1,283,986 SVS repurchased under the Normal Course Issuer Bids for a total cost of \$72 (C\$78) or an average cost per share of \$55.61 (C\$61.17); and (ii) 1,310,000 SVS repurchased in private transactions for a total cost of \$78 (C\$85) or an average cost per share of \$59.70 (C\$64.74).

The private transactions include the repurchase of 1,000,000 SVS that were held indirectly by Mr. Gerald W. Schwartz, Onex' controlling shareholder. This private transaction is described in note 30(r).

In January 2016, Onex repurchased in a private transaction 1,000,000 of its SVS that were held indirectly by Mr. Gerald W. Schwartz, Onex' controlling shareholder. This private transaction is described in note 30(r).

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, 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	
Granted	29,653	C\$ 69.01	-	-
Additional units issued in lieu of compensation and cash dividends	12,321	C\$ 75.80	118,021	C\$ 68.73
Outstanding at December 31, 2015	626,481		684,515	
Hedged with a counterparty financial institution at December 31, 2015	(578,799)		(684,515)	
Outstanding at December 31, 2015 - Unhedged	47,682		-	

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 SVS 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 SVS 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, 2015, 15,612,000 SVS (2014 - 15,612,000) were reserved for issuance under the Plan, against which options representing 12,568,033 shares (2014 - 12,411,542) were outstanding, of which 4,713,415 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.

In addition to the options outstanding under the Plan, the Company has issued 60,000 options to Onex Credit's chief executive officer in connection with acquiring control of the Onex Credit asset management platform, as described in note 2(f). 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 Plan; however, the options are also subject to an additional performance threshold specific to the Onex Credit asset management platform.

	Number of Options	Weighted Average Exercise Price
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
Granted	965,000	C\$ 80.85
Surrendered	(643,359)	C\$ 28.22
Expired	(105,150)	C\$ 49.50
Outstanding at December 31, 2015	12,628,033	C\$ 52.37

During 2015 and 2014, the total cash consideration paid on options surrendered was \$24 (C\$32) and \$15 (C\$16), respectively. This amount represents the difference between the market value of the SVS at the time of surrender and the exercise price, both as determined under the Plan. The weighted average share price at the date of exercise was C\$77.31 per share (2014 - C\$62.92).

Options outstanding at December 31, 2015 consisted of the following:

Month and Year of Grant	Number of Options Outstanding	Exercise Price	Number of Options Exercisable	Hurdle Price	Remaining Life (years)
December 2006	85,000	C\$ 29.22	85,000	C\$ 36.53	0.9
December 2007	458,333	C\$ 35.20	441,665	C\$ 44.00	1.9
December 2008	451,860	C\$ 15.95	435,860	C\$ 19.94	2.9
December 2009	556,640	C\$ 23.35	532,640	C\$ 29.19	3.9
December 2010	455,650	C\$ 29.29	455,650	C\$ 36.62	4.9
July 2011	12,000	C\$ 37.37	-	C\$ 46.72	5.5
December 2011	478,400	C\$ 33.11	380,200	C\$ 41.39	5.9
September 2012	50,000	C\$ 38.50	30,000	C\$ 48.13	6.7
December 2012	863,950	C\$ 40.35	514,650	C\$ 50.44	6.9
December 2013	3,344,900	C\$ 56.92	1,059,900	C\$ 71.15	7.9
January 2014	3,950,000	C\$ 57.45	592,500	C\$ 71.82	8.1
September 2014	75,000	C\$ 62.93	15,000	C\$ 78.67	8.7
December 2014	881,300	C\$ 63.53	170,350	C\$ 79.42	8.9
January 2015	60,000	C\$ 68.57	-	C\$ 85.72	9.1
March 2015	10,000	C\$ 74.87	-	C\$ 93.59	9.2
September 2015	10,000	C\$ 79.79	-	C\$ 99.74	9.7
November 2015	885,000	C\$ 81.76	-	C\$ 102.20	9.9
Total	12,628,033		4,713,415		

18. NON-CONTROLLING INTERESTS

The Company's material non-controlling interests at December 31, 2015 and 2014 were associated with Celestica. There were no dividends paid by Celestica during 2015 or 2014. Summarized balance sheet information based on those amounts included in these consolidated financial statements for Celestica is as follows:

	Celestica	
As at December 31	2015	2014
Non-controlling interest	87%	89%
Current assets	\$ 2,124	\$ 2,104
Non-current assets	488	480
	2,612	2,584
Current liabilities	\$ 1,133	\$ 1,054
Non-current liabilities	388	134
	1,521	1,188
Net assets	\$ 1,091	\$ 1,396
Accumulated non-controlling interests	\$ 945	\$ 1,237

Financial information on the statements of earnings for Celestica (electronics manufacturing services segment) is presented in note 33. Summarized cash flows for Celestica are as follows:

	Celestica	
Year ended December 31	2015	2014
Cash flows from operating activities	\$ 196	\$ 242
Cash flows used for financing activities	(141)	(161)
Cash flows used for investing activities	(75)	(60)

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	2015	2014
Cost of inventory, raw materials and consumables used	\$ 8,550	\$ 7,753
Employee benefit expense ⁽¹⁾	5,453	4,819
Professional fees	795	414
Repairs, maintenance and utilities	570	500
Transportation	541	519
Operating lease payments	295	262
Provisions	196	141
Other expenses	1,149	907
Total cost of sales and operating expenses	\$ 17,549	\$ 15,315

(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	2015	2014
Interest on long-term debt of operating companies	\$ 819	\$ 571
Interest on obligations under finance leases of operating companies	3	2
Other interest expense of operating companies ⁽¹⁾	56	96
Total Interest Expense of Operating Companies	\$ 878	\$ 669

(1) Other includes debt prepayment expense of \$5 (2014 - \$69).

21. STOCK-BASED COMPENSATION EXPENSE

Year ended December 31	2015	2014
Parent company ^(a)	\$ 134	\$ 142
JELD-WEN	54	20
Celestica	38	28
USI	14	22
Other	20	16
Total stock-based compensation expense	\$ 260	\$ 228

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(k). 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, 2015 of C\$84.82 (2014 - C\$67.46), exercise price of the options, remaining life of each option issuance, volatility of each option issuance ranging from 18.90% to 19.68%, an average dividend yield of 0.43% and an average risk-free rate of 1.45%. 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 0.73% and an industry comparable historical volatility for each investment.

22. OTHER GAINS

Year ended December 31	2015	2014
Gain on sale of Tropicana Las Vegas ^(a)	\$ 102	\$ -
Gain on sale of Flushing Town Center ^(b)	60	-
Gain on the Onex Credit transaction ^(c)	38	-
Gain on sale of B.C. Sugar residual property ^(d)	36	-
Gain on sale of Mister Car Wash ^(e)	-	317
Other	3	-
Total other gains	\$ 239	\$ 317

a) In August 2015, Onex Partners III sold its entire investment in Tropicana Las Vegas for an enterprise value of \$360. Onex Partners III and certain limited partners received net proceeds of \$230, of which Onex' share was \$50. The Company recorded a pre-tax gain of \$102 based on the excess of the proceeds over the carrying value of the investment. Onex' share of the gain was \$22. The gain on sale was 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. No amounts were paid on account of the MIP for this transaction as the required investment return hurdle for Onex was not met. In addition, no carried interest was paid or received on this transaction. Until the realized cash loss on Tropicana Las Vegas is fully offset, the carried interest that would otherwise be distributed to Onex in respect of a future realization in the Onex Partners III Fund is expected to be reduced by \$7. The amount of carried interest ultimately received from the Onex Partners III Fund will be based on the overall performance of the Fund.

Tropicana Las Vegas did not represent a major line of business, and as a result, the 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 Tropicana Las Vegas were reduced for Tropicana Las Vegas' cash and cash equivalents of \$1 at the date of sale.

b) In July and December 2015, Onex Real Estate Partners sold substantially all of the retail space and adjoining parking structures of Flushing Town Center. Onex Real Estate Partners continues to develop the second phase of condominiums at the project. Onex Real Estate Partners received net proceeds of \$136, of which Onex' share was \$119. Included in the net proceeds is \$8 held in escrow expected to be received during the first half of 2016, of which Onex' share is \$7. Onex Real Estate Partners recorded a pre-tax gain of \$60 on the transaction, of which Onex' share was \$52.

The retail space and adjoining parking structures of Flushing Town Center did not represent a major line of business, and as a result, the operating results up to the date of disposition have not been presented as a discontinued operation. No amounts were paid on account of the MIP related to this transaction as the required performance targets have not been met at this time.

c) In January 2015, Onex acquired control of the Onex Credit asset management platform, as described in note 2(f). In connection with this transaction, Onex recorded a non-cash gain of \$38 during the first quarter of 2015.

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

e) 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 is \$8, which was received during 2015. 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. 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 management of Onex.

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.

23. OTHER EXPENSE (INCOME)

Year ended December 31	2015	2014
Losses on investments and long-term debt in CLOs and Onex Credit Funds ^(a)	\$ 195	\$ 65
Carried interest due to Onex and ONCAP management ^(b)	130	160
Transition, integration and other ^(c)	110	121
Transaction costs ^(d)	81	24
Decrease (increase) in value of other Onex Partners investments ^(e)	71	(46)
Restructuring ^(f)	64	49
Foreign exchange loss ^(g)	52	27
Income on equity-accounted investments	(61)	(22)
Change in fair value of contingent consideration ^(h)	(76)	(2)
Derivatives losses (gains) ⁽ⁱ⁾	(120)	16
Other ^(j)	(11)	(34)
Total other expense	\$ 435	\$ 358

a) Losses on investments in CLOs and Onex Credit Funds were primarily unrealized and driven by volatility in the leveraged loan market during 2015. Partially offsetting these losses were gains on the long-term debt in the CLOs.

b) 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 Limited Partners' Interests, as described in note 14. 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.

c) 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 2015 were primarily due to the integration of acquisitions completed by Survitec and USI. Transition, integration and other expenses for 2014 were primarily due to Carestream Health, Emerald Expositions and USI.

d) Transaction costs are incurred by Onex and its operating companies to complete business acquisitions, and typically include advisory, legal and other professional and consulting costs. Transaction costs for 2015 were primarily due to the acquisitions of Chatters, Jack's, Schumacher, SIG and Survitec, as described in note 2, in addition to acquisitions completed by the operating companies. Transaction costs for 2014 were primarily due to the acquisition of York, the investment in AIT and acquisitions completed by the operating companies.

e) Includes realized and unrealized (gains) losses on other Onex Partners investments in which Onex has no or limited remaining strategic or operating influence. During 2015, the other Onex Partners investments consisted of FLY Leasing Limited and Genesis Healthcare (since February 2015). During 2014, the Other Partners investments consisted of Allison Transmission (from June to September 2014), FLY Leasing Limited, Spirit AeroSystems (from June to August 2014) and Tomkins (from April 2014).

Year ended December 31	2015	2014
Genesis Healthcare ⁽ⁱ⁾	\$ 72	\$ -
FLY Leasing Limited	(1)	5
Tomkins ⁽ⁱⁱ⁾	-	(21)
Spirit AeroSystems ⁽ⁱⁱⁱ⁾	-	(29)
Allison Transmission ^(iv)	-	(1)
Total	\$ 71	\$ (46)

i) In February 2015, Skilled Healthcare Group combined with Genesis HealthCare, LLC, a leading U.S. operator of long-term care facilities, as described in note 6(c). As a result of the transaction, Onex no longer controls Skilled Healthcare Group due to the loss of the multiple voting rights, and the Company's investment in the combined company, Genesis Healthcare, is recorded in other long-term investments at fair value through earnings, with changes in fair value recorded in other income (expense).

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 income (expense) 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 and 2015, as described in note 8(a). Income recorded in other income (expense) 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 Partners I sold its controlling interest in Spirit AeroSystems, as described in note 6(e). 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 income (expense). In August 2014, under a secondary public offering of Spirit AeroSystems, Onex Partners I 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, 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 income (expense) 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.

iv) In June 2014, Onex Partners II sold shares of Allison Transmission in a secondary offering and share repurchase, as described in note 8(a). After completion of the secondary offering and share repurchase, Onex Partners II 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(a), with changes in fair value recorded in other income (expense).

In September 2014, Allison Transmission completed a secondary offering of 5.4 million shares of common stock. As part of the offering, Onex Partners II sold the remaining 2.7 million shares of common stock. Onex Partners II received net proceeds of \$82 for its 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 income (expense) 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.

f) Restructuring charges (recoveries) recorded at the operating companies were:

Year ended December 31	2015	2014
Celestica ⁱⁱ⁾	\$ 24	\$ (2)
JELD-WEN ⁱⁱⁱ⁾	17	31
USI ⁱⁱⁱ⁾	16	6
Carestream Health ^{iv)}	3	11
Other	4	3
Total restructuring charges	\$ 64	\$ 49

- i) Celestica's restructuring charges for 2015 primarily related to costs to consolidate certain sites and to reduce the workforce. During 2014, Celestica recorded a recovery of \$2 primarily due to a reversal of estimated contractual lease obligations.
- ii) JELD-WEN's restructuring charges for 2015 primarily related to the closure of a facility and personnel restructuring. The charges recorded by JELD-WEN in 2014 primarily related to severance costs and the modification of a management incentive plan.
- iii) USI's restructuring charges for 2015 and 2014 primarily related to severance and lease abandonment costs.
- iv) Carestream Health's restructuring charges for 2014 primarily related to the establishment of a central functions location for its European operations.

g) For the year ended December 31, 2015, foreign exchange loss was primarily due to losses recognized by SIG, Carestream Health and Survitec. For the year ended December 31, 2014, foreign exchange loss was primarily due to losses recognized by Carestream Health and JELD-WEN.

h) During 2015, a net recovery of \$76 (2014 – \$2) was recognized in relation to the estimated change in fair value of contingent consideration related to acquisitions completed by the Company. The fair value of contingent consideration liabilities is typically based on the estimated future financial performance of the acquired business. Financial targets used in the estimation process include certain defined financial targets and realized internal rates of return. The total estimated fair value of contingent consideration liabilities at December 31, 2015 was \$318 (December 31, 2014 – \$203). The increase in the total estimated fair value of contingent consideration liability at December 31, 2015 was primarily due to the contingent consideration associated with the acquisition of SIG, as described in note 2(b). At December 31, 2015, SIG had revised its estimate of the additional amount to €125 (\$136), resulting in a recovery of €50 (\$55) recognized in other income (expense).

i) Derivatives gains and losses for the year ended December 31, 2015 primarily relate to mark-to-market gains at SIG, which was acquired in March 2015. Derivatives gains and losses for the year ended December 31, 2014 primarily related to Meridian Aviation.

j) Other includes realized and unrealized gains (losses) on Onex Corporation investments in managed accounts and gains on the sale of tax losses, as described in note 30(p).

24. IMPAIRMENT OF GOODWILL, INTANGIBLE ASSETS AND LONG-LIVED ASSETS, NET

Year ended December 31	2015	2014
ResCare ^(a)	\$ 51	\$ -
Celestica ^(b)	12	41
Emerald Expositions ^(c)	6	15
CiCi's Pizza ^(d)	-	26
Flushing Town Center ^(e)	-	(42)
Other, net ^(f)	13	9
Total	\$ 82	\$ 49

a) Due to a decline in the recoverable amount of ResCare's Home-Care segment, measured in accordance with IAS 36, *Impairment of Assets*, ResCare recorded a non-cash goodwill and intangible asset impairment of \$51 during 2015. The impairment was calculated primarily on a fair value less costs to sell basis. The recoverable amount calculated was approximately \$140 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.

b) During 2015, Celestica recorded a non-cash impairment charge of \$12 to impair certain of its property, plant and equipment. During 2014, Celestica recorded a non-cash goodwill impairment charge related to its semiconductor business.

c) During 2015 and 2014, Emerald Expositions recorded non-cash impairment charges primarily related to certain trade names and customer relationships.

d) During 2014, CiCi's Pizza recorded a non-cash goodwill impairment charge primarily due to a decrease in projected future earnings and a reduction in the exit multiple due to market risks.

e) During 2014, Flushing Town Center recorded a non-cash recovery of an impairment charge associated with its retail space and parking structures. During 2015, Flushing Town Center sold substantially all of its retail space and parking structures, as described in note 22(b).

f) Other in 2015 includes net impairments related to JELD-WEN, sgsco and SIG. Other in 2014 includes net impairments related to JELD-WEN and sgsco.

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, 2015, significant estimates include the growth rate and discount rate, which ranged from 0% to 14.3% and 8.3% to 16.5% (2014 – 0.0% to 16.3% and 8.3% to 17.5%), respectively.

25. NET EARNINGS (LOSS) PER SUBORDINATE VOTING SHARE

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

Year ended December 31	2015	2014
Weighted average number of shares outstanding <i>(in millions)</i> :		
Basic	107	110
Diluted	107	110

26. SALE OF INTERESTS IN OPERATING COMPANY UNDER CONTINUING CONTROL

In March 2014, under a secondary public offering of Spirit AeroSystems, Onex Partners I 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 was 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 Partners I's 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. In August 2014, under a secondary public offering of Spirit AeroSystems, Onex Partners I sold the remaining shares of Spirit AeroSystems.

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	Loans and Receivables	Derivatives Used for Hedging	Total
	Recognized	Designated				
December 31, 2015						
Assets as per balance sheet						
Cash and cash equivalents	\$ -	\$ 2,313	\$ -	\$ -	\$ -	\$ 2,313
Short-term investments	203	-	3	-	-	206
Accounts receivable	-	-	-	2,933	-	2,933
Other current assets	18	196	-	239	39	492
Long-term investments	2,471	4,996	22	-	78	7,567
Other non-current assets	86	162	-	78	-	326
Financial assets held by discontinued operations	19	113	-	205	1	338
Total	\$ 2,797	\$ 7,780	\$ 25	\$ 3,455^(a)	\$ 118	\$ 14,175

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

	Fair Value through Net Earnings		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.

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, 2015					
Liabilities as per balance sheet					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 3,218	\$ 31	\$ 3,249
Provisions	316	-	40	-	356
Other current liabilities	69	-	259	32	360
Long-term debt ^(a)	-	4,870	13,503	-	18,373
Obligations under finance leases	-	-	57	-	57
Other non-current liabilities	547	4	50	33	634
Limited Partners' Interests	-	7,318	-	-	7,318
Financial liabilities held by discontinued operations	-	-	425	4	429
Total	\$ 932	\$ 12,192	\$ 17,552	\$ 100	\$ 30,776

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	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	\$ -	\$ -	\$ 2,872	\$ 18	\$ 2,890
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	-	5,176	-	-	5,176
Financial liabilities held by discontinued operations	-	-	477	-	477
Total	\$ 538	\$ 8,611	\$ 13,640	\$ 69	\$ 22,858

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

Long-term debt recorded at fair value through net earnings at December 31, 2015 of \$4,870 (2014 – \$3,431) has contractual amounts due on maturity of \$5,093 (2014 – \$3,535).

The gains (losses) recognized by the Company related to financial assets and liabilities were as follows:

Year ended December 31	2015		2014	
	Earnings (Loss)	Comprehensive Earnings (Loss) ⁽¹⁾	Earnings (Loss)	Comprehensive Earnings (Loss) ⁽¹⁾
Fair value through net earnings	\$ (774) ^(a)	\$ n/a	\$ (861) ^(a)	\$ n/a
Available-for-sale				
Fair value adjustments	n/a	1	n/a	-
Interest income	-	n/a	-	n/a
Impairments	-	n/a	-	n/a
Loans and receivables				
Provisions and other	(15)	n/a	(25)	n/a
Financial liabilities at amortized cost				
Interest expense of operating companies	(878)	n/a	(669)	n/a
Other	3	n/a	-	n/a
Derivatives used for hedging	(30)	(56)	(19)	(25)
Total gains (losses) recognized	\$ (1,694)	\$ (55)	\$ (1,574)	\$ (25)

(1) Amounts recognized in comprehensive earnings (loss) are presented gross of the income tax effect.

a) Primarily consists of a Limited Partners' Interests charge of \$856 (2014 – \$1,069), a carried interest charge of \$130 (2014 – \$160) and an increase in value of investments in joint ventures and associates at fair value of \$175 (2014 – \$412).

28. FAIR VALUE MEASUREMENTS

Fair values of financial instruments

The estimated fair values of financial instruments as at December 31, 2015 and December 31, 2014 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, 2015 was \$17,930 (December 31, 2014 – \$13,340) compared to a carrying value of \$18,054 (December 31, 2014 – \$13,282). 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 on the lowest level of input that is significant to the fair value measurement. Transfers between the three levels of the fair value hierarchy are recognized on the date of the event or change in circumstances that caused the transfer. There were no significant transfers between the three levels of the fair value hierarchy during 2015. The three levels of the fair value hierarchy are as follows:

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

The allocation of financial assets in the fair value hierarchy, excluding cash and cash equivalents, at December 31, 2015 was as follows:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through earnings				
Corporate loans held by CLOs and warehouse facilities	\$ -	\$ 4,992	\$ -	\$ 4,992
Investments in debt	-	1,846	1	1,847
Investments in equities	14	83	-	97
Investments in joint ventures and associates	-	-	733	733
Other	334	148	-	482
Available-for-sale financial assets				
Investments in equities	8	17	-	25
Total financial assets at fair value	\$ 356	\$ 7,086	\$ 734	\$ 8,176

The allocation of financial assets 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				
Corporate loans held by CLOs and warehouse facilities	\$ -	\$ 3,683	\$ -	\$ 3,683
Investments in debt	-	546	-	546
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

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The allocation of financial liabilities in the fair value hierarchy at December 31, 2015 was as follows:

	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through earnings				
Limited Partners' Interests for Onex Partners and ONCAP Funds	\$ -	\$ -	\$ 6,989	\$ 6,989
Limited Partners' Interests for Onex Credit Funds	-	-	329	329
Unrealized carried interest due to Onex and ONCAP management	-	-	331	331
Long-term debt of CLOs	-	-	4,870	4,870
Contingent consideration and other	12	158	435	605
Total financial liabilities at fair value	\$ 12	\$ 158	\$ 12,954	\$ 13,124

The allocation of financial liabilities 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 for Onex Partners and ONCAP Funds	\$ -	\$ -	\$ 5,176	\$ 5,176
Unrealized carried interest due to Onex and ONCAP management	-	-	204	204
Long-term debt of CLOs	-	-	3,431	3,431
Contingent consideration and other	12	8	318	338
Total financial liabilities at fair value	\$ 12	\$ 8	\$ 9,129	\$ 9,149

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 14), are as follows:

	Financial Assets at Fair Value through Net Earnings	Long-Term Debt of CLOs	Other Financial Liabilities at Fair Value through Net Earnings
Balance – December 31, 2013	\$ -	\$ 1,723	\$ 645
Change in fair value recognized in net earnings	-	(28)	177
Additions	-	1,736	2
Acquisition of subsidiaries	-	-	27
Settlements	-	-	(334)
Other	-	-	5
Balance – December 31, 2014	-	3,431	522
Change in fair value recognized in net earnings	(1)	(110)	56
Transfer to Level 3	4	-	-
Additions	50	1,857	-
Acquisition of subsidiaries	-	-	213
Settlements	(51)	(308)	(35)
Other	(1)	-	10
Balance – December 31, 2015	\$ 1	\$ 4,870	\$ 766
Unrealized change in fair value for assets and liabilities held at the end of the reporting period	\$ (1)	\$ (109)	\$ 56

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 income (expense); and (iv) Limited Partners' Interests charge.

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

The valuation of financial assets and liabilities measured at fair value with significant unobservable inputs (Level 3) is determined quarterly utilizing 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 measurement of the Limited Partners' Interests for the Onex Credit Funds is primarily driven by the underlying fair value of the investments in the Onex Credit Funds. The investment strategies of the Onex Credit Funds are focused on a variety of event-driven, long/short, stressed and distressed opportunities.

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

ment 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 income (expense) 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, with 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, 2015	Inputs at December 31, 2014
Market comparable companies	EBITDA multiple	6.5x-10.5x	6.5x-12.0x
Discounted cash flow	Weighted average cost of capital	11.1%-18.0%	11.9%-18.0%
	Exit multiple	6.5x-10.5x	4.3x-10.0x

In addition, the Company has an investment which is valued based on estimated sales proceeds at December 31, 2015 as well as an investment which is valued using market comparable transactions at December 31, 2015.

At December 31, 2014, the Company had two investments which were valued using market comparable transactions, one of which was sold during 2015.

Generally, EBITDA represents maintainable operating earnings, which considers adjustments including those for 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 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 CLOs. During 2015, the Company recorded a gain of \$110 (2014 – \$28) attributable to changes in the credit risk of the long-term debt in the 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 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 CLOs is included in note 8(c).

At December 31, 2015, Onex, the parent company, had \$588 of cash on hand and \$1,550 of near-cash items at market value. Cash and cash equivalents are held with financial institutions having a current Standard & Poor's rating of A-1+ or above. Near-cash items include short- and long-term investments managed by third-party investment managers, as described below, as well as \$351 invested in a segregated unlevered fund managed by Onex Credit. The short- and long-term investments have current Standard & Poor's ratings ranging from BBB to AAA. The portfolio concentration limits range from a maximum of 10% for BBB investments to 100% for AAA investments.

Accounts receivable are also subject to credit risk. At December 31, 2015, the aging of consolidated accounts receivable was as follows:

	Accounts Receivable
Current	\$ 2,162
1-30 days past due	406
31-60 days past due	125
>60 days past due	240
Total	\$ 2,933

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, to do so. 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 debt of 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, EURIBOR and the U.S. prime interest rate.

Foreign currency exchange rates

Onex' operating companies operate autonomously as self-sustaining companies. The functional currency of the majority 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. Additionally, where possible, Onex and its operating companies aim to reduce the exposure to foreign currency fluctuations through natural hedges by transacting in local currencies.

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

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, 2015, 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.

Onex, the parent company, has exposure to interest rate risk primarily through its short- and long-term investments managed by third-party investment managers. As interest rates change, the fair values of fixed income investments are inversely impacted. Investments with shorter durations are less impacted by changes in interest rates compared to investments with longer durations. At December 31, 2015, Onex' short- and long-term investments included \$1,002 of fixed income securities measured at fair value, which are subject to interest rate risk. These securities had an average duration of 1.5 years. Other factors, including general economic conditions and political conditions, may also affect the value of fixed income securities. These risks are monitored on an ongoing basis and the short- and long-term investments may be repositioned in response to changes in market conditions.

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, 2015, excluding CLOs, approximately 45% (2014 – 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.

Additionally, resin and aluminum are significant commodities used by SIG. The company generally purchases commodities at spot market prices and actively uses derivative instruments to hedge the exposure in relation to the cost of resin (and its components) and aluminum. Due to this approach, the company has been able to fix the prices one year forward for approximately 90% of its expected resin and aluminum purchases, which substantially minimizes the exposure to the price fluctuations of the commodities over that period.

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 and cash equivalents, near-cash investments, short- and long-term investments managed by third-party investment managers and the investments made in the operating businesses and Onex Credit. Onex also manages 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 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 generally does not 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 companies and each operating 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.

Beginning in the second quarter of 2015, Onex, the parent company, transferred a portion of its cash and cash equivalents to accounts managed by third-party investment managers in order to increase the return on this capital while maintaining appropriate liquidity. At December 31, 2015, the fair value of investments, including cash yet to be deployed, managed by third-party investment managers was \$1,199. The investments are managed in a mix of short-term and long-term portfolios. Short-term investments consist of liquid investments including money market instruments and commercial paper with original maturities of three months to one year. Long-term investments consist of securities that include money market instruments, federal and municipal debt instruments, corporate obligations and structured products with maturities of one year to five years. The investments are managed to maintain an overall weighted average duration of two years or less.

At December 31, 2015, Onex had access to \$2,845 of uncalled committed limited partners' capital for acquisitions through Onex Partners IV and C\$148 of uncalled committed limited partners' capital for acquisitions through ONCAP III.

The strategy for risk management of capital has not changed significantly since December 31, 2014.

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, 2015, the amounts potentially payable in respect of these guarantees totalled \$361.

In addition, in February 2016, Onex, the parent company, committed to investing \$75 in Incline Aviation Fund, an aircraft investment fund to be managed by BBAM and focused on investments in contractually leased commercial jet aircraft.

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, 2015 amounted to \$133, with the majority expected to be incurred between 2016 and 2017.

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, 2015, \$1,475 (2014 – \$1,475) has been invested of the \$1,655 of total capital committed. Onex has invested \$346 (2014 – \$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, 2015 was \$11 (2014 – \$11). There were no additional amounts invested by Onex management and Directors in Onex Partners I investments during 2015 or 2014.

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. In January 2015, with the approval of a majority in interest of the limited partners, the term of Onex Partners I was extended to February 4, 2016. In connection with this extension, the management fee was further reduced to 1% of net funded commitments relating to Onex Partners I's investment in ResCare. In January 2016, with the approval of a majority in interest of the limited partners, the term of Onex Partners I was further extended to February 4, 2017. As a result of this extension, management fees will no longer be earned for Onex Partners I as of February 4, 2016. 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, 2015, less than \$1 (2014 – \$57) was received by Onex as carried interest while Onex management received less than \$1 (2014 – \$85) with respect to the carried interest.

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, 2015, \$2,944 (2014 – \$2,944) has been invested of the \$3,450 of total capital committed. Onex has invested \$1,164 (2014 – \$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 investment by Onex management and Directors at December 31, 2015 was \$18 (2014 – \$18). There were no additional amounts invested by Onex management and Directors in Onex Partners II investments during 2015 and 2014.

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.

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. During 2015, no amounts were received as carried interest related to Onex Partners II. For the year ended December 31, 2014, \$60 was received by Onex as carried interest while Onex management received \$90 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, 2015, \$4,207 (2014 – \$4,207) has been invested, including capitalized costs, of which Onex' share was \$927 (2014 – \$927). Onex' commitment to Onex Partners III has been \$1,200 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, 2015 was \$141 (2014 – \$149). During 2015, there were no additional amounts invested by Onex management and Directors in Onex Partners III (2014 – additional investments of \$34).

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 on 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, 2015, \$1 (2014 – \$54) was received by Onex as carried interest while Onex management received \$1 (2014 – \$82) with respect to the carried interest.

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. Onex had a \$1,200 commitment for the period from the date of the first closing to June 2, 2015, and a \$1,700 commitment since June 3, 2015. As at December 31, 2015, \$1,736 (2014 – \$208) has been invested, including capitalized costs and \$54 of bridge financing, of which Onex' share was \$428 (2014 – \$46), including \$15 of bridge financing. 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, 2015, 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, 2015 was \$129 (2014 – \$16), including \$4 of bridge financing, of which \$113 (2014 – \$16) was invested in the year ended December 31, 2015.

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 on 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 for Onex management will vest equally over six years from August 2014. As at December 31, 2015 and 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, 2015, C\$483 (2014 – C\$483) has been invested of the C\$574 of total capital committed. Onex has invested C\$221 (2014 – 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, 2015 was C\$25 (2014 – C\$25). There were no additional amounts invested by management of Onex and ONCAP and Directors in ONCAP II investments during 2015 and 2014.

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 on 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, 2015, ONCAP management received \$2 (C\$2) (2014 – \$43 (C\$46)) 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, 2015, C\$552 (2014 – C\$369) has been invested of the C\$800 of total capital committed. Onex has invested C\$163 (2014 – C\$108) 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, 2015, management of Onex and ONCAP and Directors had committed 6% (2014 – 6%). The total amount invested at cost in ONCAP III's investments by management of Onex and ONCAP and Directors at December 31, 2015 was C\$52 (2014 – C\$35), of which C\$17 (2014 – C\$11) was invested in the year ended December 31, 2015.

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 on 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, 2015 and 2014, no amount had been received as carried interest related to ONCAP III.

j) In addition to the investments in Onex Partners and ONCAP Funds, the Onex management team may invest in strategies managed by Onex Credit. At December 31, 2015, investments at market held by the Onex management team in Onex Credit strategies were approximately \$275 (2014 – approximately \$240).

k) 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 2015, including amounts invested under the minimum investment requirement of the Onex Partners and ONCAP Funds to meet the 1.5% MIP requirement, was \$18 (2014 – \$13). Investment rights exercisable at the same price for 7.5% of the Company's interest in acquisitions were issued at the same time. Realizations under the MIP distributed in 2015 were \$4 (2014 – \$117).

In addition, management of ONCAP has an incentive program related to Onex' co-investment in ONCAP operating companies.

l) Members of management and the Board of Directors of the Company invested \$5 in 2015 (2014 – \$10) 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.

m) 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 SVS and/or management DSUs in the market until the management member owns one million Onex SVS and/or management DSUs. During 2015, Onex management reinvested C\$1 (2014 – C\$55) to acquire Onex SVS and/or management DSUs.

n) 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, 2015 was \$6 (2014 – \$25).

o) 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 2015, no fees (2014 – \$1) were received from non-consolidated operating companies and included with revenues in these consolidated financial statements.

p) Onex Credit earns management fees on other investors' capital invested in Onex Credit Funds and CLOs. Management fees earned on the capital invested by Onex, the parent company, are eliminated in the consolidated financial statements.

In addition, Onex Credit is entitled to incentive fees on other investors' capital invested in Onex Credit Funds and CLOs. Incentive fees range between 5% and 20%. Certain incentive fees (including incentive fees on CLOs) are subject to a hurdle or minimum preferred return to investors.

During the year ended December 31, 2015, gross management and incentive fees earned by the credit strategies segment, including management and incentive fees from Onex Credit Funds and CLOs consolidated by Onex, were \$34 and \$1, respectively. The management and incentive fees from Onex Credit Funds and CLOs consolidated by Onex, the parent company, were \$29 and \$1, respectively. Credit strategies segment revenues for 2015, net of management and incentive fees from Onex Credit Funds and CLOs consolidated by Onex, were \$5. The credit strategies segment did not record any revenues for the year ended December 31, 2014 as the Onex Credit Manager began to be consolidated in January 2015.

q) During 2015 and 2014, 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 2015 and 2014:

- In 2015, Onex received \$11 in cash for tax losses of \$109. The entire \$11 was recorded as a gain and included in other income (expense) in the consolidated statements of earnings.
- In 2014, Onex received \$9 in cash for tax losses of \$84. The entire \$9 was recorded as a gain and included in other income (expense) in the consolidated statements of earnings.

In addition, during 2014 Onex utilized certain tax losses associated with distributions of carried interest to management of Onex, for which Onex received cash of \$4.

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

In July 2014, Onex repurchased in a private transaction 1,000,000 of its SVS 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 C\$65.99 per SVS or a total cash cost of \$62 (C\$66), which represents a slight discount to the trading price of Onex shares at that date.

s) The Company's key management consists of the senior executives of Onex, ONCAP, Onex Credit 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	2015	2014
Short-term employee benefits and costs	\$ 137	\$ 169
Post-employment benefits	1	1
Other long-term benefits	1	-
Termination benefits	6	3
Share-based payments ⁽ⁱ⁾	113	377
Total	\$ 258	\$ 550

(i) Share-based payments include \$16 (2014 - \$13) paid on the exercise of Onex stock options (note 17), \$1 (2014 - \$231) of carried interest paid to Onex management and \$3 (2014 - \$103) of amounts paid under the MIP to management and Onex (note 30(k)). During 2015, Onex, the parent company, received carried interest of \$1 (2014 - \$171) (note 30(e)).

t) In January 2015, Onex acquired control of the Onex Credit asset management platform, which was previously jointly controlled with Onex Credit's chief executive officer, as described in note 2(f).

u) In July 2015, Celestica entered into an agreement of purchase and sale to sell certain of its real property to a special-purpose entity to be formed by a consortium of three real estate developers (the "Property Purchaser") for approximately \$99 (C\$137), exclusive of taxes and subject to adjustment. The proceeds to Celestica consist of a C\$15 deposit that was received upon execution of the agreement, C\$54 upon closing and C\$68 in the form of an interest-free, first-ranking mortgage having a term of two years from the closing date. The transaction is subject to various conditions, including municipal approvals, and is expected to close within approximately two years from the execution date of the purchase and sale agreement.

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

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 2015 for defined contribution pension plans and multi-employer plans were \$89 (2014 - \$55).

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 were in 2015, and the next required valuations will be in 2016. The Company estimates that in 2016 the minimum funding requirement for the defined benefit pension plans will be \$32.

In 2015, 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 \$137 (2014 - \$154). Included in the total was \$8 (2014 - \$11) 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	
	2015	2014	2015	2014	2015	2014
Accrued benefit obligations:						
Opening benefit obligations	\$ 430	\$ 1,573	\$ 781	\$ 677	\$ 74	\$ 142
Current service cost	8	2	12	14	2	2
Interest cost	18	20	26	28	3	3
Contributions by plan participants	4	3	-	-	-	-
Benefits paid	(46)	(23)	(25)	(26)	(3)	(4)
Actuarial (gain) loss from demographic assumptions	6	(7)	(15)	17	-	(1)
Actuarial (gain) loss from financial assumptions	(7)	67	(61)	118	(2)	9
Foreign currency exchange rate changes	(20)	(24)	(30)	(22)	(11)	(5)
Acquisition of operating companies	581	-	135	-	-	-
Transfer to discontinued operations	(93)	-	(111)	-	-	-
Disposition of operating companies	-	(1,027)	(12)	(3)	-	(73)
Plan amendments	(10)	(148)	(3)	(3)	-	-
Other	5	(6)	(1)	(19)	-	1
Closing benefit obligations	\$ 876	\$ 430	\$ 696	\$ 781	\$ 63	\$ 74
Plan assets:						
Opening plan assets	\$ 496	\$ 1,874	\$ 376	\$ 343	\$ 1	\$ 1
Interest income	21	22	14	16	-	-
Actual return on plan assets in excess of interest income	(11)	75	(18)	24	-	-
Contributions by employer	16	17	27	27	2	4
Contributions by plan participants	4	3	-	-	-	-
Benefits paid	(46)	(23)	(23)	(19)	(3)	(4)
Foreign currency exchange rate changes	(18)	(29)	(6)	(6)	-	-
Acquisition of operating companies	710	-	7	-	-	-
Transfer to discontinued operations	(94)	-	(5)	-	-	-
Disposition of operating companies	-	(1,279)	(5)	(2)	-	-
Settlements/curtailments	(11)	(154)	(2)	(5)	-	(1)
Other	(6)	(10)	(5)	(2)	-	1
Closing plan assets	\$ 1,061	\$ 496	\$ 360	\$ 376	\$ -	\$ 1

Asset Category	Percentage of Plan Assets	
	2015	2014
Quoted Market Prices:		
Equity investment funds	18%	19%
Debt investment funds	39%	37%
Other investment funds	1%	2%
Equity securities	12%	17%
Debt securities	11%	13%
Non-Quoted Market Prices:		
Equity investment funds	-	1%
Other investment funds	13%	3%
Real estate	1%	2%
Other	5%	6%
	100%	100%

Equity securities do not include direct investments in the shares of the Company or its subsidiaries, but may be invested indirectly as a result of the inclusion of the Company's and its subsidiaries' shares in certain market investment funds.

The funded status of the plans of the operating companies was as follows:

	Pension Plans in which Assets Exceed Accumulated Benefits		Pension Plans in which Accumulated Benefits Exceed Assets		Non-Pension Post-Retirement Benefits	
	2015	2014	2015	2014	2015	2014
As at December 31						
Deferred benefit amount:						
Plan assets, at fair value	\$ 1,061	\$ 496	\$ 360	\$ 376	\$ -	\$ 1
Accrued benefit obligation	(876)	(430)	(696)	(781)	(63)	(74)
Plan surplus (deficit)	185	66	(336)	(405)	(63)	(73)
Valuation allowance	(8)	(2)	-	-	-	-
Deferred benefit amount – asset (liability)	\$ 177	\$ 64	\$ (336)	\$ (405)	\$ (63)	\$ (73)

The deferred benefit asset of \$177 (2014 – \$64) is included in the Company's consolidated balance sheets within other non-current assets (note 9). The total deferred benefit liabilities of \$399 (2014 – \$478) are included in the Company's consolidated balance sheets within other non-current liabilities (note 15) and other current liabilities. Of the total deferred benefit liabilities, \$12 (2014 – \$18) 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	
	2015	2014	2015	2014
Accrued benefit obligation				
Weighted average discount rate ^(a)	0.5%–4.2%	1.0%–8.5%	0.7%–4.1%	0.1%–3.9%
Weighted average rate of compensation increase	1.4%–3.9%	0.5%–7.0%	2.0%–4.6%	2.0%–4.6%

(a) Weighted average discount rate includes inflation, where applicable to a benefit plan.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Assumed healthcare cost trend rates	2015	2014
Initial healthcare cost rate	6.2%	6.2%
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, 2015	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	\$ (78)	\$ 102	\$ (115)	\$ 139	\$ (8)	\$ 10
Rate of compensation increase	\$ 6	\$ (5)	\$ 23	\$ (21)	\$ 1	\$ (1)
Healthcare cost trend rate	n/a	n/a	n/a	n/a	\$ 8	\$ (6)

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)

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

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.

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 2015 (2014 – eight). As a result of transactions completed in 2015, SIG and sgsco are reported in the packaging products and services segment, which is a reportable segment. In addition, the results of operations of Sitel Worldwide, which were previously included in the customer care services segment, are presented in the other businesses segment as a discontinued operation. Comparative disclosures have been restated to reflect these changes.

The Company's reportable segments at December 31, 2015 consist of: electronics manufacturing services; healthcare imaging; health and human services; building products; insurance services; packaging products and 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 building products segment consists of JELD-WEN, one of the world's largest manufacturers of interior and exterior doors, windows and related products for use primarily in the residential and light commercial new construction and remodelling markets. 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 packaging products and services segment consists of SIG (since March 2015), a world-leading provider of aseptic carton packaging solutions for beverages and liquid food, and sgsco, a market leader in providing

marketing solutions, digital imaging and design-to-print graphic services to branded consumer products companies, retailers and the printers that service them. 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; BBAM, a manager of commercial jet aircraft; Emerald Expositions, a leading operator of business-to-business tradeshows in the United States; Jack's (since July 2015), a regional premium quick-service restaurant operator based in the United States; Meridian Aviation, an aircraft investment company established by Onex Partners III; Tomkins (sold in July 2014), a global manufacturer of belts and hoses for the industrial and automotive markets; Schumacher (since July 2015), a leading provider of emergency and hospital medicine physician practice management services; Survitec (since March 2015), a market-leading provider of mission-critical marine, defence and aerospace survival equipment; Tropicana Las Vegas (sold in August 2015), 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) and ONCAP III (Mavis Discount Tire since October 2014, ITG since June 2015 and Chatters since July 2015) and the parent company. In addition, the other segment includes KraussMaffei, Sitel Worldwide, Skilled Healthcare Group, The Warranty Group and Spirit AeroSystems, which have been presented as discontinued operations.

AIT (investment made in December 2014), Allison Transmission (sold in September 2014), BBAM, ITG (investment made in June 2015), Mavis Discount Tire (investment made in October 2014), 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 2015 and 2014, no customers represented more than 10% of the Company's consolidated revenues.

2015 Industry Segments

	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Building Products	Insurance Services	Packaging Products and Services	Credit Strategies	Other	Consolidated Total
Revenues	\$ 5,639	\$ 2,141	\$ 1,821	\$ 3,378	\$ 1,752	\$ 2,070	\$ 5	\$ 2,875	\$ 19,681
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(5,175)	(1,223)	(1,382)	(2,636)	-	(1,362)	-	(1,804)	(13,582)
Operating expenses	(206)	(578)	(320)	(476)	(1,381)	(239)	(50)	(717)	(3,967)
Interest income	1	2	-	2	-	2	249	8	264
Amortization of property, plant and equipment	(59)	(63)	(29)	(102)	(17)	(144)	-	(69)	(483)
Amortization of intangible assets and deferred charges	(9)	(100)	(15)	(12)	(194)	(128)	(5)	(121)	(584)
Interest expense of operating companies	(7)	(142)	(22)	(65)	(185)	(194)	(118)	(145)	(878)
Increase in value of investments in joint ventures and associates at fair value, net	-	-	-	-	-	-	-	175	175
Stock-based compensation expense	(38)	(5)	(1)	(54)	(17)	(2)	-	(143)	(260)
Other gains	-	-	-	-	-	-	38	201	239
Other income (expense)	(25)	(16)	(4)	(23)	(82)	107	(195)	(197)	(435)
Impairment of goodwill, intangible assets and long-lived assets, net	(12)	-	(51)	(10)	-	(3)	-	(6)	(82)
Limited Partners' Interests (charge) recovery	-	-	-	-	-	-	26	(882)	(856)
Earnings (loss) before income taxes and discontinued operations	109	16	(3)	2	(124)	107	(50)	(825)	(768)
Recovery of (provision for) income taxes	(42)	(46)	2	(3)	45	(38)	-	(34)	(116)
Earnings (loss) from continuing operations	67	(30)	(1)	(1)	(79)	69	(50)	(859)	(884)
Earnings from discontinued operations ^(a)	-	-	-	-	-	-	-	379	379
Net earnings (loss) for the year	\$ 67	\$ (30)	\$ (1)	\$ (1)	\$ (79)	\$ 69	\$ (50)	\$ (480)	\$ (505)
Total assets ^(b)	\$ 2,612	\$ 1,609	\$ 1,034	\$ 2,374	\$ 5,034	\$ 6,366	\$ 6,284	\$ 10,497	\$ 35,810
Long-term debt ^{(b)(c)}	\$ 261	\$ 1,999	\$ 525	\$ 1,257	\$ 2,866	\$ 3,487	\$ 4,899	\$ 2,760	\$ 18,054
Property, plant and equipment additions ^(b)	\$ 81	\$ 56	\$ 36	\$ 76	\$ 24	\$ 164	\$ -	\$ 359	\$ 796
Intangible assets with indefinite life ^(b)	\$ -	\$ 8	\$ 224	\$ 259	\$ 196	\$ 429	\$ -	\$ 727	\$ 1,843
Goodwill additions from acquisitions ^(b)	\$ -	\$ -	\$ 10	\$ 43	\$ 34	\$ 1,809	\$ 62	\$ 1,268	\$ 3,226
Goodwill ^(b)	\$ 19	\$ 327	\$ 282	\$ 138	\$ 2,246	\$ 2,102	\$ 62	\$ 2,501	\$ 7,677

Net earnings (loss) attributable to:

Equity holders of Onex Corporation	\$ 9	\$ (25)	\$ (1)	\$ (1)	\$ (71)	\$ 69	\$ (50)	\$ (503)	\$ (573)
Non-controlling interests	58	(5)	-	-	(8)	-	-	23	68
Net earnings (loss) for the year	\$ 67	\$ (30)	\$ (1)	\$ (1)	\$ (79)	\$ 69	\$ (50)	\$ (480)	\$ (505)

(a) Represents the after-tax results of KraussMaffei, Sitel Worldwide and Skilled Healthcare Group, as described in note 6.

(b) The other segment includes KraussMaffei, 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.

2014 Industry Segments

	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Building Products	Insurance Services	Packaging Products and Services	Credit Strategies	Other	Consolidated Total
Revenues	\$ 5,631	\$ 2,360	\$ 1,737	\$ 3,507	\$ 1,079	\$ 492	\$ -	\$ 2,074	\$ 16,880
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(5,158)	(1,369)	(1,307)	(2,840)	-	(317)	-	(1,172)	(12,163)
Operating expenses	(210)	(572)	(297)	(466)	(772)	(70)	(37)	(728)	(3,152)
Interest income	1	4	-	2	-	-	131	2	140
Amortization of property, plant and equipment	(58)	(67)	(24)	(111)	(9)	(14)	-	(73)	(356)
Amortization of intangible assets and deferred charges	(11)	(118)	(13)	(17)	(159)	(35)	-	(79)	(432)
Interest expense of operating companies	(4)	(148)	(47)	(123)	(133)	(41)	(69)	(104)	(669)
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)	(1)	-	(151)	(228)
Other gains	-	-	-	-	-	-	-	317	317
Other income (expense)	3	(5)	(7)	(37)	(98)	7	(56)	(165)	(358)
Recovery (impairment) of goodwill, intangible assets and long-lived assets, net	(41)	-	-	(6)	-	(3)	-	1	(49)
Limited Partners' Interests charge	-	-	-	-	-	-	-	(1,069)	(1,069)
Earnings (loss) before income taxes and discontinued operations	125	81	40	(111)	(114)	18	(31)	(735)	(727)
Recovery of (provision for) income taxes	(17)	(40)	(11)	(12)	38	(4)	-	(19)	(65)
Earnings (loss) from continuing operations	108	41	29	(123)	(76)	14	(31)	(754)	(792)
Earnings from discontinued operations ^(a)	-	-	-	-	-	-	-	951	951
Net earnings (loss) for the year	\$ 108	\$ 41	\$ 29	\$ (123)	\$ (76)	\$ 14	\$ (31)	\$ 197	\$ 159
Total assets ^(b)	\$ 2,584	\$ 1,803	\$ 1,110	\$ 2,351	\$ 5,088	\$ 1,037	\$ 4,373	\$ 10,590	\$ 28,936
Long-term debt ^{(b)(c)}	\$ -	\$ 2,115	\$ 455	\$ 804	\$ 2,644	\$ 568	\$ 3,431	\$ 3,265	\$ 13,282
Property, plant and equipment additions ^(b)	\$ 61	\$ 66	\$ 34	\$ 74	\$ 11	\$ 24	\$ -	\$ 283	\$ 553
Intangible assets with indefinite life ^(b)	\$ -	\$ 8	\$ 227	\$ 259	\$ 196	\$ 95	\$ -	\$ 695	\$ 1,480
Goodwill additions from acquisitions ^(b)	\$ -	\$ -	\$ 10	\$ -	\$ 919	\$ -	\$ -	\$ 239	\$ 1,168
Goodwill ^(b)	\$ 19	\$ 329	\$ 318	\$ 103	\$ 2,210	\$ 329	\$ -	\$ 1,620	\$ 4,928

Net earnings (loss) attributable to:

Equity holders of Onex Corporation	\$ 12	\$ 37	\$ 28	\$ (105)	\$ (68)	\$ 13	\$ (31)	\$ (1)	\$ (115)
Non-controlling interests	96	4	1	(18)	(8)	1	-	198	274
Net earnings (loss) for the year	\$ 108	\$ 41	\$ 29	\$ (123)	\$ (76)	\$ 14	\$ (31)	\$ 197	\$ 159

(a) Represents the after-tax results of KraussMaffei, Sitel Worldwide, Skilled Healthcare Group, Spirit AeroSystems and The Warranty Group, as described in note 6.

(b) The other segment includes KraussMaffei, Sitel Worldwide and Skilled Healthcare Group, which were 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

	2015					Total	2014					Total
	Canada	U.S.	Europe	Asia and Oceania	Other ⁽¹⁾		Canada	U.S.	Europe	Asia and Oceania	Other ⁽¹⁾	
Revenue ⁽²⁾	\$ 934	\$ 10,934	\$ 3,405	\$ 3,192	\$ 1,216	\$ 19,681	\$ 914	\$ 9,517	\$ 2,865	\$ 2,808	\$ 776	\$ 16,880
Property, plant and equipment ⁽³⁾	\$ 303	\$ 1,140	\$ 814	\$ 765	\$ 243	\$ 3,265	\$ 334	\$ 1,565	\$ 540	\$ 418	\$ 45	\$ 2,902
Intangible assets ⁽³⁾	\$ 257	\$ 4,533	\$ 1,445	\$ 221	\$ 72	\$ 6,528	\$ 282	\$ 4,279	\$ 467	\$ 34	\$ 7	\$ 5,069
Goodwill ⁽³⁾	\$ 199	\$ 5,473	\$ 1,420	\$ 517	\$ 68	\$ 7,677	\$ 212	\$ 4,285	\$ 311	\$ 96	\$ 24	\$ 4,928

(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. Revenues for 2014 are restated to reflect discontinued operations.

(3) Amounts for 2015 exclude KraussMaffei, which is a discontinued operation. Amounts for 2014 exclude Skilled Healthcare Group, which is a discontinued operation.

SHAREHOLDER INFORMATION

Year-End Closing Share Price

As at December 31 (<i>in Canadian dollars</i>)	2015	2014	2013	2012	2011
Toronto Stock Exchange	\$ 84.82	\$ 67.46	\$ 57.35	\$ 41.87	\$ 33.18

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, 2015 the indicated dividend rate for each Subordinate Voting Share was C\$0.25 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 12, 2016 at 10:00 a.m. (Eastern Daylight Time) at the Hockey Hall of Fame, 30 Yonge Street, Toronto, Ontario.

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