ONEX

Management's Discussion and Analysis and Financial Statements

First Quarter Ended March 31, 2017

ONEX AND ITS OPERATING BUSINESSES

Onex is a public company whose shares trade on the Toronto Stock Exchange under the symbol ONEX. Onex' businesses have assets of $46 billion, generate annual revenues of $31 billion and employ approximately 166,000 people worldwide. Onex operates from offices located in Toronto, New York, New Jersey and London.

ONEX

ONEX PARTNERS
- ResCare
- USI
- Genesis HealthCare
- BBAM Aircraft Leasing & Management
- Carestream
- Emerald Expositions
- JELD-WEN Windows & Doors
- York Risk Services Group
- sgsco
- AIT
- SIG
- survitecgroup
- Jack's
- Schumacher Clinical Partners
- WireCo WorldGroup
- Clarivate Analytics
- Save-A-Lot food stores
- Parkdean Resorts

ONCAP
- Englobe
- Hopkins
- Pinnacle Renewable Energy Group
- Davis-Standard
- Pure Canadian Gaming
- Bradshaw
- Ingersoll
- Mavis Discount Tire
- Tecta America Roofing Redefined
- Chatters Hair | Beauty | Salon

ONEX CREDIT
- Collateralized Loan Obligations
- Debt Opportunity Strategy
- Senior Credit Strategy
- Senior Floating Income Strategy

ONEX REAL ESTATE PARTNERS
- Flushing Town Center

DIRECT
- Celestica

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

ONCAP includes investments made through ONCAP II, III and IV.

Onex has entered into an agreement to sell its investment in USI. The transaction is expected to close during the second quarter of 2017 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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ONEX CORPORATION

Who We Are and What We Do

Onex is an investor first and foremost, with $6.4 billion of shareholder capital primarily invested in or committed to private equity and non-investment grade credit. We also manage $18.6 billion for fund investors around the world, including public and private pension plans, sovereign wealth funds, banks, insurance companies and family offices, that have chosen to invest alongside us.

With an experienced management team, significant financial resources and no debt at the parent company, Onex is well-positioned to continue building shareholder value through its investing and asset management activities.

Private Equity Investing

Founded in 1984, Onex is one of the oldest and most successful private equity firms. We acquire and build high-quality businesses in partnership with talented management teams. Onex invests through its two private equity platforms: Onex Partners for larger transactions and ONCAP for middle-market transactions.

We are focused on three primary investment strategies: (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.

We have built more than 90 operating businesses, completing about 570 acquisitions with a total value of $70 billion. Onex' private equity investing has generated a gross multiple of capital invested of 2.7 times since inception, resulting in a 28% gross IRR on realized, substantially realized and publicly traded investments.

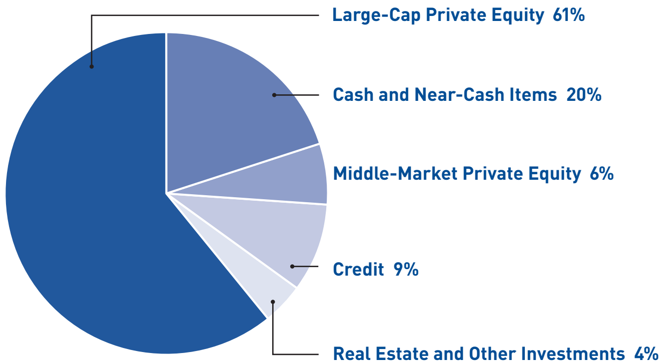
Credit Investing

Our credit platform is focused on a variety of credit-oriented investment strategies. We invest primarily in non-investment grade debt and practise value-oriented investing, employing a bottom-up, fundamental and structural analysis of the underlying borrowers. In credit, we seek to generate strong risk-adjusted and absolute returns across market cycles.

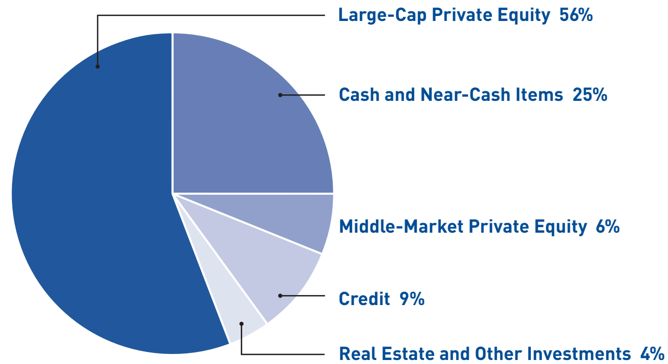
Onex Capital

At March 31, 2017, Onex' $6.4 billion of capital was primarily invested in or committed to its private equity and credit platforms.

Onex' $6.4 billion of Capital at March 31, 2017



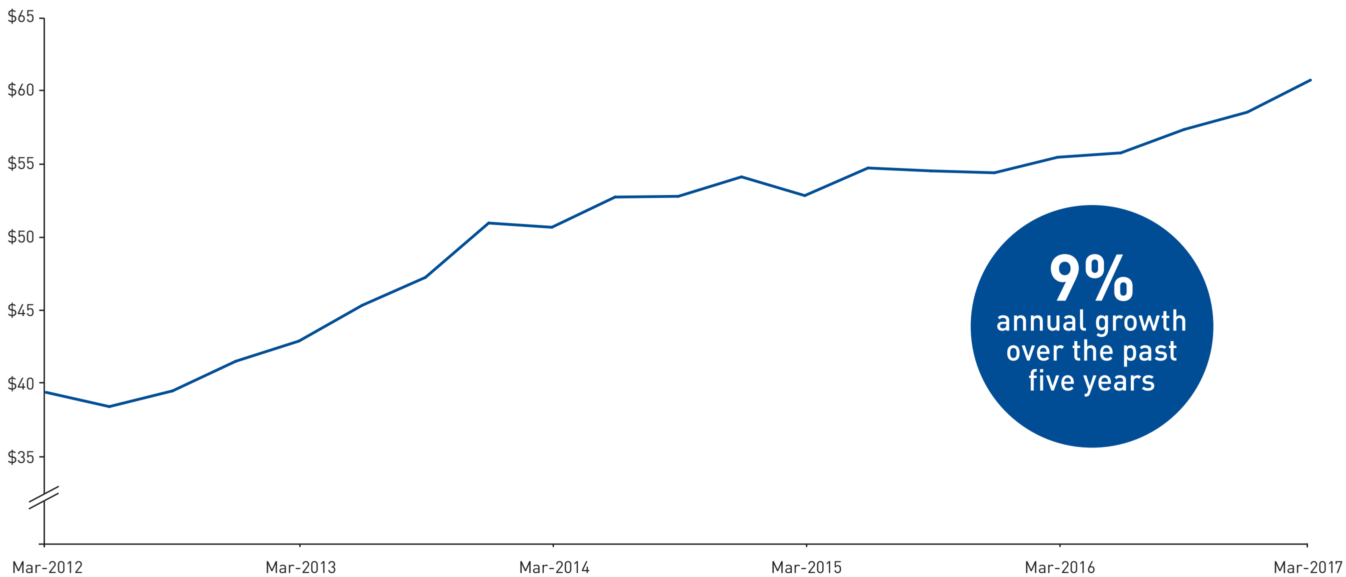
Onex' $6.3 billion of Capital at December 31, 2016



The How We Are Invested schedule details Onex' $6.4 billion of capital at March 31, 2017 (December 31, 2016 – $6.3 billion).

For the three months ended March 31, 2017, Onex capital per share increased by 4% (3% in Canadian dollars) and our share price increased by 5% (4% in Canadian dollars). For the 12 months ended March 31, 2017, Onex capital per share increased by 10% (13% in Canadian dollars) and our share price increased by 18% (21% in Canadian dollars). Over the past five years, Onex capital per share has increased by 9% per year (16% per year in Canadian dollars).

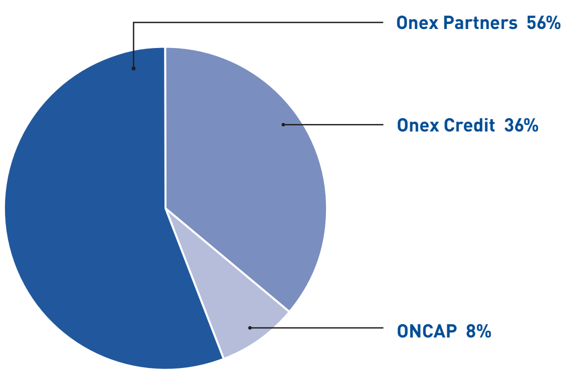
Onex Capital per Share (USD) (March 31, 2012 to March 31, 2017)



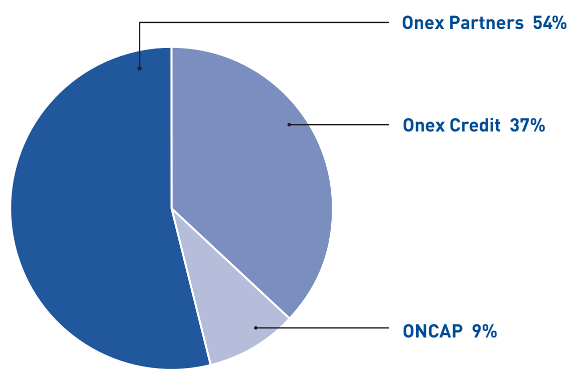
Fund Investor Capital

Onex manages $18.6 billion of invested and committed capital on behalf of investors from around the world.

Onex' $18.6 billion of Fund Investor Capital at March 31, 2017



Onex' $18.0 billion of Fund Investor Capital at December 31, 2016



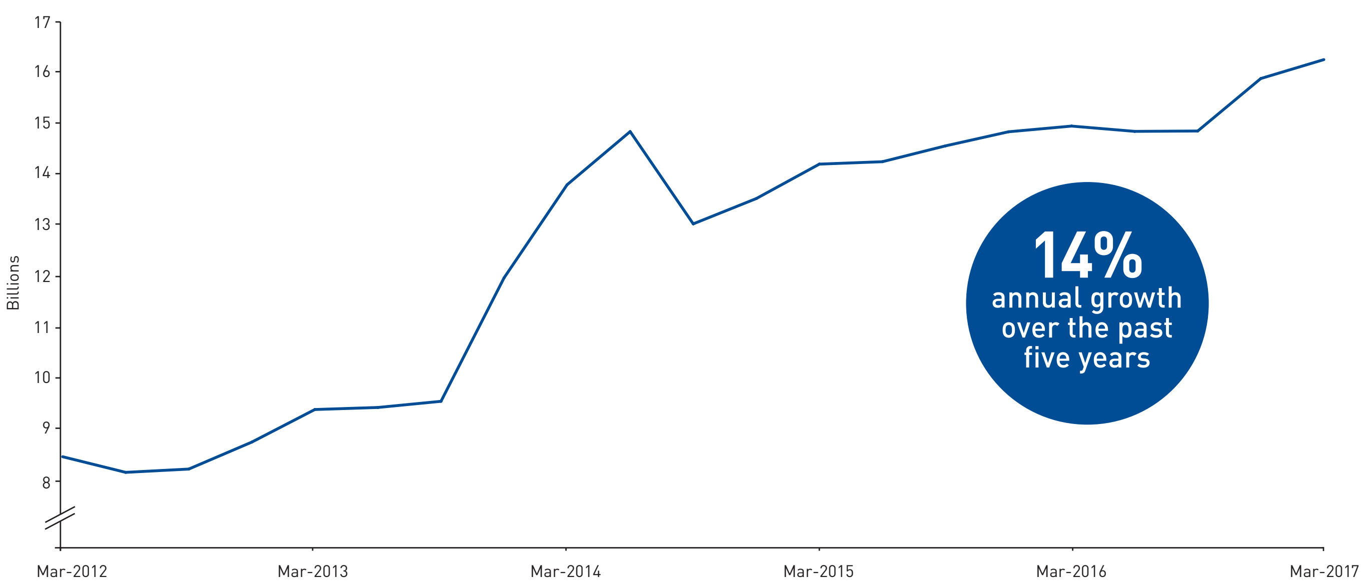
Fund investor capital includes capital managed on behalf of co-investors and the Onex management team.

Asset Management

Onex' management of fund investor capital provides two significant financial benefits: (i) a committed stream of annual management fees and (ii) the opportunity to share in fund investors' profits. Onex has run-rate management fees of $146 million for the next 12 months, consisting of $107 million from private equity and $39 million from credit. We expect our asset managers' net contribution will more than offset the cost of investing our shareholders' capital.

For the three and 12 months ended March 31, 2017, fee-generating capital under management grew by 2% and 9%, respectively, to $16.3 billion. The closing of ONCAP IV in November 2016 contributed approximately $600 million to the increase in fee-generating capital under management for the 12 months ended March 31, 2017. Onex also continued to raise fee-generating capital through Onex Credit's CLO platform during the 12 months ended March 31, 2017. Over the past five years, fee-generating capital under management has increased by 14% per year.

Fee-Generating Capital Under Management (USD) (March 31, 2012 to March 31, 2017)



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' $6.4 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 estimated fair values of the investments and allocates no value to future 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' unaudited interim consolidated financial statements prepared in accordance with IFRS for the three months ended March 31, 2017 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 unaudited interim consolidated financial statements has not been presented as it is impractical.

Onex Capital

As at	March 31, 2017	December 31, 2016
Private Equity		
Onex Partners		
Private Companies[1][2]	**$ 2,945**	$ 3,078
Public Companies[2][3]	**490**	15
Unrealized Carried Interest[4]	**228**	197
ONCAP[5]	**408**	402
Direct Investment – Public Company[3]	**261**	213
	4,332	3,905
Credit[6]	**575**	529
Real Estate	**201**	198
	776	727
Other Investments	**20**	32
Cash and Near-Cash[7][8]	**1,312**	1,586
Debt[9]	**–**	–
Onex Capital	**$ 6,440**	$ 6,250
Onex Capital per Share (U.S. dollars)[10][11]	**$ 60.77**	$ 58.56
Onex Capital per Share (Canadian dollars)[10][11]	**C$ 80.82**	C$ 78.63

(1) Based on the fair value of the investments in Onex Partners, net of the estimated Management Investment Plan ("MIP") liability on these investments of $68 million (December 31, 2016 – $77 million).

(2) In January 2017, JELD-WEN completed an initial public offering of 28.75 million shares of its common stock (NYSE: JELD), including an over-allotment option, priced at $23.00 per share. At December 31, 2016, JELD-WEN was included in the private companies of Onex Partners.

(3) Based on closing prices on March 31, 2017 and December 31, 2016 and net of the estimated MIP liability on these investments of $29 million (December 31, 2016 – nil).

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

(5) Based on the fair value of the investments in ONCAP net of the estimated management incentive programs on these investments of $18 million (December 31, 2016 – $18 million).

(6) Based on the market values of investments in Collateralized Loan Obligations (including warehouse facilities) of $427 million (December 31, 2016 – $384 million) and Onex Credit Funds of $148 million (December 31, 2016 – $145 million). Excludes $178 million (December 31, 2016 – $376 million) invested in an Onex Credit segregated unlevered senior secured loan strategy fund, which is included with cash and near-cash items. During the first quarter of 2017, Onex redeemed $200 million from the Onex Credit segregated senior secured loan strategy fund for cash management purposes.

(7) Includes $178 million (December 31, 2016 – $376 million) invested in an Onex Credit segregated unlevered senior secured loan strategy fund and $485 million (December 31, 2016 – $483 million) of investments managed by third-party investment managers. During the first quarter of 2017, Onex redeemed $200 million from the Onex Credit segregated senior secured loan strategy fund for cash management purposes.

(8) Includes $70 million (December 31, 2016 – $48 million) of management fees receivable from the limited partners of its private equity platforms.

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

(10) Calculated on a fully diluted basis. Fully diluted shares were 112.9 million at March 31, 2017 (December 31, 2016 – 114.0 million). Fully diluted shares include all outstanding SVS and outstanding stock options where Onex' share price exceeds the exercise price of the stock options.

(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 period 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 March 31, 2017	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	10.7	3.5	$ 2.64	$ 9
JELD-WEN[2]	38.8	15.5	$ 32.85	510
				519
Estimated Management Investment Plan Liability				(29)
				490
Direct Investments – Celestica[3]	–	18.0	$ 14.53	261
				$ 751

Subsequent Listing – As at April 30, 2017	Shares Subject to Carried Interest *(millions)*	Shares Held by Onex *(millions)*	Closing Price per Share	Market Value of Onex' Investment
Onex Partners – Emerald Expositions[4]	37.9	13.0	$ 19.50	$ 254
				$ 254

Significant Private Companies

As at March 31, 2017	Onex' and its Limited Partners' Economic Ownership	LTM EBITDA[5]	Net Debt	Cumulative Distributions	Onex' Economic Ownership	Original Cost of Onex' Investment
Onex Partners						
AIT	50%	n/a	n/a	$ 243[6]	11%	$ 45
BBAM[7]	50%	$ 109	$ (29)[8]	344	13%	49
Carestream Health	91%	325	1,866	1,311	33%[3]	186
Clarivate Analytics	72%	317	1,924	–	26%	419
Jack's	96%	58[9]	182	85[10]	28%	67
Meridian Aviation	100%	n/a	n/a	124	25%	19
Parkdean Resorts	91%	£ 110[11]	£ 800[11]	–	25%	166[12]
ResCare	98%	127	423	235	20%	41
Save-A-Lot	100%	193	693	–	28%	186
Schumacher	68%	113[13]	643	–	20%	93
sgsco	93%	113[13]	566	–	23%	66
SIG	99%	€ 460	€ 2,706	–	33%	405[14]
Survitec	79%	£ 65[13]	£ 382	–	18%	84[12]
WireCo	71%	95	612	–	20%	76
York	88%	109[13]	939	–	29%	173
						$ 2,075

(1) Closing prices on March 31, 2017.

(2) In January 2017, JELD-WEN completed an initial public offering. The Onex Partners III Group received approximately 69.3 million shares in exchange for its common and convertible preferred shares in JELD-WEN, and sold approximately 6.5 million shares in JELD-WEN in conjunction with the initial public offering, including the exercise of the over-allotment option. The Onex Partners III Group continues to hold 62.8 million shares of JELD-WEN for an economic and voting interest of 60%. Onex continues to hold 15.5 million shares for a 15% economic interest in JELD-WEN.

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

(4) In April 2017, Emerald Expositions completed an initial public offering. The Onex Partners III Group sold approximately 7.5 million shares in Emerald Expositions in conjunction with the initial public offering, including the exercise of the over-allotment option. The Onex Partners III Group continues to hold approximately 53.8 million shares of Emerald Expositions for an economic and voting interest of 75%. Onex continues to hold approximately 13.0 million shares for an 18% economic interest in Emerald Expositions.

(5) EBITDA is a non-GAAP measure and is based on the local accounting standards 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.

(6) Cumulative distributions for AIT include a purchase price adjustment of $4 million.

(7) 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 $7 million invested in FLY Leasing Limited.

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

(9) LTM EBITDA is presented on a pro-forma basis to reflect the annualized rent impact of sale-leaseback transactions completed during 2016 and the annualized impact of a new distribution customer.

(10) The table above includes Jack's April 2017 distribution of $85 million, of which Onex' share was $23 million. The distribution to investors in the Onex Partners IV Group was completed in May 2017.

(11) LTM EBITDA is presented on a pro-forma basis to reflect the impact of an acquired business and the annualized rent impact of sale-leaseback transactions completed at acquisition. Net debt excludes capital lease obligations related to long dated sale-leaseback transactions and includes a loan note of £75 million held by the Onex Partners IV Group.

(12) The investments in Parkdean Resorts and Survitec were made primarily in pounds sterling and converted to U.S. dollars using the effective exchange rate on the date of the investments.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The interim Management's Discussion and Analysis ("MD&A") provides a review of Onex Corporation's ("Onex") unaudited interim consolidated financial results for the three months ended March 31, 2017 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the unaudited interim consolidated statements of earnings, unaudited interim consolidated statements of comprehensive earnings, unaudited interim consolidated balance sheets and unaudited interim consolidated statements of cash flows of Onex. As such, this interim MD&A should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto included in this report. The interim MD&A and the unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") to provide information about Onex on a consolidated basis and should not be considered as providing sufficient information to make an investment or lending decision in regard to any particular Onex operating business. Onex' interim MD&A and unaudited interim consolidated financial statements are prepared in accordance with IFRS, the results of which may differ from the accounting principles applied by the operating businesses in their financial statements.

The following interim MD&A is the responsibility of management and is as of May 11, 2017. Preparation of the interim MD&A includes the review of the disclosures on each business by senior managers of that business and the review of the entire document by each officer of Onex and by the Onex Disclosure Committee. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit and Corporate Governance Committee, comprised exclusively of independent directors. The Audit and Corporate Governance Committee has reviewed and recommended approval of the interim MD&A by the Board of Directors. The Board of Directors has approved this disclosure.

The interim MD&A is presented in the following sections:

Onex Corporation's interim financial filings, including the 2017 First Quarter interim MD&A and Financial Statements, and Annual Report, Annual Information Form and Management Information Circular, are available on Onex' website, www.onex.com, and on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Forward-Looking/Safe Harbour Statements

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

References

References to the **Company** represent Onex Corporation. 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.

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.

Throughout the interim MD&A and unaudited interim consolidated financial statements, the following operating companies, joint ventures and associates, and their respective subsidiaries, will be referenced as follows:

- **"AIT"** – Advanced Integration Technology LP
- **"BBAM"** – BBAM Limited Partnership
- **"Bradshaw"** – Bradshaw International, Inc.
- **"Carestream Health"** – Carestream Health, Inc.
- **"Celestica"** – Celestica Inc.
- **"Chatters"** – Chatters Canada
- **"Cicis"** – CiCi's Holdings, Inc.
- **"Clarivate Analytics"** – formerly the Intellectual Property and Science business of Thomson Reuters
- **"Davis-Standard"** – Davis-Standard Holdings, Inc.
- **"Emerald Expositions"** – Emerald Expositions Events, Inc.
- **"EnGlobe"** – EnGlobe Corp.
- **"Flushing Town Center"** – Flushing Town Center
- **"FLY Leasing Limited"** – FLY Leasing Limited
- **"Genesis Healthcare"** – Genesis Healthcare, Inc.
- **"Hopkins"** – Hopkins Manufacturing Corporation
- **"Incline Aviation Fund"** – Incline Aviation Fund
- **"ITG"** – Ingersoll Tools Group
- **"Jack's"** – Jack's Family Restaurants
- **"JELD-WEN"** – JELD-WEN Holding, Inc.
- **"KraussMaffei"** – KraussMaffei Group GmbH
- **"Mavis Discount Tire"** – Mavis Tire Supply LLC
- **"Meridian Aviation"** – Meridian Aviation Partners Limited and affiliates
- **"ONCAP I"** – ONCAP I L.P.
- **"ONCAP II"** – ONCAP II L.P.
- **"ONCAP III"** – ONCAP III LP
- **"ONCAP IV"** – ONCAP IV LP
- **"Onex Partners I"** – Onex Partners LP
- **"Onex Partners II"** – Onex Partners II LP
- **"Onex Partners III"** – Onex Partners III LP
- **"Onex Partners IV"** – Onex Partners IV LP
- **"Parkdean Resorts"** – Parkdean Resorts
- **"Pinnacle Renewable Energy Group"** – Pinnacle Pellet, Inc.
- **"PURE Canadian Gaming"** – PURE Canadian Gaming Corp.
- **"ResCare"** – Res-Care, Inc.
- **"Save-A-Lot"** – Save-A-Lot
- **"Schumacher"** – Schumacher Clinical Partners
- **"sgsco"** – SGS International, LLC
- **"SIG"** – SIG Combibloc Group Holdings S.à r.l.
- **"Survitec"** – Survitec Group Limited
- **"Tecta"** – Tecta America Corporation
- **"USI"** – USI Insurance Services
- **"WireCo"** – WireCo WorldGroup
- **"York"** – York Risk Services Holding Corp.

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, insurance companies and family offices. Onex has generated a Gross MOC of 2.7 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 and absolute returns across market cycles.

Investment approach

Over more than three decades, we have developed a successful approach to investing. In our private equity platforms, 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 focus on non-investment grade debt. We practise value-oriented investing with bottom-up, fundamental and structural analysis. Stringent oversight of portfolio construction risk profile and liquidity management complements our approach to investment research. Our team maintains disciplined risk management, with a focus on capital preservation across all strategies.

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 145 years of investing experience and have worked at Onex for an average of 26 years. Onex' stability results from its ownership culture, rigorous recruiting standards and highly collegial environment.

Onex' 95 investment professionals are each dedicated to a separate investment platform: Onex Partners (55), ONCAP (20) and Onex Credit (20). These investment teams are supported by approximately 80 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 committed capital from its limited partners. At March 31, 2017, Onex had substantial financial resources available to support its investing strategy with:

- approximately $1.3 billion of cash and near-cash items and no debt at the parent company;
- $1.3 billion of limited partner uncalled capital available for future Onex Partners IV investments; and
- $688 million of limited partner uncalled capital available for future ONCAP IV investments.

Subsequent to March 31, 2017, Onex received $55 million consisting of $23 million from the distribution by Jack's and $32 million from the sale of shares in the initial public offering by Emerald Expositions.

Onex recently launched fundraising for Onex Partners V, targeting $6.5 billion in capital commitments, of which Onex will commit $2.0 billion.

Strong alignment of interests

Critical to our success is the strong alignment of interests between Onex' shareholders, our limited partners and the Onex management team. In addition to Onex being the largest limited partner in each private equity fund and having meaningful investments in our credit platform, the Company's distinctive ownership culture requires the management team to have a significant ownership in Onex shares and to invest meaningfully in each operating business acquired. At March 31, 2017, the Onex management team:

- was the largest shareholder in Onex, with a combined holding of approximately 16.6 million shares, or 16% of outstanding shares, and 0.7 million DSUs;
- had a total cash investment in Onex' current operating businesses of approximately $440 million; and
- had a total investment at market in Onex Credit strategies of approximately $280 million.

As well, the Onex management team is required to reinvest 25% of all Onex Partners carried interest and MIP distributions in Onex shares until they individually own at least one million shares and must hold these shares until retirement.

OUR OBJECTIVE: Onex' business objective is to create long-term value for shareholders and to have that value reflected in our share price. Our strategies to deliver this value are concentrated on (i) acquiring and building industry-leading businesses and (ii) managing and growing fund investor capital in our private equity and credit platforms. We believe Onex has the investment philosophy, human resources, financial resources and track record to continue to deliver on its objective. The discussion that follows outlines Onex' strategies and reviews how we performed relative to those strategies to date in 2017.

OUR STRATEGIES

Acquiring and building industry-leading businesses

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

One of Onex' long-term goals is to grow its capital per share by 15% per year. As of March 31, 2017, Onex' capital per share was $60.77 (C$80.82) (December 31, 2016 – $58.56 (C$78.63)). The following table outlines the increase in Onex' capital per share and the value of Onex' private equity investments as of March 31, 2017.

	Three months ending March 31, 2017	Twelve months ending March 31, 2017	Five years ending March 31, 2017[1]
Increase in value of Onex' private equity investments[2]	8%	14%	20%
Increase in capital per share in U.S. dollars[3]	4%	10%	9%
Increase in capital per share in Canadian dollars[3]	3%	13%	16%

(1) Represents the annualized percentage increase.

(2) Adjusted for realizations and distributions.

(3) Includes the impact of cash, credit investments and other investments.

Acquiring businesses

In March 2017, the Onex Partners IV Group acquired Parkdean Resorts, a leading operator of caravan holiday parks in the United Kingdom, for £1.35 billion. The Onex Partners IV Group invested $612 million (£500 million), comprised of $417 million from Onex Partners IV and $195 million as a co-investment from Onex and certain limited partners, for an economic interest of 91%. Onex' share of the investment was $166 million, comprised of $123 million through Onex Partners IV and $43 million as a co-investment, for an economic interest of 25%.

Today, we have approximately $1.4 billion of cash and near-cash items and $2.0 billion of limited partner uncalled capital to deploy for new investments. As we continue to evaluate investment opportunities, our focus remains on identifying investments that will deliver long-term growth for our shareholders and partners.

Building businesses

During the first quarter of 2017, four of our operating businesses completed five follow-on acquisitions for total consideration of $48 million. Our existing operating companies also collectively raised or refinanced a total of $1.3 billion of debt, in part due to strong credit markets during the period. In addition, our existing businesses paid down debt totalling approximately $510 million. The amount of debt refinanced and repaid during the period was primarily completed by JELD-WEN.

Realizing on value

The table below presents the significant proceeds received to date in 2017 from realizations and cash distributions primarily from private equity activity:

Company	Fund	Transaction	Period	Total Amount *($ millions)*	Onex' Share[1] *($ millions)*
JELD-WEN	Onex Partners III	Initial public offering	Jan '17	$ 140	$ 40
Emerald Expositions	Onex Partners III	Initial public offering	Apr '17	119	32
Jack's	Onex Partners IV	Distribution	Apr '17	81	23
BBAM	Onex Partners III	Distribution	Various	22	6
PURE Canadian Gaming	ONCAP II and III	Distribution	Jan '17	11	5
AIT	Onex Partners IV	Distribution	Mar '17	2	–[2]
Total				$ 375	$ 106

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

(2) Onex' share of the AIT distribution was less than $1 million.

In January 2017, JELD-WEN completed an initial public offering of 28.75 million shares of its common stock (NYSE: JELD), including the exercise of the over-allotment option. The offering was priced at $23.00 per share for gross proceeds of $661 million. As part of the offering, JELD-WEN issued approximately 22.3 million treasury shares. The net proceeds from treasury shares were used to repay $375 million of JELD-WEN's combined term loan with the balance for working capital and other general corporate purposes. The Onex Partners III Group sold approximately 6.5 million shares in the transaction for net proceeds of $140 million. Onex' portion of the net proceeds was $40 million, including $6 million of carried interest. Subsequent to the initial public offering, the Onex Partners III Group continues to hold 62.8 million shares of JELD-WEN for an economic and voting interest of 60%. Onex continues to hold 15.5 million shares for a 15% economic interest in JELD-WEN.

In April 2017, Emerald Expositions completed an initial public offering of approximately 17.8 million shares of its common stock (NYSE: EEX), including the exercise of the over-allotment option. The offering was priced at $17.00 per share for gross proceeds of $303 million. As part of the offering, Emerald Expositions issued approximately 10.3 million treasury shares. The net proceeds from the treasury shares were used to repay $159 million of Emerald Expositions' term loan, with the balance for working capital and other general corporate purposes. The Onex Partners III Group sold approximately 7.5 million shares in the transaction for net proceeds of $119 million. Onex' portion of the net proceeds was approximately $32 million, including $3 million of carried interest. Subsequent to the initial public offering, the Onex Partners III Group continues to hold approximately 53.8 million shares of Emerald Expositions for an economic and voting interest of 75%. Onex continues to hold approximately 13.0 million shares for an 18% economic interest in Emerald Expositions.

In April 2017, Jack's amended its existing credit facility to increase the size of its term loan to $275 million. The proceeds from the incremental borrowing, along with cash on hand, were used to fund a distribution of $85 million to shareholders. The share of the distribution for the Onex Partners IV Group was $81 million, of which Onex' share was $23 million.

During 2017, BBAM distributed $22 million to the Onex Partners III Group, of which Onex' share was $6 million. The distributions were funded by the company's free cash flow.

In January 2017, PURE Canadian Gaming distributed C$15 million to shareholders, which was primarily funded by the company's free cash flow generated during 2016. The ONCAP II and III Groups' portion of the distribution was C$15 million ($11 million), of which Onex' portion was C$6 million ($5 million).

In March 2017, the Onex Partners III Group entered into an agreement to sell USI for an enterprise value of approximately $4.3 billion. Under the terms of the agreement, the Onex Partners III Group will receive net proceeds of approximately $1.9 billion. Onex' portion will be approximately $563 million, including estimated carried interest of $65 million and net of the estimated MIP distribution. The transaction is expected to close during the second quarter of 2017 and is subject to customary closing conditions and regulatory approvals.

In April 2017, Carestream Health entered into an agreement to sell its Dental Digital business for an enterprise value of approximately $800 million. Net cash proceeds from the sale will be used to repay a portion of the company's term loan. The transaction is expected to close in the second half of 2017 and is subject to customary closing conditions and regulatory approvals.

Managing and growing fund investor capital

Onex' management of fund investor capital has grown significantly since 1999 when it raised its first ONCAP Fund for middle-market transactions. In 2003, the first Onex Partners Fund was raised for larger transactions. Over the years, Onex has raised $12.4 billion of limited partner capital through eight Onex Partners and ONCAP Funds. Onex recently launched fundraising for Onex Partners V, targeting $6.5 billion in capital commitments, of which Onex will commit $2.0 billion.

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

In 2012, Onex began investing capital in Onex Credit's CLO platform to support its growth. In 2014, Onex Credit established a presence in London to focus on the placement of European CLOs and in May 2017 closed its first euro-denominated CLO. To date, Onex Credit has closed 13 CLOs, with offerings of securities and loans totalling approximately $7.4 billion. At March 31, 2017, capital under management related to these CLOs was $6.3 billion.

Today, our credit business manages non-investment grade debt through several investment strategies comprising event-driven, long/short, long-only, par, stressed and distressed opportunities, including two closed-end funds listed on the Toronto Stock Exchange (TSX: OCS-UN and OSL-UN), as well as its CLO platform. Since inception, Onex Credit has raised $8.3 billion of fund investor capital through its various strategies and is focused on growing its other strategies through various product lines and distribution channels.

In April 2016, Onex Credit announced plans to launch a direct lending platform, which will focus on providing credit to middle-market and larger private equity and corporate borrowers predominantly in the United States and, selectively, in Canada and Europe. The strategy will invest the majority of its capital in senior secured loans of companies primarily in less cyclical and less capital-intensive industries, with a focus on capital preservation. This platform will employ a buy-and-hold approach to investing, with a goal of owning a diversified pool of investments. The direct lending platform is a natural extension of Onex Credit's business and will leverage the firm's infrastructure in and knowledge of the loan market. In addition, the platform will further contribute to Onex' objective of growing fee-generating assets under management.

The management of fund investor capital provides two significant benefits to Onex: (i) the Company earns management fees on $16.3 billion of fee-generating capital under management and (ii) Onex has the opportunity to share in the profits of its investors through carried interest and incentive fee participation. This enhances Onex' return from its investment activities. Onex earned a total of $135 million in management and transaction fees in 2016 (2015 – $141 million), and today has run-rate management fees of $146 million for the next 12 months. Onex expects future management fees and carried interest will offset ongoing operating expenses.

Our private equity funds contribute $107 million to the run-rate management fees for the next 12 months. Onex does not earn any management fees on the $5.2 billion of capital it has invested or committed to its private equity funds.

Onex Credit contributes $39 million to the run-rate management fees for the next 12 months, which includes $2 million of management fees earned on Onex' capital invested in Onex Credit Funds.

At March 31, 2017, Onex' share of the unrealized carried interest on Onex Partners' operating businesses based on their fair values was $228 million compared to $197 million at December 31, 2016. Unrealized carried interest at March 31, 2017 includes the estimated $65 million of carried interest to be received upon the completion of the sale of USI. The actual amount of carried interest realized by Onex will depend on the ultimate performance of each fund.

At March 31, 2017, Onex managed $18.6 billion of fund investor capital, in addition to $6.4 billion of Onex capital.

Fund Investor Capital Under Management[1]

(Unaudited) ($ millions)	Total			Fee-Generating		Uncalled Commitments	
	March 31, 2017[2]	December 31, 2016[2]	Change in Total	March 31, 2017	December 31, 2016	March 31, 2017[2]	December 31, 2016[2]
Funds							
Onex Partners	$ 10,324	$ 9,798	5%	$ 8,282	$ 7,943	$ 1,599	$ 2,011
ONCAP[3]	1,565	1,548	1%	1,308	1,304	746	740
Onex Credit	6,663	6,637	–	6,663	6,637	n/a	n/a
Total	$ 18,552	$ 17,983	3%	$ 16,253	$ 15,884	$ 2,345	$ 2,751

(1) Invested amounts included in fund investor capital under management are presented at fair value.

(2) Uncalled commitments include capital available for future Onex-sponsored acquisitions and possible future funding of remaining businesses. Includes committed amounts from the Onex management team and directors based on the assumption that all of the remaining limited partners' commitments are invested. Uncalled commitments at March 31, 2017 are reduced for management fees receivable of $70 million (December 31, 2016 – $48 million), which are included in Onex capital.

(3) Capital under management for ONCAP II and III is in Canadian dollars and has been converted to U.S. dollars using the exchange rate on March 31, 2017 and December 31, 2016.

Growth in fund investor capital under management

The amount of fund investor capital under management will fluctuate as new capital is raised and existing investments are realized. One of Onex' long-term goals is to grow its fee-generating capital by 10% per year. During the first three months of 2017, fee-generating capital under management grew by 2%. For the 12 months ended March 31, 2017, fee-generating capital under management increased by 9% primarily due to our success in raising ONCAP IV and two CLO issuances. Over the past five years, fee-generating capital under management has increased by 14% per year.

Performance

Private equity

The ability to raise new capital commitments is primarily dependent on the general fundraising environment and Onex' historical track record achieved with the investment and management of prior funds. The following table summarizes the performance of the Onex Partners and ONCAP Funds from inception through March 31, 2017.

		Performance Returns[1]			
	Vintage	Gross IRR	Net IRR[2]	Gross MOC	Net MOC[2]
Funds					
Onex Partners I	2003	55%	38%	3.9x	3.0x
Onex Partners II	2006	17%	14%	2.3x	1.9x
Onex Partners III	2009	22%	15%	2.2x	1.9x
Onex Partners IV	2014	11%	1%	1.1x	1.0x
ONCAP I[3][4]	1999	43%	33%	4.1x	3.1x
ONCAP II[3]	2006	30%	21%	3.8x	2.6x
ONCAP III[3]	2011	24%	16%	2.0x	1.6x
ONCAP IV[5]	2016	–	–	1.0x	0.8x

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

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

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

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

(5) Performance reflects the short operating period of ONCAP IV. Cash outflows occurred in December 2016 to fund the first investment made by the Fund. The Gross IRR and Net IRR are not presented as they are not meaningful due to the short operating period of ONCAP IV.

Credit

As of March 31, 2017, Onex had a net investment of $427 million in CLOs after dispositions and distributions, including $99 million for two warehouse facilities.

Onex primarily invests in the equity tranches of CLOs. Market pricing for CLO equity is more volatile than the underlying leveraged loan market due to the leverage employed in a CLO and the relative illiquidity of CLO equity. CLO equity pricing may also be affected by changes in fixed income market sentiment and investors' general appetite for risk. All of Onex' CLOs remain onside their various coverage tests, and Onex received $15 million of distributions from its CLO investments during the first three months of the year. Onex' investments in CLOs generated no income during the first quarter of 2017 after adjusting for the impacts of distributions and the change in market values. Onex remains a long-term investor in its CLO investments.

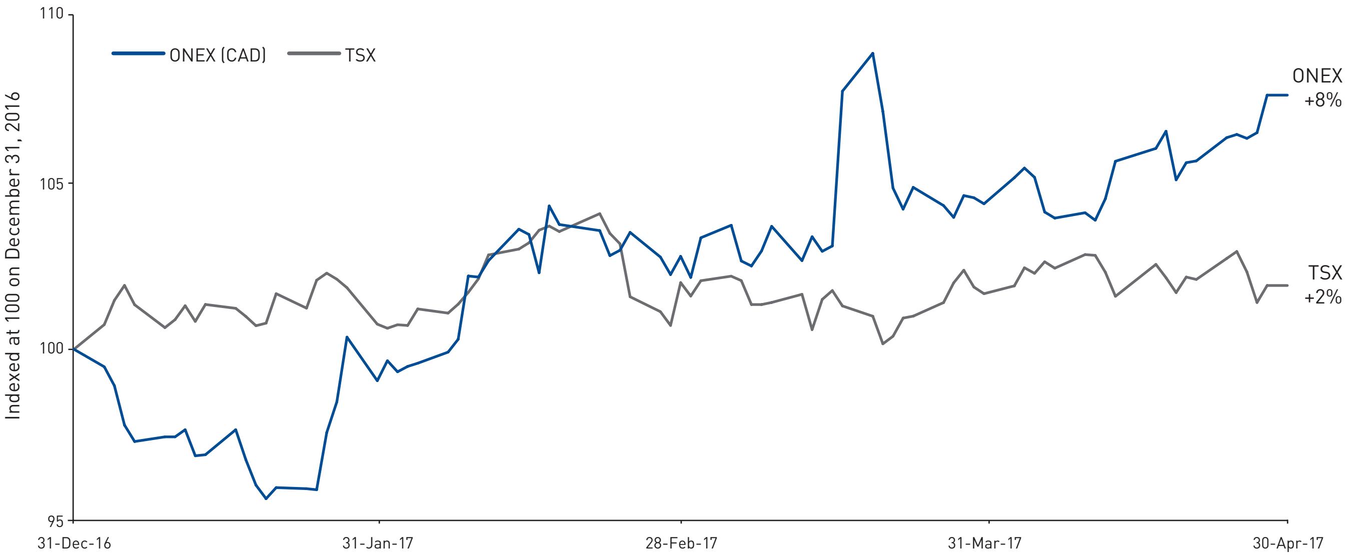
Share price

Our goal is to have the value of our investing and asset management activities reflected in our share price. These efforts are supported by a long-standing quarterly dividend and an active stock buyback program. In May 2017, Onex increased its quarterly dividend by 9% to C$0.075 per SVS beginning in July 2017. This increase follows similar increases in the previous four years and reflects Onex' success and ongoing commitment to its shareholders. Year-to-date through April 30, 2017, $10 million was returned to shareholders through dividends and Onex repurchased 818,048 SVS at a total cost of $58 million (C$78 million), or an average purchase price of $71.22 (C$94.97) per share.

At April 30, 2017, Onex' SVS closed at C$98.49, an 8% increase from December 31, 2016. This compares to a 2% increase in the S&P/TSX Composite Index ("TSX").

The chart below shows the performance of Onex' SVS during the first four months of 2017 relative to the TSX.

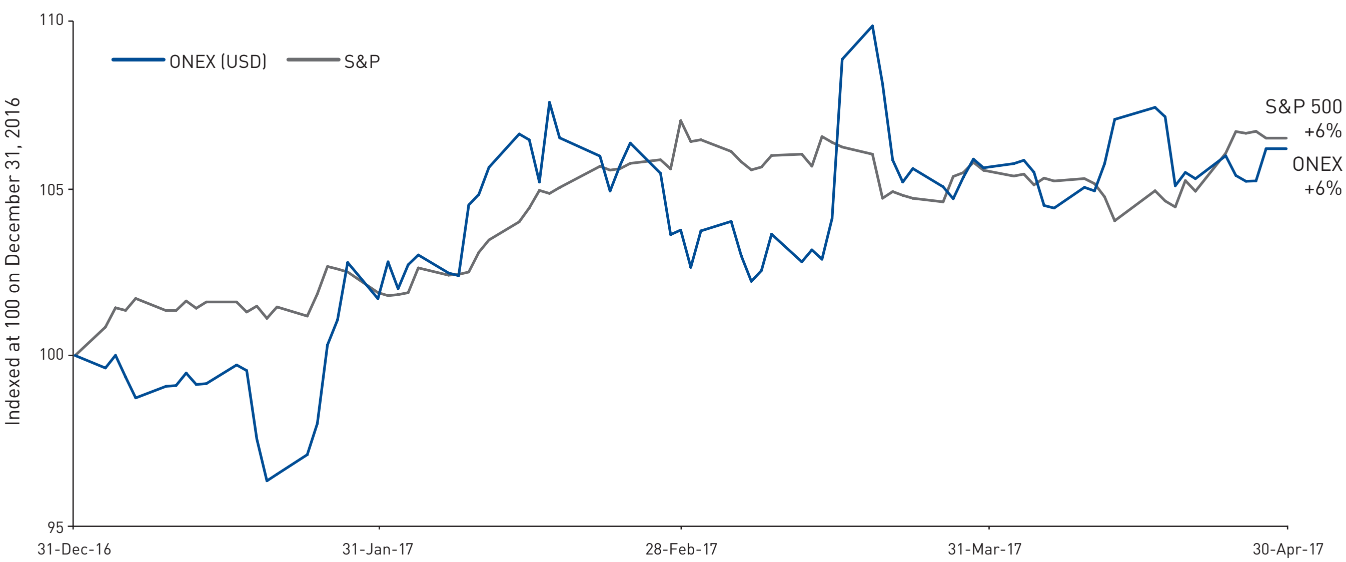
Onex Relative Performance (CAD) (December 31, 2016 to April 30, 2017)



As a substantial portion of Onex' investments are denominated in U.S. dollars, Onex' Canadian dollar share price will also be impacted by the change in the exchange rate between the U.S. dollar and Canadian dollar. During the four months ended April 30, 2017, the value of Onex' SVS increased by 6% in U.S. dollars compared to a 6% increase in the Standard & Poor's 500 Index ("S&P 500").

The chart below shows the performance of Onex' SVS in U.S. dollars during the first four months of 2017 relative to the S&P 500.

Onex Relative Performance (USD) (December 31, 2016 to April 30, 2017)



INDUSTRY SEGMENTS

At March 31, 2017, Onex had 10 reportable industry segments. In March 2017, the Onex Partners IV Group completed the acquisition of Parkdean Resorts, the results of which have been presented in the other businesses industry segment. In March 2017, Onex entered into an agreement to sell USI. The results of USI, which were previously included in the insurance services segment, are presented in the other business segment as a discontinued operation. Comparative disclosures have been restated to reflect this change. A description of our operating businesses by industry segment, and the economic and voting ownerships of Onex, the parent company, and its limited partners in those businesses, is presented below and in the pages that follow. The information by segment is presented in the chronological order in which the operating segments became reportable. We manage our businesses and measure performance based on each operating business' 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: 18.0 million[a]**	13%[a]	13%[a]/79%
Healthcare Imaging	**Carestream Health, Inc.,** a global provider of medical and dental imaging and healthcare information technology solutions (www.carestream.com). **Total Onex Partners II Group 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 Partners I and Onex Partners III Groups 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.[b]** (NYSE: JELD), 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). **Onex shares held: 15.5 million** **Onex Partners III shares subject to a carried interest: 38.8 million**	60%	15%/60%
Insurance Services	**York Risk Services Holding Corp.,** an integrated provider of insurance solutions to property, casualty and workers' compensation specialty markets in the United States (www.yorkrsg.com). **Total Onex Partners III Group investment at original cost: $521 million** **Onex portion at cost: $173 million** **Onex Partners III portion subject to a carried interest: $279 million**	88%	29%/100%

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

(b) In January 2017, JELD-WEN completed an initial public offering, as described on page 22 of this interim MD&A.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Packaging Products and Services	**SGS International, LLC,** a global leader in providing fully integrated marketing solutions, digital imaging and design-to-print graphic services to branded consumer products companies, retailers and the printers that service them (www.sgsco.com). **Total Onex Partners III Group investment at original cost: $260 million** **Onex portion at cost: $66 million** **Onex Partners III portion subject to a carried interest: $183 million**	93%	23%/93%
	SIG Combibloc Group Holdings S.à r.l., a world-leading provider of aseptic carton packaging solutions for beverages and liquid food (www.sig.biz). **Total Onex Partners IV Group investment at original cost: $1,215 million** **Onex portion at cost: $405 million** **Onex Partners IV portion subject to a carried interest: $406 million**	99%	33%/95%
Business and Information Services	**Clarivate Analytics,** owner and operator of a collection of leading subscription-based businesses focused on scientific and academic research, patent analytics and regulatory standards, pharmaceutical and biotech intelligence, trademark protection, domain brand protection and intellectual property management (www.clarivate.com). **Total Onex Partners IV Group investment at original cost: $1,177 million** **Onex portion at cost: $419 million** **Onex Partners IV portion subject to a carried interest: $444 million**	72%	26%/72%
	Emerald Expositions Events, Inc. (NYSE: EEX), a leading operator of business-to-business tradeshows in the United States (www.emeraldexpositions.com). **Total Onex Partners III Group investment at original cost: $490 million** **Onex portion at cost: $119 million** **Onex Partners III portion subject to a carried interest: $345 million**	99%[a]	24%[a]/99%[a]
Food Retail and Restaurants	**Jack's Family Restaurants,** a regional premium quick-service restaurant operator based in the United States (www.eatatjacks.com). **Total Onex Partners IV Group investment at original cost: $234 million** **Onex portion at cost: $67 million** **Onex Partners IV portion subject to a carried interest: $148 million**	96%	28%/100%
	Save-A-Lot, one of the largest hard-discount grocery retailers for value-seeking shoppers in the United States (www.save-a-lot.com). **Total Onex Partners IV Group investment at original cost: $660 million** **Onex portion at cost: $186 million** **Onex Partners IV portion subject to a carried interest: $418 million**	100%	28%/100%

(a) In April 2017, Emerald Expositions completed an initial public offering, as described on page 23 of this interim MD&A. Subsequent to the initial public offering, the Onex Partners III Group continues to hold approximately 53.8 million shares of Emerald Expositions for an economic and voting interest of 75%. Onex continues to hold approximately 13.0 million shares for an 18% economic interest in Emerald Expositions.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Credit Strategies	**Credit Strategies,** a platform that is comprised of:		
	Onex Credit Manager specializes in managing credit-related investments, including event-driven, long/short, long-only, par, stressed, distressed and market dislocation strategies.	100%	100%/(a)
	Onex Credit Collateralized Loan Obligations, leveraged structured vehicles that hold a widely diversified collateral asset portfolio funded through the issuance of long-term debt in a series of rated tranches of secured notes and equity.		
	Total Onex investment in collateralized loan obligations, including the warehouse facilities for CLO-13 and EURO CLO-1, at market value: $427 million		
	Onex Credit Funds, investment funds providing unit holders with exposure to the performance of actively managed, diversified portfolios.		
	Onex investment in Onex Credit Funds at market: $326 million, of which $178 million is invested in a segregated unlevered senior secured loan portfolio that purchases assets with greater liquidity and $148 million is invested in other Onex Credit Funds.		
	During the first quarter of 2017, Onex redeemed $200 million from the segregated unlevered senior secured loan portfolio.		
Other Businesses			
• *Aerospace Automation, Tooling and Components*	**Advanced Integration Technology LP,** a leading provider of automation, factory integration and tooling dedicated to the global aerospace, defence and space launch industries (www.aint.com).	50%	11%/50%[b]
	Total Onex Partners IV Group investment at original cost: $204 million **Onex portion at cost: $45 million** **Onex Partners IV portion subject to a carried interest: $142 million**		
• *Aircraft Leasing & Management*	**Aircraft Leasing & Management,** a global platform dedicated to leasing and managing commercial jet aircraft. The platform is comprised of:		
	BBAM Limited Partnership, one of the world's leading managers of commercial jet aircraft (www.bbam.com).	50%	13%/50%[b]
	Total Onex Partners III Group investment at original cost: $193 million **Onex portion at cost: $49 million** **Onex Partners III portion subject to a carried interest: $135 million**		
	Included with the investment in BBAM Limited Partnership is an investment of $28 million made concurrently in FLY Leasing Limited (NYSE: FLY) by the Onex Partners III Group, of which Onex' share was $7 million.		
	Meridian Aviation Partners Limited and affiliates, an aircraft investment company managed by BBAM and established by the Onex Partners III Group.	100%	25%/100%
	Total Onex Partners III Group investment at original cost: $77 million **Onex portion at cost: $19 million** **Onex Partners III portion subject to a carried interest: $54 million**		

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

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

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Other Businesses (cont'd)			
• *Holiday Parks*	**Parkdean Resorts,** a leading operator of caravan holiday parks in the United Kingdom (www.parkdeanresorts.co.uk). **Total Onex Partners IV Group investment at original cost: $612 million[a][b]** **Onex portion at cost: $166 million[a][b]** **Onex Partners IV portion subject to a carried interest: $234 million[a][b]**	91%	25%/80%
• *Hospital Management Services*	**Schumacher Clinical Partners,** a leading U.S. provider of emergency and hospital medicine physician practice management services (www.schumacherclinical.com). **Total Onex Partners IV Group investment at original cost: $323 million** **Onex portion at cost: $93 million** **Onex Partners IV portion subject to a carried interest: $205 million**	68%	20%/68%
• *Survival Equipment*	**Survitec Group Limited,** a market-leading provider of mission-critical marine, defence and aerospace survival equipment (www.survitecgroup.com). **Total Onex Partners IV Group investment at original cost: $371 million[a]** **Onex portion at cost: $84 million[a]** **Onex Partners IV portion subject to a carried interest: $258 million[a]**	79%	18%/68%
• *Industrial Products*	**WireCo WorldGroup,** a leading global manufacturer of mission-critical steel wire rope, synthetic rope, specialty wire and engineered products (www.wirecoworldgroup.com). **Total Onex Partners IV Group investment at original cost: $270 million** **Onex portion at cost: $76 million** **Onex Partners IV portion subject to a carried interest: $171 million**	71%	20%/71%
• *Healthcare*	**Genesis Healthcare, Inc.** (NYSE: GEN), a leading provider of integrated long-term healthcare services in the United States (www.genesishcc.com). **Onex shares held: 3.5 million** **Onex Partners I shares subject to a carried interest: 10.7 million**	10%	2%/10%
• *Insurance Services (Discontinued Operation)*	**USI Insurance Services[c],** a leading U.S. provider of insurance brokerage services (www.usi.com). **Total Onex Partners III Group investment at original cost: $610 million** **Onex portion at cost: $170 million** **Onex Partners III portion subject to a carried interest: $358 million**	89%	25%/100%

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

(b) The investment in Parkdean Resorts consists of equity of $520 million (£425 million) and a loan note of $92 million (£75 million), of which Onex' share is $141 million and $25 million, respectively.

(c) In March 2017, Onex entered into an agreement to sell USI. As a result of this pending sale, the operations of USI are presented in the other segment as discontinued in Onex' unaudited interim consolidated financial statements.

Industry Segments	Companies	Onex' & Limited Partners' Economic Ownership	Onex' Economic/ Voting Ownership
Other Businesses (cont'd)			
• *Middle-Market Opportunities*	**ONCAP,** private equity funds focused on acquiring and building the value of mid-market companies based in North America (www.oncap.com).		
	ONCAP II	**100%**	**47%[a]/100%**
	ONCAP II actively manages investments in EnGlobe (www.englobecorp.com), Pinnacle Renewable Energy Group (www.pinnaclepellet.com) and PURE Canadian Gaming (www.purecanadiangaming.com).		
	Total ONCAP II Group unrealized investments at original cost: $212 million (C$218 million) **Onex portion at cost: $100 million (C$102 million)** **ONCAP II limited partners portion at cost: $92 million (C$94 million)**		
	ONCAP III	**100%**	**29%/100%**
	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), Chatters (www.chatters.ca) and Tecta (www.tectaamerica.com).		
	Total ONCAP III Group unrealized investments at original cost: $585 million (C$659 million) **Onex portion at cost: $183 million (C$208 million)** **ONCAP III limited partners portion at cost: $347 million (C$390 million)**		
	ONCAP IV	**100%**	**40%/100%**
	ONCAP IV actively manages an investment in Tecta (www.tectaamerica.com).		
	Total ONCAP IV Group unrealized investments at original cost: $62 million **Onex portion at cost: $25 million** **ONCAP IV limited partners portion at cost: $31 million**		
• *Real Estate*	**Flushing Town Center,** a three million-square-foot development located on approximately 14 acres in Flushing, New York. The project is being developed in two phases and will ultimately consist of approximately 1,200 condominium units constructed above retail space and parking structures. The first phase of the project has been substantially realized.	**88%**	**88%/100%**
	Onex' remaining investment in Flushing Town Center at cost: $166 million		

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

FINANCIAL REVIEW

This section discusses the significant changes in Onex' unaudited interim consolidated statements of earnings and unaudited interim consolidated statements of cash flows for the three months ended March 31, 2017 compared to those for the period ended March 31, 2016, and compares Onex' financial condition at March 31, 2017 to that at December 31, 2016.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with Onex' unaudited interim consolidated statements of earnings for the three months ended March 31, 2017 and 2016, the corresponding notes thereto and the December 31, 2016 audited annual consolidated financial statements.

Variability of results

Onex' unaudited interim consolidated operating results may vary substantially from quarter to quarter and year to year for a number of reasons, including some of the following: the current economic environment; the impact of foreign exchange fluctuations; 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 the fair value of credit securities; 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; decisions to restructure operations; and natural disasters. Given the diversity of Onex' operating businesses, the associated exposures, risks and contingencies may be many, varied and material.

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

Significant transactions

Transactions in this section are presented in chronological order by private equity, credit and other.

Initial public offering by JELD-WEN

In January 2017, JELD-WEN completed an initial public offering of 28.75 million shares of its common stock (NYSE: JELD), including the exercise of the over-allotment option. The offering was priced at $23.00 per share for gross proceeds of $661 million. As part of the offering, JELD-WEN issued approximately 22.3 million treasury shares. The net proceeds from treasury shares were used to repay $375 million of JELD-WEN's combined term loan with the balance for working capital and other general corporate purposes. The Onex Partners III Group sold approximately 6.5 million shares in the transaction for net proceeds of $140 million. Onex' portion of the net proceeds was $40 million, including $6 million of carried interest.

Amounts received on account of the carried interest related to this transaction totalled $14 million. Onex was allocated 40% of the carried interest, with 60% allocated to management. Onex' share of the carried interest received was $6 million and was included in the net proceeds to Onex. Management's share of the carried interest was $8 million. No amounts were paid on account of the MIP for this transaction as the required realized investment return hurdle for Onex was not met on realizations to date.

The Onex Partners III Group continues to hold approximately 62.8 million shares of JELD-WEN's common stock for a 60% economic interest, of which Onex' share is approximately 15.5 million shares for a 15% economic interest. Since this transaction did not result in a loss of control of JELD-WEN, the transaction was recorded as a transfer of equity to non-controlling interests holders in the unaudited interim consolidated financial statements, with the cash proceeds received in excess of the historical accounting carrying value being recorded directly to retained earnings.

As part of its initial public offering, JELD-WEN issued approximately 22.3 million new common shares. As a result of the dilution of the Company's ownership interest in JELD-WEN from the issuance, a transfer from the non-controlling interests was recorded in the unaudited interim consolidated statements of equity. This reflects Onex' share of the increase in the book value of the net assets of JELD-WEN due to the issuance of additional common shares at a value above the Company's historical accounting carrying value of JELD-WEN.

Acquisition of Parkdean Resorts

In March 2017, the Onex Partners IV Group acquired Parkdean Resorts, a leading operator of caravan holiday parks in the United Kingdom, for £1.35 billion. The Onex Partners IV Group made an investment of $612 million (£500 million), excluding the impact of foreign exchange hedges, comprised of $417 million from Onex Partners IV and $195 million as a co-investment from Onex and certain limited partners, for an economic interest of 91%. Onex' share of the investment was $166 million, comprised of $123 million through Onex Partners IV and $43 million as a co-investment, for an economic interest of 25%. The investment in Parkdean Resorts consists of equity of $520 million (£425 million) and a loan note of $92 million (£75 million), of which Onex' share is $141 million and $25 million, respectively. The remainder of the purchase price was financed through a rollover of equity by management shareholders and with debt financing, without recourse to Onex Corporation.

Pending sale of USI

In March 2017, the Company entered into an agreement to sell USI for an enterprise value of approximately $4.3 billion. Under the terms of the agreement, the Onex Partners III Group will receive net proceeds of approximately $1.9 billion. Onex' portion will be approximately $563 million, including estimated carried interest of $65 million and net of the estimated MIP distribution. The transaction is expected to close during the second quarter of 2017 and is subject to customary closing conditions and regulatory approvals.

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

Distributions from Jack's

In April 2017, Jack's amended its existing credit facility to increase the size of its term loan to $275 million. The proceeds from the incremental borrowing, along with cash on hand, were used to fund a distribution of $85 million to shareholders. The share of the distribution for the Onex Partners IV Group was $81 million, of which Onex' share was $23 million.

Pending sale of Dental Digital business by Carestream Health

In April 2017, Carestream Health entered into an agreement to sell its Dental Digital business for an enterprise value of approximately $800 million. Net cash proceeds from the sale will be used to repay a portion of the company's term loan. The transaction is expected to close in the second half of 2017 and is subject to customary closing conditions and regulatory approvals.

Initial public offering by Emerald Expositions

In April 2017, Emerald Expositions completed an initial public offering of approximately 17.8 million shares of its common stock (NYSE: EEX), including the exercise of the over-allotment option. The offering was priced at $17.00 per share for gross proceeds of $303 million. As part of the offering, Emerald Expositions issued approximately 10.3 million treasury shares. The net proceeds from the treasury shares were used to repay $159 million of Emerald Expositions' term loan, with the balance for working capital and other general corporate purposes. The Onex Partners III Group sold approximately 7.5 million shares in the transaction for net proceeds of $119 million. Onex' portion of the net proceeds was approximately $32 million, including $3 million of carried interest.

Amounts received on account of the carried interest related to this transaction totalled $7 million. Onex was allocated 40% of the carried interest, with 60% allocated to management. Onex' share of the carried interest received was $3 million and was included in the net proceeds to Onex. Management's share of the carried interest was $4 million. No amounts were paid on account of the MIP for this transaction as the required realized investment return hurdle for Onex was not met on realizations to date.

The Onex Partners III Group continues to hold approximately 53.8 million shares of Emerald Expositions' common stock for a 75% economic interest, of which Onex' share is approximately 13.0 million shares for an 18% economic interest. Since this transaction did not result in a loss of control of Emerald Expositions, the transaction will be recorded as a transfer of equity to non-controlling interests holders in the unaudited interim consolidated financial statements, with the cash proceeds received in excess of the historical accounting carrying value being recorded directly to retained earnings.

Distributions from operating businesses

During the three months ended March 31, 2017, the Company received distributions from certain operating businesses of $24 million, of which $10 million was Onex' portion. Significant distributions received by Onex and its partners are described below.

In January 2017, PURE Canadian Gaming distributed C$15 million to shareholders. The ONCAP II and III Group's portion of the distribution to shareholders was C$15 million ($11 million), of which Onex' portion was C$6 million ($5 million).

During the three months ended March 31, 2017, BBAM distributed $7 million to the Onex Partners III Group, of which Onex' share was $2 million. The distribution was funded by the company's free cash flow.

Credit Strategies

i) Warehouse facility of CLO-13

In February 2017, Onex established a warehouse facility in connection with its thirteenth CLO denominated in U.S. dollars ("CLO-13"). Onex has invested $70 million in the warehouse facility and a financial institution provided borrowing capacity of up to $280 million backed by the underlying collateral. The warehouse facility matures on the earlier of the closing of CLO-13 and February 2018.

ii) Extension of CLO-4

In April 2017, Onex amended CLO-4 which extended the reinvestment period of the CLO by four years to April 2021 and increased the size by $105 million to $600 million. Onex invested an additional $13 million in the most subordinated capital of CLO-4 on closing.

iii) Closing of EURO CLO-1

In May 2017, Onex closed EURO CLO-1, which was funded through the issuance of collateralized loan instruments in a series of tranches of secured and subordinated notes in a private placement transaction for an aggregate principal amount of €361 million ($393 million).

On closing, Onex received €55 million ($60 million) plus interest for the investment that supported the warehouse facility and invested €38 million ($42 million) for 100% of the most subordinated capital of the CLO. EURO CLO-1 was primarily invested in corporate loans, which are designated to be recorded at fair value. Reinvestment can be made in collateral by the CLO up to June 2021, or earlier, subject to certain provisions.

iv) Distributions

During the three months ended March 31, 2017, Onex received $15 million of distributions from its CLO investments.

REVIEW OF MARCH 31, 2017 UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The discussions that follow identify those material factors that affected Onex' operating segments and Onex' unaudited interim consolidated results for the three months ended March 31, 2017.

Discontinued operations for the three months ended March 31, 2017 represent the results of operations of USI. Discontinued operations for the three months ended March 31, 2016 represent the results of operations of KraussMaffei and USI.

Consolidated revenues and cost of sales

Table 1 provides revenues and cost of sales by industry segment for the three months ended March 31, 2017 and 2016.

Revenues and Cost of Sales by Industry Segment

TABLE 1 *(Unaudited) ($ millions)*	Revenues			Cost of Sales		
Three months ended March 31	**2017**	2016	**Change**	**2017**	2016	**Change**
Electronics Manufacturing Services	**$ 1,470**	$ 1,353	**9 %**	**$ 1,346**	$ 1,241	**8 %**
Healthcare Imaging	**421**	437	**(4)%**	**252**	252	**–**
Health and Human Services	**438**	453	**(3)%**	**331**	346	**(4)%**
Building Products	**848**	800	**6 %**	**644**	623	**3 %**
Insurance Services[a]	**188**	178	**6 %**	**–**	–	**n/a**
Packaging Products and Services[b]	**498**	522	**(5)%**	**327**	346	**(5)%**
Business and Information Services[c]	**346**	128	**170 %**	**138**	32	**331 %**
Food Retail and Restaurants[d]	**1,120**	86	**1,202 %**	**939**	70	**1,241 %**
Credit Strategies[e]	**1**	1	**–**	**–**	–	**n/a**
Other[f]	**1,187**	768	**55 %**	**859**	534	**61 %**
Total	**$ 6,517**	$ 4,726	**38 %**	**$ 4,836**	$ 3,444	**40 %**

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

(a) The insurance services segment consists of York, which reports its costs in operating expenses. The insurance services segment previously included USI, which has been recorded in the other segment as a discontinued operation.

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

(c) The business and information services segment consists of Clarivate Analytics and Emerald Expositions. Clarivate Analytics began to be consolidated in October 2016, after the business was acquired by the Onex Partners IV Group. The results of Emerald Expositions were previously included within the other segment.

(d) The food retail and restaurants segment consists of Jack's and Save-A-Lot. Save-A-Lot began to be consolidated in December 2016, after the business was acquired by the Onex Partners IV Group. The results of Jack's were previously included within the other segment.

(e) 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.

(f) 2017 other includes Flushing Town Center, Meridian Aviation, Survitec, Schumacher, WireCo, Parkdean Resorts (since March 2017), the operating companies of ONCAP II, III and IV and the parent company. 2016 other includes Flushing Town Center, Meridian Aviation, Survitec, Schumacher, the operating companies of ONCAP II, III and IV and the parent company.

Electronics Manufacturing Services

Celestica reported revenues of $1.5 billion for the first three months of 2017, up 9%, or $117 million, compared to the same period in 2016. Revenue increased primarily due to strong demand from certain customer programs and new program wins in the communications end market as well as new programs in the enterprise end market (comprised of its former storage and servers end markets). Revenues from the advanced technology solutions ("ATS", and comprised of its former diversified and consumer end markets) end market were relatively flat compared to the same period in 2016 as growth from certain businesses was offset by a decrease in solar panel revenue due to the exit from the solar panel manufacturing business.

Cost of sales for the first three months of 2017 increased 8%, or $105 million, to $1.3 billion. Gross profit increased by 11% to $124 million compared to the same period in 2016. Gross profit was positively impacted by higher revenues and margin improvements in the ATS end market, partially offset by changes in program mix and pricing pressures in the communications and enterprise end markets.

Healthcare Imaging

Carestream Health reported revenues of $421 million during the first quarter of 2017, down 4%, or $16 million, from the same period in 2016. Excluding the $6 million impact of unfavourable foreign exchange translation on Carestream Health's non-U.S. revenues, Carestream Health reported a decrease in revenues of $10 million. The decrease in revenues was primarily driven by lower volumes in Computed Radiography and Print, X-Ray, and Dental Film businesses, partially offset by higher volumes in Contract Manufacturing driven by a new contract arrangement, and higher volumes in Non-Destructive Testing.

Cost of sales was $252 million during the first quarter of 2017, unchanged from the same period in 2016. Higher costs from volume growth in Contract Manufacturing and Non-Destructive Testing were partially offset by lower volumes in Print, cost productivity in Dental Digital and favourable foreign exchange translation of $2 million. Gross profit for the first quarter of 2017 decreased to $169 million from $185 million for the same period in 2016. Excluding the $4 million impact of unfavourable foreign exchange translation, gross profit decreased by $12 million primarily due to lower revenues and unfavourable product mix.

Health and Human Services

During the three months ended March 31, 2017, ResCare reported revenues of $438 million, a decrease of $15 million, or 3%, compared to the same period in 2016. The decrease in revenues was due to exiting the skilled line of business in the HomeCare segment, partially offset by acquisitions within the HomeCare and Residential Services segments.

Cost of sales decreased 4%, or $15 million, during the first quarter of 2017 compared to the same period in 2016. The decrease in cost of sales was primarily due to exiting the skilled line of business in the HomeCare segment.

Building Products

For the three months ended March 31, 2017, revenues at JELD-WEN increased by 6%, or $48 million, to $848 million. The increase in revenues was due to increases in prices and volumes as well as acquisitions, offset by the strengthening of the U.S. dollar compared to the euro, which had a negative impact of $4 million on the translation of revenues from the company's operations in Europe. On a local currency basis, global revenues increased compared to the prior year primarily due to both increases in volumes and the inclusion of acquisitions completed in 2016.

Cost of sales was $644 million during the first quarter of 2017, an increase of $21 million, or 3%, compared to the first quarter of 2016. Excluding the $1 million impact of favourable foreign exchange translation, cost of sales increased by $22 million, or 4%. Gross profit for the first quarter of 2017 increased by 15% to $204 million compared to the first quarter of 2016 primarily due to improved pricing and productivity in North America, and the inclusion of acquisitions, partially offset by $3 million of unfavourable foreign exchange translation.

Insurance Services

The insurance services segment consists of the operations of York. The insurance services segment previously included USI, which has been recorded in the other segment as a discontinued operation.

York reported revenues of $188 million during the three months ended March 31, 2017, an increase of 6%, or $10 million, compared to the first quarter of 2016. The increase in revenues was primarily due to organic growth. York records its costs of services in operating costs.

Packaging Products and Services

The packaging products and services segment consists of the operations of sgsco and SIG.

Table 2 provides revenues and cost of sales by operating company in the packaging products and services segment for the three months ended March 31, 2017 and 2016.

Packaging Products and Services Revenues and Cost of Sales

TABLE 2 *(Unaudited) ($ millions)*	Revenues			Cost of Sales		
Three months ended March 31	**2017**	2016	**Change**	**2017**	2016	**Change**
sgsco	**$ 122**	$ 123	**(1)%**	**$ 82**	$ 81	**1 %**
SIG	**376**	399	**(6)%**	**245**	265	**(8)%**
Total	**$ 498**	$ 522	**(5)%**	**$ 327**	$ 346	**(5)%**

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

sgsco

sgsco reported revenues of $122 million during the first quarter of 2017, a decrease of $1 million, or 1%, compared to the first quarter of 2016. This decrease was primarily due to organic sales declines and unfavourable foreign currency fluctuations partially offset by acquisitions.

Cost of sales of $82 million increased by $1 million, or 1%, compared with the same period in 2016 primarily due to incremental cost of sales from acquisitions.

SIG

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

During the quarter ended March 31, 2017, SIG reported revenues of €353 million, a decrease of 2%, or €9 million, compared to the same period in 2016. The decrease in revenues was primarily due to lower sales in the Middle East and Europe partially offset by higher sales in Asia and the Americas and overall favourable foreign currency fluctuations.

Cost of sales for the three months ended March 31, 2017 decreased 4%, or €10 million, to €230 million compared to the same period in 2016. The decrease in cost of sales was primarily due to lower volumes partially offset by unfavourable foreign currency fluctuations.

Business and Information Services

The business and information services segment consists of the operations of Clarivate Analytics and Emerald Expositions. Clarivate Analytics was acquired by the Onex Partners IV Group in October 2016. The results of Emerald Expositions were previously included within the other segment. Table 3 provides revenues and cost of sales by operating company in the business and information services segment for the three months ended March 31, 2017 and 2016.

Business and Information Services Revenues and Cost of Sales

TABLE 3 *(Unaudited) ($ millions)*	Revenues			Cost of Sales		
Three months ended March 31	**2017**	2016	**Change**	**2017**	2016	**Change**
Clarivate Analytics[a]	**$ 210**	$ –	**n/a**	**$ 101**	$ –	**n/a**
Emerald Expositions	**136**	128	**6%**	**37**	32	**16%**
Total	**$ 346**	$ 128	**170%**	**$ 138**	$ 32	**331%**

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

(a) Clarivate Analytics was acquired in October 2016 by the Onex Partners IV Group. There are no comparative results for the three months ended March 31, 2016.

Clarivate Analytics

During the first three months of 2017, Clarivate Analytics reported revenues of $210 million and cost of sales of $101 million. Since Clarivate Analytics was acquired in October 2016, there are no comparative results for the first three months of 2016.

Emerald Expositions

During the first quarter of 2017, Emerald Expositions reported revenues of $136 million, an increase of $8 million, or 6%, compared to the first quarter of 2016. The revenue increase was due to a combination of organic growth and acquisitions.

Cost of sales of $37 million during the three months ended March 31, 2017 increased by 16%, or $5 million, from the first quarter in 2016. The increase was primarily attributable to acquisitions, show launches and higher sponsorship costs. Gross profit increased by $3 million, or 3%, to $99 million compared to the same period in 2016 primarily due to the growth in revenues.

Food Retail and Restaurants

The food retail and restaurants segment consists of the operations of Jack's and Save-A-Lot. The results of Jack's were previously included within the other segment. Save-A-Lot was acquired by the Onex Partners IV Group in December 2016. Table 4 provides revenues and cost of sales by operating company in the food retail and restaurants segment for the three months ended March 31, 2017 and 2016.

Food Retail and Restaurants Revenues and Cost of Sales

TABLE 4 *(Unaudited) ($ millions)*	Revenues			Cost of Sales		
Three months ended March 31	**2017**	2016	**Change**	**2017**	2016	**Change**
Jack's	**$ 94**	$ 86	**9%**	**$ 77**	$ 70	**10%**
Save-A-Lot[a]	**1,026**	–	**n/a**	**862**	–	**n/a**
Total	**$ 1,120**	$ 86	**1,202%**	**$ 939**	$ 70	**1,241%**

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

(a) Save-A-Lot was acquired in December 2016 by the Onex Partners IV Group. There are no comparative results for the three months ended March 31, 2016.

Jack's

During the three months ended March 31, 2017, Jack's reported revenues of $94 million, an increase of $8 million, or 9%, compared to the same period in 2016.

Cost of sales for the first quarter of 2017 increased by $7 million, or 10%, compared to the first quarter of 2016. Revenues and cost of sales increased during the first three months of 2017 primarily due to same store sales growth and new restaurant sales.

Save-A-Lot

During the three months ended March 31, 2017, Save-A-Lot reported revenues of $1.0 billion and cost of sales of $862 million. Since Save-A-Lot was acquired in December 2016, there are no comparative results for the three months ended March 31, 2016.

Credit Strategies

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

Gross revenues earned by Onex Credit Manager during the three months ended March 31, 2017 were $10 million, an increase of $1 million, or 11%, compared to the same period in 2016. For the three months ended March 31, 2017, gross revenues included $1 million earned on investments in Onex Credit Funds held by Onex, the parent company, compared to $1 million during the three months ended March 31, 2016. Credit strategies segment revenue for the first quarter of 2017, net of management and incentive fees from Onex Credit Funds and CLOs which are eliminated upon consolidation, was $1 million, unchanged from the first quarter of 2016. 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, Cicis (up to August 2016), Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard, Bradshaw, Chatters and Tecta (since August 2016) – Survitec, Schumacher, WireCo (since September 2016), Parkdean Resorts (since March 2017), Flushing Town Center, Meridian Aviation and the parent company.

Table 5 provides revenues and cost of sales by operating company in the other businesses segment for the three months ended March 31, 2017 and 2016.

Other Businesses Revenues and Cost of Sales

TABLE 5 *(Unaudited) ($ millions)*	Revenues			Cost of Sales		
Three months ended March 31	**2017**	2016	**Change**	**2017**	2016	**Change**
ONCAP companies[a]	**$ 445**	$ 377	**18%**	**$ 299**	$ 260	**15%**
Survitec	**122**	104	**17%**	**61**	51	**20%**
Schumacher	**350**	272	**29%**	**292**	214	**36%**
WireCo[b]	**165**	–	**n/a**	**127**	–	**n/a**
Parkdean Resorts[c]	**27**	–	**n/a**	**15**	–	**n/a**
Other[d]	**78**	15	**420%**	**65**	9	**622%**
Total	**$ 1,187**	$ 768	**55%**	**$ 859**	$ 534	**61%**

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

(a) ONCAP companies include EnGlobe, Cicis (up to August 2016), Pinnacle Renewable Energy Group, PURE Canadian Gaming, Hopkins, Davis-Standard, Bradshaw, Chatters and Tecta (since August 2016).

(b) WireCo was acquired by the Onex Partners IV Group in September 2016. There are no comparative results for the three months ended March 31, 2016.

(c) Parkdean Resorts was acquired by the Onex Partners IV Group in March 2017. There are no comparative results for the three months ended March 31, 2016.

(d) 2017 and 2016 other includes Flushing Town Center, Meridian Aviation and the parent company.

ONCAP companies

The ONCAP companies reported an 18%, or $68 million, increase in revenues for the three months ended March 31, 2017 compared to the same period in 2016, and cost of sales increased by 15%, or $39 million.

The increase in revenues and cost of sales was primarily driven by the acquisition of Tecta in August 2016, partially offset by the sale of Cicis in August 2016.

Survitec

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

During the three months ended March 31, 2017, Survitec reported revenues of £98 million, an increase of 34%, or £25 million, compared to the same period in 2016. Cost of sales increased 36%, or £13 million, to £49 million during the first quarter of 2017 compared to the first quarter of 2016. The increase in revenues and cost of sales was primarily due to additional revenues from an acquisition completed by Survitec during 2016 as well as organic growth in existing markets.

Schumacher

During the first quarter of 2017, Schumacher reported revenues of $350 million, an increase of $78 million, or 29%, compared to the same quarter in 2016. Cost of sales for the three months ended March 31, 2017 increased by $78 million, or 36%, compared to the same period in 2016. The increase in revenues and cost of sales was primarily due to an acquisition completed by Schumacher in 2016.

WireCo

WireCo reported revenues of $165 million and cost of sales of $127 million for the three months ended March 31, 2017. Since WireCo was acquired in September 2016, there are no comparative results for the three months ended March 31, 2016.

Parkdean Resorts

Parkdean Resorts' functional currency is the pound sterling. The reported revenues and cost of sales of Parkdean Resorts 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 Parkdean Resorts' 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.

Parkdean Resorts reported revenues of £22 million and cost of sales of £12 million, which represent the results for the period from the March 2017 acquisition of Parkdean Resorts to March 31, 2017. Since Parkdean Resorts was acquired in March 2017, there are no comparative results for the three months ended March 31, 2016.

Other

Other revenues and cost of sales increased in the three months ended March 31, 2017 from the same period in 2016 primarily due to the sale of residential condominiums at Flushing Town Center.

Interest expense of operating companies

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

Consolidated interest expense for the three months ended March 31, 2017 was $305 million, up $90 million, or 42%, from the same period in 2016. The increase was primarily due to the inclusion of interest expense for: (i) Clarivate Analytics, Save-A-Lot and WireCo, which were acquired in 2016; (ii) Parkdean Resorts, which was acquired in March 2017; and (iii) the additional debt from CLOs.

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

Investments in joint ventures and associates are defined under IFRS as those investments in operating businesses over which Onex has joint control or significant influence, but not control. Certain of these investments are designated, upon initial recognition, at fair value in the unaudited interim consolidated balance sheets. Both realized and unrealized gains and losses are recognized in the unaudited interim consolidated statements of earnings as a result of increases or decreases in the fair value of investments in joint ventures and associates. Investments that Onex has determined to be investments in joint ventures or associates and thus recorded at fair value primarily comprise AIT, BBAM, ITG and Mavis Discount Tire.

During the three months ended March 31, 2017, Onex recorded an increase in the fair value of investments in joint ventures and associates of $25 million compared to $20 million for the same period in 2016. The increase was primarily due to continued free cash generation at certain of the investments.

Of the total fair value increase recorded during the first three months of 2017, $20 million (2016 – $15 million) is attributable to the limited partners in the Onex Partners and ONCAP Funds, which contributes to the Limited Partners' Interests charge (recovery) discussed on page 33 of this interim MD&A. Onex' share of the total fair value increase was $5 million (2016 – $5 million).

Stock-based compensation expense

Onex recorded a consolidated stock-based compensation expense of $110 million during the first quarter of 2017 compared to $48 million in the same period in 2016. Stock option and MIP equity interests of Onex, the parent company, comprise $64 million (2016 – $3 million) of the expense. Onex' operating company share-based compensation plans represented $46 million (2016 – $45 million) of the expense, including instruments classified as liabilities that are remeasured at each reporting date.

The expense recorded by Onex, the parent company, on its stock options during the first quarter of 2017 was primarily due to the 4% increase in the market value of Onex' shares to C$95.45 at March 31, 2017 from C$91.38 at December 31, 2016. This compares to a 7% decrease during the same period in 2016.

Table 6 details the change in stock-based compensation of Onex, the parent company, and Onex' operating companies for the three months ended March 31, 2017 and 2016.

Stock-Based Compensation Expense (Recovery)

TABLE 6 — *(Unaudited) ($ millions)* Three months ended March 31	**2017**	2016	**Change**
Onex, the parent company, stock options	**$ 40**	$ (7)	**$ 47**
Onex, the parent company, MIP equity interests	**24**	10	**14**
Onex operating companies	**46**	45	**1**
Total stock-based compensation	**$ 110**	$ 48	**$ 62**

Other expense

Table 7 provides a breakdown of and the change in other expense for the three months ended March 31, 2017 and 2016.

Other Expense

TABLE 7 — *(Unaudited) ($ millions)* Three months ended March 31	**2017**	2016	**Change**
Carried interest charge due to Onex and ONCAP management	**$ 57**	$ 12	**$ 45**
Restructuring	**50**	11	**39**
Transition, integration and other	**38**	12	**26**
Losses (gains) on investments and long-term debt in CLOs and Onex Credit Funds	**31**	(85)	**116**
Transaction costs	**25**	2	**23**
Change in value of other Onex Partners investments	**22**	17	**5**
Impairment of goodwill, intangible assets and long-lived assets	**21**	9	**12**
Derivatives losses	**14**	89	**(75)**
Foreign exchange gain	**(23)**	(30)	**7**
Change in fair value of contingent consideration	**(16)**	(4)	**(12)**
Other	**(9)**	(7)	**(2)**
Total other expense	**$ 210**	$ 26	**$ 184**

Carried interest charge due to Onex and ONCAP management

The General Partners of the Onex Partners and ONCAP Funds are entitled to a carried interest of 20% on the realized gains of the limited partners in each fund, as determined in accordance with the limited partnership agreements. Onex is allocated 40% of the carried interest realized in the Onex Partners Funds. Onex management is allocated 60% 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% carried interest on both limited partner and Onex capital. Once the ONCAP IV investors achieve a return of two times their aggregate capital contributions, carried interest participation increases from 20% to 25% of the realized net gains of the limited partners in ONCAP IV, equating to a 15% carried interest for ONCAP management on both limited partner and Onex capital. Onex' share of the carried interest change is recorded as an offset in the Limited Partners' Interests amount in the unaudited interim consolidated statements of earnings.

The carried interest due to management of Onex and ONCAP represents the share of the overall net gains in each of the Onex Partners and ONCAP Funds attributable to the management of Onex and ONCAP. The carried interest is estimated based on the current fair values of the underlying investments in the funds and the overall net gains in each respective fund determined in accordance with the limited partnership agreements. During the three months ended March 31, 2017, a charge of $57 million (2016 – $12 million) was recorded in the unaudited interim consolidated statements of earnings for management's share of carried interest primarily due to an increase in the fair value of certain of the investments in the Onex Partners and ONCAP Funds. The ultimate amount of carried interest earned by Onex will be based on the overall performance of each fund.

Restructuring

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

The operating companies with restructuring activities at December 31, 2016 continue to implement their restructuring activities. During the first three months of 2017, Save-A-Lot recognized a restructuring charge related to the closure of facilities and associated lease abandonment costs.

Transition, integration and other

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

Transition, integration and other expenses for the first three months of 2017 were primarily due to Clarivate Analytics, Save-A-Lot and Survitec. Transition, integration and other expenses for the first three months of 2016 were primarily due to the integration of acquisitions completed by Carestream Health and Survitec.

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

Losses on investments and long-term debt in CLOs and Onex Credit Funds during the first three months of 2017 were driven by unrealized losses on long-term debt recorded at fair value in the CLOs, partially offset by realized and unrealized gains on investments.

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 the three months ended March 31, 2017 were primarily due to the acquisition of Parkdean Resorts, in addition to acquisitions completed by the operating companies.

Derivatives losses

Derivatives losses for the three months ended March 31, 2017 and 2016 were primarily related to embedded derivatives associated with debt agreements and foreign exchange hedges.

Foreign exchange gain

The foreign exchange gains during the first quarter of 2017 and 2016 were primarily due to gains recognized by SIG.

Limited Partners' Interests charge

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

During the three months ended March 31, 2017, Onex recorded a charge of $509 million (2016 – $153 million) for Limited Partners' Interests for the Onex Partners and ONCAP Funds. The net increase in the fair value of certain of the investments held in the Onex Partners and ONCAP Funds contributed to the Limited Partners' Interests charge for the Onex Partners and ONCAP Funds recorded in the three months ended March 31, 2017 and 2016.

The Limited Partners' Interests charge for the Onex Partners and ONCAP Funds is net of an increase of $94 million (2016 – $16 million) in carried interest for the three months ended March 31, 2017. Onex' share of the change in carried interest for the first quarter of 2017 was $37 million (2016 – $5 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 increased during the first three months of 2017 due to a greater net increase in the fair value of certain of the investments in the Onex Partners and ONCAP Funds. The ultimate amount of carried interest realized will be dependent on the actual realizations for each fund in accordance with the limited partnership agreements.

During the three months ended March 31, 2017, Onex recorded a charge of $10 million (2016 – $6 million) for Limited Partners' Interests for the Onex Credit Funds.

Loss from continuing operations

Onex recorded a loss from continuing operations of $833 million during the first quarter of 2017 compared to $169 million in the same period of 2016. The loss from continuing operations attributable to equity holders of Onex Corporation was $809 million ($7.87 per share) compared to $181 million ($1.74 per share) in the first quarter of 2016. Note 15 to the unaudited interim consolidated financial statements shows the earnings (loss) from continuing operations by industry segment for the three months ended March 31, 2017 and 2016.

Included in the loss from continuing operations for the first quarter of 2017 was a loss of $690 million recorded in the other segment compared to $214 million recorded during the same period in 2016. Table 8 shows the major components of the earnings (loss) from continuing operations recorded in the other segment for the three months ended March 31, 2017 and 2016.

Loss from Continuing Operations Recorded in the Other Segment

TABLE 8	*(Unaudited) ($ millions)* Three months ended March 31	**2017**	2016
Loss from continuing operations – other:			
	Limited Partners' Interests charge	**$ 509**	$ 153
	Unrealized carried interest due to Onex and ONCAP management	**57**	12
	Interest expense of operating companies	**55**	29
	Stock-based compensation expense	**46**	4
	Increase in value of investments in joint ventures and associates at fair value, net	**(25)**	(20)
	Other	**48**	36
Loss from continuing operations – other segment		**$ 690**	$ 214

Loss from discontinued operations

Onex recorded an after-tax loss from discontinued operations of $104 million during the first quarter of 2017 compared to $6 million in the same period in 2016. The after-tax loss from discontinued operations attributable to equity holders of Onex Corporation was $103 million ($1.01 per share) during the first quarter of 2017 compared to $6 million ($0.05 per share) in the first quarter of 2016. The loss from discontinued operations for the three months ended March 31, 2017 represents the results of operations of USI and was driven by a charge for the remeasurement of equity instruments classified as liabilities. Discontinued operations for the three months ended March 31, 2016 represent the results of operations of KraussMaffei and USI.

USI

In March 2017, the Company entered into an agreement to sell USI for an enterprise value of approximately $4.3 billion, as described on page 23 of this interim MD&A. As a result of this pending sale, the operations of USI have been presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows and prior periods have been restated to report the results of USI as discontinued on a comparative basis.

KraussMaffei

In April 2016, the Onex Partners III Group sold its entire investment in KraussMaffei, as described in note 4 to the unaudited interim consolidated financial statements. The operations of KraussMaffei have been presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows for the three months ended March 31, 2016.

Consolidated net loss

Onex recorded a consolidated net loss of $937 million during the first quarter of 2017 compared to $175 million in the same period in 2016. The net loss attributable to equity holders of Onex Corporation was $912 million ($8.88 per share) during the first quarter of 2017 compared to $187 million ($1.79 per share) in the first quarter of 2016. Note 15 to the unaudited interim consolidated financial statements shows the consolidated net earnings (loss) by industry segment and the amounts attributable to the equity holders of Onex Corporation and non-controlling interests for the three months ended March 31, 2017 and 2016.

Other comprehensive earnings

Other comprehensive earnings represent the unrealized gains or losses, all net of income taxes, related to cash flow hedges, remeasurements for post-employment benefit plans and foreign exchange gains or losses on foreign self-sustaining operations. During the three months ended March 31, 2017, Onex reported other comprehensive earnings of $105 million compared to $78 million in the same period last year. The earnings recorded during the first quarter of 2017 were largely due to favourable currency translation adjustments on foreign operations of $98 million (2016 – $61 million).

SUMMARY QUARTERLY INFORMATION

Table 9 summarizes Onex' key consolidated financial information for the last eight quarters. Historical financial information has been restated for discontinued operations.

Consolidated Quarterly Financial Information

TABLE 9 *(Unaudited)* *($ millions except per share amounts)*	2017	2016				2015		
	March	Dec.	Sept.	June	March	Dec.	Sept.	June
Revenues	**$ 6,517**	$ 6,320	$ 5,275	$ 5,154	$ 4,726	$ 5,185	$ 4,932	$ 4,655
Loss from continuing operations	**$ (833)**	$ (109)	$ (31)	$ (110)	$ (169)	$ (301)	$ (117)	$ (267)
Net earnings (loss)	**$ (937)**	$ (152)	$ (76)	$ 367	$ (175)	$ (336)	$ 204	$ (289)
Net earnings (loss) attributable to:								
Equity holders of Onex Corporation	**$ (912)**	$ (135)	$ (130)	$ 322	$ (187)	$ (346)	$ 186	$ (306)
Non-controlling Interests	**(25)**	(17)	54	45	12	10	18	17
Net earnings (loss)	**$ (937)**	$ (152)	$ (76)	$ 367	$ (175)	$ (336)	$ 204	$ (289)
Earnings (loss) per SVS of Onex Corporation								
Loss from continuing operations	**$ (7.87)**	$ (0.89)	$ (0.84)	$ (1.17)	$ (1.74)	$ (2.96)	$ (1.17)	$ (2.70)
Earnings (loss) from discontinued operations	**(1.01)**	(0.42)	(0.43)	4.29	(0.05)	(0.31)	2.93	(0.16)
Net earnings (loss)	**$ (8.88)**	$ (1.31)	$ (1.27)	$ 3.12	$ (1.79)	$ (3.27)	$ 1.76	$ (2.86)

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 and credit strategies.

CONSOLIDATED FINANCIAL POSITION

Consolidated assets

Consolidated assets totalled $44.9 billion at March 31, 2017 compared to $42.9 billion at December 31, 2016. Onex' consolidated assets at March 31, 2017 increased from December 31, 2016 primarily due to the acquisition of Parkdean Resorts.

Table 10 shows consolidated assets by industry segment as at March 31, 2017 and December 31, 2016. The industry segment percentages of consolidated assets held by continuing operations are also shown.

Consolidated Assets by Industry Segment

TABLE 10 *(Unaudited) ($ millions)*	**As at March 31, 2017**	**Percentage Breakdown**	As at December 31, 2016	Percentage Breakdown
Electronics Manufacturing Services	**$ 2,815**	**7%**	$ 2,822	7%
Healthcare Imaging	**1,406**	**3%**	1,473	4%
Health and Human Services	**993**	**2%**	995	3%
Building Products	**2,825**	**7%**	2,669	7%
Insurance Services[a]	**1,549**	**4%**	1,545	4%
Packaging Products and Services[b]	**6,062**	**14%**	6,144	15%
Business and Information Services[c]	**5,859**	**14%**	5,765	14%
Food Retail and Restaurants[d]	**2,185**	**5%**	2,185	5%
Credit Strategies[e]	**7,810**	**19%**	7,624	19%
Other[f]	**10,410**	**25%**	8,580	22%
Assets held by continuing operations	**41,914**	**100%**	39,802	100%
Other – assets held by discontinued operations[g]	**3,018**		3,111	
Total consolidated assets	**$ 44,932**		$ 42,913	

(a) The insurance services segment now consists solely of York. The insurance services segment previously included USI, which has been recorded in the other segment as a discontinued operation.

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

(c) The business and information services segment consists of Clarivate Analytics and Emerald Expositions.

(d) The food retail and restaurants segment consists of Jack's and Save-A-Lot.

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

(f) 2017 other includes Flushing Town Center, Meridian Aviation, Survitec, Schumacher, WireCo, Parkdean Resorts, the operating companies of ONCAP II, III and IV and the parent company. 2016 other includes Flushing Town Center, Meridian Aviation, Survitec, Schumacher, WireCo, the operating companies of ONCAP II, III and IV and the parent company. In addition, 2017 and 2016 other includes investments in AIT, BBAM, Genesis Healthcare, Incline Aviation Fund, ITG and Mavis Discount Tire.

(g) At March 31, 2017 and December 31, 2016, the assets of USI are included in the other segment as the company has been presented as a discontinued operation.

Consolidated long-term debt, without recourse to Onex Corporation

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

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

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.

Total consolidated long-term debt (consisting of the current and long-term portions of long-term debt, net of financing charges) was $21.5 billion at March 31, 2017 compared to $22.9 billion at December 31, 2016.

The following describes significant changes to the consolidated long-term debt of the operating companies from the information provided in the 2016 audited annual consolidated financial statements.

ONCAP IV (Other segment)

In January 2017, ONCAP IV entered into a $100 million credit facility. The credit facility is available to finance ONCAP IV capital calls, bridge investments in ONCAP IV operating companies and finance other uses permitted by ONCAP IV's limited partnership agreement. The credit facility includes a deemed credit risk maximum of $35 million available to ONCAP IV and its operating companies for foreign exchange transactions, including foreign exchange options, forwards and swaps. Amounts under the credit facility are available in Canadian and U.S. dollars. Borrowings drawn on the credit facility bear interest at a base rate plus a margin of 1.00% or bankers' acceptance rate (subject to a floor of 0.00%) plus a margin of 3.75%. The base rate and bankers' acceptance rate vary based on the currency of the borrowings. Borrowings under the credit facility are due and payable upon demand; however, ONCAP IV has 15 business days to complete a capital call to the limited partners of ONCAP IV. Onex Corporation, the parent company, is only obligated to fund borrowings under the credit facility based on its proportionate share as a limited partner in ONCAP IV.

JELD-WEN (Building Products segment)

In February 2017, JELD-WEN repaid $375 million under its combined term loan from a portion of its net proceeds from the sale of shares in its initial public offering, as described on page 22 of this interim MD&A.

In March 2017, JELD-WEN amended its existing credit facility to reduce the rate at which borrowings under its combined term loan bear interest to LIBOR (subject to a floor of 1.00%) plus a margin of up to 3.00%, depending on the company's leverage ratio. The amendment resulted in a total interest rate reduction of 50 basis points.

Parkdean Resorts (Other segment)

In March 2017, the Onex Partners IV Group acquired Parkdean Resorts, as described on page 23 of this interim MD&A. In March 2017, Parkdean Resorts entered into a senior secured credit facility consisting of a £575 million first lien term loan, a £150 million second lien term loan and a £100 million revolving credit facility. Borrowings under the first lien term loan bear interest at LIBOR (subject to a floor of 0.00%) plus a margin of up to 4.25%, depending on the company's leverage ratio. The first lien term loan matures in March 2024. Borrowings under the second lien term loan bear interest at LIBOR (subject to a floor of 1.00%) plus a margin of 8.50%. The second lien term loan matures in March 2025. Borrowings under the revolving credit facility bear interest at LIBOR (subject to a floor of 0.00%) plus a margin of up to 3.25%, depending on the company's leverage ratio. The revolving credit facility matures in March 2023.

In March 2017, Parkdean Resorts entered into a $92 million (£75 million) loan note with the Onex Partners IV Group. The loan note bears interest at 4.75% and matures in September 2017. At March 31, 2017, $94 million (£75 million) of the loan note was outstanding.

Jack's (Food Retail and Restaurant segment)

In April 2017, Jack's amended its existing credit facility to increase the size of its term loan to $275 million. In addition, the rate at which the company borrows under the term loan was reduced to LIBOR (subject to a floor of 1.00%) plus a margin of up to 4.25%, depending on the company's leverage ratio, and the maturity date was extended to April 2024. The rate at which the company borrows under the revolving credit facility was reduced to LIBOR plus a margin of up to 4.25%, depending on the company's leverage ratio, and the maturity date was extended to April 2022. The amendment resulted in a current interest rate reduction of 50 basis points on the company's term loan and revolving credit facility. The proceeds from the incremental borrowing, along with cash on hand, were used to fund a distribution of $85 million to shareholders, as described on page 23 of this interim MD&A.

Table 11 details the aggregate debt maturities as at March 31, 2017 for Onex' operating businesses for each of the years up to 2021 and in total thereafter. As the table includes debt of investments in joint ventures and associates and excludes debt of the CLOs and any warehouse facilities, the total amount does not correspond to total reported consolidated debt. As the following table illustrates, significant maturities occur in 2019 and thereafter.

Debt Maturity Amounts by Year

TABLE 11 *(Unaudited) ($ millions)*	2017	2018	2019	2020	2021	Thereafter	Total
Consolidated operating companies[a]	$ 246	$ 561	$ 2,823	$ 1,348	$ 992	$ 9,895	$ 15,865
Investments in joint ventures and associates [a]	19	14	15	454	279	1	782
Total	$ 265	$ 575	$ 2,838	$ 1,802	$ 1,271	$ 9,896	$ 16,647

(a) Debt amounts are presented gross of financing charges and exclude amounts invested by Onex, the parent company, in debt of the operating businesses. Additionally, debt amounts exclude debt of the credit strategies segment, debt of Incline Aviation Fund and debt amounts of USI, which is a discontinued operation.

Limited Partners' Interests

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

Table 12 shows the change in Limited Partners' Interests from December 31, 2015 to March 31, 2017.

Limited Partners' Interests

TABLE 12 *(Unaudited) ($ millions)*	Onex Partners and ONCAP Funds			Onex Credit Funds	Total
	Gross Limited Partners' Interests	Carried Interest	Net Limited Partners' Interests	Net Limited Partners' Interests[a]	
Balance – December 31, 2015	$ 7,492	$ (503)	$ 6,989	$ 329	$ 7,318
Limited Partners' Interests charge	678	(91)	587	60	647
Contributions by Limited Partners	1,574	–	1,574	19	1,593
Distributions paid to Limited Partners	(1,084)	38	(1,046)	(38)	(1,084)
Balance – December 31, 2016[b]	8,660	(556)	8,104	370	8,474
Limited Partners' Interests charge	**603**	**(94)**	**509**	**10**	**519**
Contributions by Limited Partners	**458**	**–**	**458**	**–**	**458**
Distributions paid to Limited Partners	**(182)**	**18**	**(164)**	**(4)**	**(168)**
Balance – March 31, 2017	**9,539**	**(632)**	**8,907**	**376**	**9,283**
Current portion of Limited Partners' Interests[c]	**(1,458)**	**167**	**(1,291)**	**–**	**(1,291)**
Non-current portion of Limited Partners' Interests	**$ 8,081**	**$ (465)**	**$ 7,616**	**$ 376**	**$ 7,992**

(a) Net of incentive fees in the Onex Credit Funds.

(b) At December 31, 2016, the current portion of the Limited Partners' Interests was $89 million. The current portion consisted primarily of the limited partners' share of (i) the distribution received from Hopkins; (ii) the return of capital to the limited partners of ONCAP III related to the syndication of a portion of the investment in Tecta to the ONCAP IV Group; and (iii) the remaining proceeds from the sale of KraussMaffei to be distributed during 2017.

(c) At March 31, 2017, the current portion of the Limited Partners' Interests was $1,291 million. The current portion consisted primarily of the limited partners' share of the expected proceeds from the sale of USI.

The Limited Partners' Interests charge is discussed in detail on page 33 of this interim MD&A.

Contributions by limited partners

The Limited Partners' Interests liability for the Onex Partners and ONCAP Funds increased by $458 million for contributions made by the limited partners in the three months ended March 31, 2017, which related primarily to the acquisition of Parkdean Resorts.

During the year ended December 31, 2016, the Limited Partners' Interests liability for the Onex Partners and ONCAP Funds increased by $1.6 billion for contributions made during the period primarily for the acquisitions of Clarivate Analytics, Save-A-Lot, WireCo and Tecta.

Distributions to limited partners

The Limited Partners' Interests liability for the Onex Partners and ONCAP Funds was reduced by $164 million of distributions primarily from net proceeds from the sale of shares in JELD-WEN's initial public offering, distributions from Hopkins and PURE Canadian Gaming as well as the return of capital to limited partners of ONCAP III related to the syndication of a portion of the investment in Tecta to the ONCAP IV Group.

During the year ended December 31, 2016, the Limited Partners' Interests liability for the Onex Partners and ONCAP Funds was reduced by distributions of $1.0 billion primarily from the proceeds from the sale of KraussMaffei, repayments by Jack's on its promissory note and distributions from JELD-WEN, AIT and BBAM.

Equity

Table 13 provides a reconciliation of the change in equity from December 31, 2016 to March 31, 2017.

Change in Equity

TABLE 13 *(Unaudited) ($ millions)*	
Balance – December 31, 2016	**$ 1,351**
Dividends declared	**(5)**
Repurchase and cancellation of shares	**(55)**
Investments in operating companies by shareholders other than Onex	**592**
Distributions to non-controlling interests	**(1)**
Repurchase of shares of operating companies	**(3)**
Sale of interests in operating company under continuing control	**140**
Net loss for the period	**(937)**
Other comprehensive earnings for the period, net of tax	**105**
Equity as at March 31, 2017	**$ 1,187**

Dividend policy

In May 2017, Onex announced that it had increased its quarterly dividend by 9% to C$0.075 per SVS beginning with the dividend declared by the Board of Directors payable in July 2017.

Table 14 presents Onex' dividend paid per share for the last twelve months ended March 31 during the past five years. The table reflects the increase in the dividend per share over this time.

TABLE 14 *(Unaudited) ($ per share amounts)*	Dividend Paid Per Share
Last twelve months ended March 31:	
2013	**C$ 0.11**
2014	**C$ 0.14**
2015	**C$ 0.19**
2016	**C$ 0.24**
2017	**C$ 0.27**

Shares outstanding

At March 31, 2017, Onex had 100,000 Multiple Voting Shares outstanding, which have a nominal paid-in value reflected in Onex' unaudited interim consolidated financial statements. Onex also had 102,018,291 SVS issued and outstanding. Note 8 to the unaudited interim consolidated financial statements provides additional information on Onex' share capital. There was no change in the Multiple Voting Shares outstanding during the first three months of 2017.

Table 15 shows the change in the number of SVS outstanding from December 31, 2016 to April 30, 2017.

		Average Price Per Share		Total Cost	
TABLE 15 *($ millions except per share amounts)*	Number of SVS	(USD)	(CAD)	(USD)	(CAD)
SVS outstanding at December 31, 2016	102,787,628				
Shares repurchased and cancelled:					
Normal Course Issuer Bids	**(68,048)**	**$ 71.03**	**C$ 94.87**	**$ 5**	**C$ 7**
Private transaction	**(750,000)**	**$ 71.24**	**C$ 94.98**	**$ 53**	**C$ 71**
Issuance of shares:					
Dividend Reinvestment Plan	**3,813**	**$ 69.21**	**C$ 92.48**	**less than $ 1**	**less than C$ 1**
SVS outstanding at April 30, 2017	**101,973,393**				

Shares repurchased and cancelled

The private transaction represents the repurchase of SVS that were held indirectly by Mr. Gerald W. Schwartz, Onex' controlling shareholder, as described on page 48 of this interim MD&A.

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

On April 18, 2017, Onex renewed its NCIB following the expiry of its previous NCIB on April 17, 2017. Under the new NCIB, Onex is permitted to purchase up to 10% of its public float of SVS, or 8,391,231 SVS. Onex may purchase up to 26,619 SVS during any trading day, being 25% of its average daily trading volume for the six months ended March 31, 2017. Onex may also purchase SVS from time to time under the Toronto Stock Exchange's block purchase exemption, if available, or by way of private agreement pursuant to an issuer bid exemption order, if sought and received, under the new NCIB. The new NCIB commenced on April 18, 2017 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 17, 2018. 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 17, 2017, Onex repurchased 1,244,535 SVS at a total cost of $75 million (C$98 million) or an average purchase price of $60.53 (C$78.69) per share. In addition, during the same period, Onex repurchased 750,000 SVS in a private transaction at a total cost of $53 million (C$71 million) or an average purchase price of $71.24 (C$94.98) per share.

Issuance of shares – Dividend Reinvestment Plan

Onex' Dividend Reinvestment Plan enables Canadian shareholders to reinvest cash dividends to acquire new SVS of Onex at a market-related price at the time of reinvestment. During the period from January 1, 2017 to April 30, 2017, Onex issued 3,813 SVS at an average cost of C$92.48 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 recorded an increase in equity of $592 million during the first three months of 2017 primarily due to the investment by public shareholders in JELD-WEN on the issuance of new common shares in the initial public offering.

Sale of interests in operating company under continuing control

Onex reported an increase in equity of $140 million during the first three months of 2017 due to the sale of shares by the Onex Partners III Group in the initial public offering of JELD-WEN, as described on page 22 of this interim MD&A.

Stock Option Plan

At March 31, 2017, Onex had 12,632,400 options outstanding to acquire SVS, of which 6,138,215 options were vested and exercisable. During the first quarter of 2017, 273,883 options were surrendered at a weighted average exercise price of C$29.16 for aggregate cash consideration of $13 million (C$17 million) and 36,900 options expired.

Management Deferred Share Unit Plan

In early 2017, Onex issued 28,670 Management DSUs ("MDSUs") to management having an aggregate value, at the date of grant, of $2 million (C$3 million) in lieu of that amount of cash compensation for Onex' 2016 fiscal year. At March 31, 2017, there were 664,449 (December 31, 2016 – 635,326) MDSUs outstanding.

Forward agreements were entered into with a counterparty financial institution to economically hedge Onex' exposure to changes in the value of all outstanding MDSUs.

Management of capital

Onex considers the capital it manages to be the amounts it has invested 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, credit strategies and other investments. Onex also manages capital from other investors in the Onex Partners, ONCAP and Onex Credit Funds. Onex' objectives in managing capital have not changed since December 31, 2016.

At March 31, 2017, Onex, the parent company, had $579 million of cash and cash equivalents on hand and $733 million of near-cash items at fair value. Near-cash items include short- and long-term investments managed by third-party investment managers, as described below, $178 million invested in a segregated unlevered fund managed by Onex Credit and $70 million in management fees receivable from limited partners of its private equity platforms. During the first quarter of 2017, Onex, the parent company, redeemed $200 million from the Onex Credit segregated unlevered fund for cash management purposes.

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

At March 31, 2017, the fair value of investments, including cash yet to be deployed, managed by third-party investment managers was $485 million. The investments are managed in a mix of short-term and long-term portfolios. Short-term investments consist of liquid investments and include money market instruments and commercial paper with original maturities of three months to one year. Long-term investments consist of securities and include money market instruments, federal and municipal debt instruments, corporate obligations and structured products with maturities of one to five years. The short- and long-term investments have current Standard & Poor's ratings ranging from BBB to AAA. The portfolio concentration limits range from a maximum of 10% for BBB investments to 100% for AAA investments. The investments are managed to maintain an overall weighted average duration of two years or less.

At March 31, 2017, Onex had access to $2.0 billion of uncalled committed limited partner capital for acquisitions through Onex Partners IV ($1.3 billion) and ONCAP IV ($688 million).

Non-controlling interests

Non-controlling interests in equity in Onex' unaudited interim consolidated balance sheets as at March 31, 2017 primarily represent the ownership interests of shareholders, other than Onex and its limited partners in the funds, in Onex' controlled operating companies. The non-controlling interests balance at March 31, 2017 of $2.1 billion increased from $1.8 billion at December 31, 2016. The increase was primarily due to the rollover equity investment in Parkdean Resorts by the company's management team and the sale and issuance of treasury shares in JELD-WEN on its initial public offering.

LIQUIDITY AND CAPITAL RESOURCES

Major cash flow components

This section should be read in conjunction with the unaudited interim consolidated statements of cash flows and the corresponding notes thereto. Table 16 summarizes the major consolidated cash flow components for the three months ended March 31, 2017 and 2016.

Major Cash Flow Components

TABLE 16	*(Unaudited) ($ millions)* Three months ended March 31	**2017**	2016
Cash from operating activities		**$ 371**	$ 207
Cash from (used in) financing activities		**$ 59**	$ (422)
Cash used in investing activities		**$ (449)**	$ (232)
Consolidated cash and cash equivalents held by continuing operations		**$ 2,272**	$ 1,794

Cash from operating activities

Table 17 provides a breakdown of cash from operating activities by cash generated from operations and changes in non-cash working capital items, other operating activities and operating activities of discontinued operations for the three months ended March 31, 2017 and 2016.

Components of Cash from Operating Activities

TABLE 17	*(Unaudited) ($ millions)* Three months ended March 31	**2017**	2016
Cash generated from operations		**$ 414**	$ 370
Changes in non-cash working capital items:			
Accounts receivable		**140**	25
Inventories		**(105)**	(175)
Other current assets		**33**	49
Accounts payable, accrued liabilities and other current liabilities		**(150)**	(155)
Decrease in cash and cash equivalents due to changes in non-cash working capital items		**(82)**	(256)
Increase (decrease) in other operating activities		**(30)**	17
Cash from operating activities of discontinued operations		**69**	76
Cash from operating activities		**$ 371**	$ 207

Cash generated from operations includes the 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 three months ended March 31, 2017 were:

- a $140 million decrease in accounts receivable primarily at Carestream Health and Celestica;
- a $105 million increase in inventory primarily at Carestream Health, Celestica, JELD-WEN and SIG, partially offset by a decrease in inventory at Flushing Town Center; and
- a $150 million decrease in accounts payable, accrued liabilities and other current liabilities primarily at Carestream Health, Celestica, SIG and Onex, the parent company, partially offset by an increase in accounts payable, accrued liabilities and other current liabilities at Clarivate Analytics.

Cash from operating activities for the three months ended March 31, 2017 also included $69 million (2016 – $76 million) of cash flows from the operating activities of discontinued operations. Discontinued operations for the three months ended March 31, 2017 represent the operations of USI. Discontinued operations for the three months ended March 31, 2016 represent the operations of KraussMaffei and USI.

Cash from (used in) financing activities

Cash from financing activities was $59 million for the first three months of 2017 compared to cash used in financing activities of $422 million for the same period in 2016. Cash from financing activities for the three months ended March 31, 2017 included:

- $499 million from the issuance of share capital primarily due to JELD-WEN's issuance of new shares in its initial public offering, as discussed on page 22 of this interim MD&A;
- $458 million of contributions received from the limited partners of the Onex Partners and ONCAP Funds, as discussed under the Limited Partners' Interests on page 39 of this interim MD&A; and
- $140 million of proceeds from the Onex Partners III Group's sale of a portion of its shares in JELD-WEN's initial public offering.

Partially offsetting these were:

- $476 million net repayment of long-term debt primarily due to the term loan repayment by JELD-WEN;
- $257 million of cash interest paid;
- $169 million of distributions primarily to the limited partners of the Onex Partners and ONCAP Funds, as discussed under the Limited Partners' Interests on page 39 of this interim MD&A;
- $54 million of cash used by Onex, the parent company, for repurchases of its shares; and
- $53 million used in financing activities of discontinued operations.

For the three months ended March 31, 2016, cash used in financing activities was $422 million and included:

- $180 million of cash interest paid;
- $108 million of cash used by Onex, the parent company, for purchases of its shares;
- $78 million of distributions primarily to non-controlling interests and the limited partners of the Onex Partners and ONCAP Funds, as discussed under the Limited Partners' Interests on page 39 of this interim MD&A; and
- $40 million of cash used for share repurchases primarily by Celestica.

Cash used in investing activities

Cash used in investing activities totalled $449 million for the three months ended March 31, 2017 compared to cash used in investing activities of $232 million during the same period in 2016. Cash used in investing activities during the three months ended March 31, 2017 primarily consisted of:

- $586 million used to fund acquisitions primarily related to the Onex Partners IV Group's investment in Parkdean Resorts; and
- $148 million used for the purchase of property, plant and equipment primarily at Celestica, Save-A-Lot and SIG.

Partially offsetting these were:

- $161 million of net sales of investments and securities by the CLOs and Onex Credit Funds; and
- $91 million of cash interest received primarily by the CLOs.

Cash used in investing activities totalled $232 million for the three months ended March 31, 2016 and consisted primarily of:

- $215 million of net purchases of investments and securities by the CLOs and Onex Credit Funds; and
- $119 million used for the purchase of property, plant and equipment primarily at Carestream Health, Celestica, JELD-WEN and SIG.

Partially offsetting these were:

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

Consolidated cash resources

At March 31, 2017, consolidated cash held by continuing operations decreased to $2.3 billion from $2.4 billion at December 31, 2016. The major component at March 31, 2017 was $579 million of cash on hand at Onex, the parent company (December 31, 2016 – $679 million). In addition to cash at the parent company, Onex had $733 million of near-cash items at March 31, 2017 (December 31, 2016 – $907 million). Near-cash items at March 31, 2017 include short- and long-term investments managed by third-party investment managers, as described on page 42 of this interim MD&A, $178 million (December 31, 2016 – $376 million) invested in a segregated unlevered fund managed by Onex Credit and $70 million (December 31, 2016 – $48 million) in management fees receivable from limited partners of its private equity platforms. During the first quarter of 2017, Onex redeemed $200 million from the Onex Credit segregated unlevered fund for cash management purposes.

Cash and near-cash at Onex, the parent company

Table 18 provides a reconciliation of the change in cash and near-cash at Onex, the parent company, from December 31, 2016 to March 31, 2017.

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

TABLE 18 *(Unaudited) ($ millions)*		Amount
Cash and near-cash on hand at December 31, 2016[a]		**$ 1,586**
Private equity realizations:		
JELD-WEN initial public offering	40	
PURE Canadian Gaming distribution	5	
BBAM distribution	2	
Total private equity realizations		47
Private equity investments:		
Acquisition of Parkdean Resorts	(166)	
Total private equity investments		(166)
Net distribution from Incline Aviation Fund		9
Net Onex Credit activity, including investments in warehouse facilities		(27)
Onex share repurchases		(54)
Other, net, including dividends, management fees, operating costs and treasury income[b]		(83)
Cash and near-cash on hand at March 31, 2017[a]		**$ 1,312**

(a) Includes $485 million (December 31, 2016 – $483 million) of short- and long-term investments managed by third-party investment managers, $178 million (December 31, 2016 – $376 million) invested in a segregated Onex Credit unlevered senior secured loan strategy fund and $70 million (December 31, 2016 – $48 million) of management fees receivable. During the first quarter of 2017, Onex redeemed $200 million from the Onex Credit segregated unlevered fund for cash management purposes.

(b) Other includes the impact of incentive compensation payments paid in 2017 related to 2016 and favourable foreign exchange on cash.

Subsequent to March 31, 2017, Onex, the parent company, received cash of $55 million consisting of $23 million from the distribution by Jack's and $32 million, including approximately $3 million of carried interest, from the sale of shares in the initial public offering by Emerald Expositions.

ADDITIONAL USES OF CASH

Onex' commitment to the Funds

Onex, the parent company, is the largest limited partner in each of the Onex Partners and ONCAP Funds. Table 19 presents the commitment and the uncalled committed capital of Onex, the parent company, in these funds at March 31, 2017.

Commitment and Uncalled Committed Capital of Onex, the Parent Company, at March 31, 2017

TABLE 19 *(Unaudited) ($ millions)*	Fund Size	Onex' Commitment	Onex' Uncalled Committed Capital[a]
Onex Partners I	$ 1,655	$ 400	$ 20[b]
Onex Partners II	$ 3,450	$ 1,407	$ 158[b]
Onex Partners III	$ 4,700	$ 1,200	$ 121
Onex Partners IV	$ 5,660	$ 1,700	$ 531
ONCAP II	C$ 574	C$ 252	C$ 1[b]
ONCAP III[c]	C$ 800	C$ 252	C$ 36
ONCAP IV	$ 1,107	$ 480	$ 455

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

ADDITIONAL SOURCES OF CASH

Private equity funds

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

Table 20 provides a summary of the remaining commitments available from limited partners at March 31, 2017. The remaining commitments for Onex Partners IV and ONCAP IV will be used for future Onex-sponsored acquisitions. The remaining commitments from limited partners of Onex Partners I and II are for future funding of partnership expenses. The remaining commitments from limited partners of ONCAP II are for possible future funding of management fees and partnership expenses. The remaining commitments from limited partners of Onex Partners III and ONCAP III are for possible future funding of remaining businesses and future funding of management fees and partnership expenses.

Private Equity Funds' Uncalled Limited Partners' Committed Capital, at March 31, 2017

TABLE 20 *(Unaudited) ($ millions)*	Available Uncalled Committed Capital (excluding Onex)[a]
Onex Partners I	$ 65
Onex Partners II	$ 241
Onex Partners III	$ 382
Onex Partners IV	$ 1,280
ONCAP II	C$ 2
ONCAP III	C$ 86
ONCAP IV	$ 688

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

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

Carried interest participation

The General Partners of the Onex Partners and ONCAP Funds, which are controlled by Onex, are entitled to carried interest, as described on page 32 of this interim MD&A.

Table 21 shows the amount of net carried interest received by Onex, the parent company, up to March 31, 2017.

Carried Interest

TABLE 21 (Unaudited) ($ millions)	Carried Interest Received
2011 and prior years	$ 237
2012	3
2013	75
2014	171
2015	1
2016	14
2017 (up to March 31)	6
Total	$ 507

During the three months ended March 31, 2017, Onex, the parent company, received carried interest totalling $6 million primarily associated with the partial sale of shares of JELD-WEN. Onex has the potential to receive $228 million of carried interest on its businesses in the Onex Partners Funds based on their fair values determined at March 31, 2017.

During the year ended December 31, 2016, Onex, the parent company, received carried interest of $14 million primarily related to the sale of KraussMaffei.

During the three months ended March 31, 2017, management of Onex and ONCAP received carried interest totalling $12 million, which was comprised of amounts received on the following transactions: (i) $8 million from the sale of shares of JELD-WEN in that company's initial public offering; and (ii) $4 million in connection with the distribution received from Hopkins. Management of Onex and ONCAP has the potential to receive $411 million of carried interest on businesses in the Onex Partners and ONCAP Funds based on their values determined at March 31, 2017.

During the year ended December 31, 2016, management of Onex and ONCAP received carried interest totalling $24 million primarily related to the sale of KraussMaffei.

Management fees

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

During the initial fee period of the Onex Partners and ONCAP Funds, Onex receives a management fee based on limited partners' committed capital to each fund. At March 31, 2017, the management fees of Onex Partners IV and ONCAP IV 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' net funded commitments. At March 31, 2017, the management fees of Onex Partners III and ONCAP II and III are determined based on their limited partners' net funded commitments. As realizations occur in these funds, the management fees calculated based on limited partners' net funded commitments will decline.

Onex has elected to defer cash receipt of management fees from limited partners of its private equity funds until the later stages of each fund's life. At March 31, 2017, $70 million (December 31, 2016 – $48 million) of management fees were receivable from the limited partners of the private equity funds.

Onex Credit earns management fees on $6.7 billion of fund investor capital as of March 31, 2017, which is invested in a variety of investment strategies focused on event-driven, long/short, long-only, par, stressed and distressed opportunities as well as its CLOs. The management fees range from 0.50% to 2.00% on the capital invested in Onex Credit Funds and up to 0.50% on the capital invested in its CLOs.

Incentive fees

Onex Credit is entitled to incentive fees on $6.4 billion of fund investor capital it manages as of March 31, 2017, where applicable. 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.

RELATED PARTY TRANSACTIONS

Tax loss transaction

In March 2017, Onex entered into the sale of an entity, whose sole assets were certain tax losses, to a company controlled by Mr. Gerald W. Schwartz, who is Onex' controlling shareholder. As a result of this transaction, Onex recorded a gain of $5 million in other expenses (income) in the first quarter of 2017. Note 13 to the unaudited interim consolidated financial statements provides further details on the transaction. In connection with this transaction, 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 from a financial point of view. The transaction was unanimously approved by Onex' Audit and Corporate Governance Committee, all the members of which are independent directors.

Incline Aviation Fund

In February 2017, Mr. Gerald W. Schwartz assumed $25 million of Onex' commitment to Incline Aviation Fund, reducing the amount committed by Onex to $50 million. At March 31, 2017, Onex' uncalled commitment to Incline Aviation Fund was $45 million.

In addition to Mr. Schwartz's commitment, as of March 31, 2017, management of Onex had committed approximately $16 million to Incline Aviation Fund.

Repurchase of shares

In March 2017, Onex repurchased in a private transaction 750,000 of its SVS that were held indirectly by Mr. Gerald W. Schwartz. The private transaction was approved by the disinterested directors of the Board of Directors of the Company. The shares were repurchased at C$94.98 per SVS, or a total cost of $53 million (C$71 million), which represents a slight discount to the trading price of Onex shares at that date.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

Limitation on scope of design

Management has limited the scope of the design of internal controls over financial reporting and disclosure controls and procedures to exclude the controls, policies and procedures of Clarivate Analytics (acquired in October 2016) and Save-A-Lot (acquired in December 2016), the operating results of which are included in the March 31, 2017 unaudited interim consolidated financial statements of Onex. The scope limitation is in accordance with Section 3.3 of National Instrument 52-109, *Certification of Disclosure in Issuer's Annual and Interim Filings*, which allows an issuer to limit its design of internal controls over financial reporting and disclosure controls and procedures to exclude the controls, policies and procedures of a company acquired not more than 365 days before the end of the financial period to which the certificate relates.

Table 22 shows a summary of the financial information for Clarivate Analytics and Save-A-Lot, which is included in the March 31, 2017 unaudited interim consolidated financial statements of Onex.

TABLE 22 *(Unaudited) ($ millions)*	Clarivate Analytics	Save-A-Lot
Three months ended March 31, 2017		
Revenue	**$ 210**	**$ 1,026**
Net loss	**$ 68**	**$ 38**
As at March 31, 2017		
Current assets	**$ 612**	**$ 445**
Non-current assets	**$ 3,636**	**$ 1,240**
Current liabilities	**$ 732**	**$ 321**
Non-current liabilities	**$ 2,074**	**$ 759**

GLOSSARY

The following is a list of commonly used terms in Onex' interim MD&A and unaudited interim consolidated financial statements and their corresponding definitions.

Assets under management is the sum of the fair value of invested assets and uncalled committed capital that Onex manages on behalf of fund investors, including Onex' own capital.

Carried interest is an allocation of part of a fund investor's profits to Onex and its management team after realizing a preferred return.

CLO warehouse is a leveraged portfolio of credit investments that Onex establishes in anticipation of raising a new CLO. The leverage is typically provided by a financial institution that serves as the placement agent for the relevant CLO. The leverage provided by a financial institution may be in the form of a total return swap that transfers the credit and market risk of specified securities. Onex provides capital to support the CLO warehouse.

Co-investment is a direct investment made by limited partners alongside the fund.

Collateralized Loan Obligation ("CLO") is a structured investment fund that invests in non-investment grade debt. Interests in these funds are sold in rated tranches that have rights to the CLO's collateral and payment streams in descending order of priority. The yield to investors in each tranche decreases as the level of priority increases.

Committed capital is the amount contractually committed by limited partners that a fund may call for investments or to pay management fees and other expenses.

Deferred Share Units ("DSUs") are synthetic investments made by Directors and senior management of Onex, where the gain or loss mirrors the performance of the SVS. DSUs may be issued to Directors in lieu of director fees and to senior management in lieu of a portion of their annual short-term incentive compensation.

Direct lending platform will focus on providing credit to middle-market and larger private equity and corporate borrowers predominantly in the United States and, selectively, in Canada and Europe. The strategy will invest the majority of its capital in senior secured loans of companies primarily in less cyclical and less capital-intensive industries, with a focus on capital preservation. The direct lending platform will employ a buy-and-hold approach to investing, with a goal of owning a diversified pool of investments.

Discontinued operation is a component of Onex that has either been disposed of or is currently classified as held for sale, and represents either a major line of business or geographical area, a single coordinated plan to dispose of a separate line of business or geographical area, or a subsidiary acquired exclusively with a view to near-term resale.

EBITDA is a non-GAAP measure and is based on the local accounting standards of the individual operating companies. The metric is based on earnings before interest, taxes, depreciation and amortization as well as other adjustments. Other adjustments can include non-cash costs of stock-based compensation and retention plans, transition and restructuring expenses including severance payments, the impact of derivative instruments that no longer qualify for hedge accounting, the impacts of purchase accounting and other similar amounts.

Economic ownership is the percentage by which Onex economically participates in an operating company investment.

Fee-generating capital is the assets under management on which the Company earns management fees and/or carried interest or incentive fees.

Fund investor capital is the invested and committed uncalled capital of third-party investors.

General partner is a partner that determines most of the actions of a partnership and can legally bind the partnership. The general partners of Onex-sponsored funds are Onex-controlled subsidiaries.

Gross internal rate of return ("Gross IRR") is the annualized percentage return achieved on an investment or fund, taking time into consideration. This measure does not reflect a limited partner's return since it is calculated without deducting carried interest, management fees, taxes and expenses.

Gross multiple of capital ("Gross MOC") is an investment's or fund's total value divided by the capital that has been invested. This measure does not reflect a limited partner's multiple of capital since it is calculated without deducting carried interest, management fees, taxes and expenses.

Hurdle or **preferred return** is the minimum return required from an investment or fund before payments under the MIP, carried interest or incentive fees.

Incentive fees are performance fees generated on fund investors' capital managed by Onex Credit. Certain incentive fees are subject to a hurdle or preferred return to investors in accordance with the terms of the relevant agreements.

International Financial Reporting Standards ("IFRS") is a set of standards adopted by Onex to determine accounting policies for the consolidated financial statements that were formulated by the International Accounting Standards Board, and allows for comparability and consistency across businesses. As a publicly listed entity in Canada, Onex is required to report under IFRS.

Joint ventures are a type of business arrangement in which two or more parties agree to share control over key decisions in order to reach a common objective, typically profit generation or cost reduction. Joint ventures held by Onex through its private equity funds are recorded at fair value.

Leveraged loans refer to the non-investment grade senior secured debt of relatively highly leveraged borrowers. A leveraged loan is typically issued by a company in connection with it being acquired by a private equity or corporate investor.

Limited partner is an investor whose liability is generally limited to the extent of their share of the partnership.

Limited Partners' Interests charge primarily represents the change in the fair value of the underlying investments in the Onex Partners, ONCAP and Onex Credit Funds, net of carried interest, which is allocated to the limited partners and recorded as Limited Partners' Interests liability.

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 those funds, the impact of the carried interest, as well as any contributions by and distributions to the limited partners in those funds.

LTM EBITDA is EBITDA of a business over the last twelve months.

Management investment plan ("MIP") is a plan that requires members of Onex' management to invest in each of the operating businesses acquired or invested in by Onex. Management's required cash investment is 1.5% of Onex' interest in each acquisition or investment. Management is allocated 7.5% of Onex' realized gain from an operating business investment, subject to Onex realizing the full return of its investment plus a net 15% internal rate of return from the investment. The plan also has vesting requirements, certain limitations and voting requirements.

Multiple Voting Shares of Onex are the controlling class of shares which entitle Mr. Gerald W. Schwartz to elect 60% of Onex' Directors and to 60% of the total shareholder vote on most matters. The shares have no entitlement to distribution on wind-up or dissolution above their nominal paid-in value and do not participate in dividends or earnings.

Near-cash are investment holdings in readily marketable investments that can be converted to cash in an orderly market. In addition, near-cash includes management fees receivable from the limited partners of Onex' private equity funds.

Net internal rate of return ("Net IRR") is the annualized percentage return earned by the limited partners of a fund, after the deduction of carried interest, management fees, taxes and expenses, taking time into consideration.

Net multiple of capital ("Net MOC") is the investment distributions and unrealized value, net of carried interest and taxes, to limited partners subject to carried interest and management fees in the funds, divided by the limited partners' total contributions for investments, fees and expenses.

Non-controlling interests represent the ownership interests in Onex' controlled operating companies by shareholders other than Onex and the limited partners in the Onex Partners and ONCAP Funds.

Normal Course Issuer Bid(s) ("NCIB") is an annual program(s) approved by the Board of Directors that enables Onex to repurchase SVS for cancellation.

ONEX is the share symbol for Onex Corporation on the Toronto Stock Exchange.

Onex capital is the aggregate fair value of Onex Corporation's investments, cash and near-cash assets, less debt (which is nil). The fair value of Onex Corporation's investments includes the unrealized carried interest less the MIP liability based on the current fair values of the investments.

Onex capital per share is Onex capital divided by the number of fully diluted shares.

Onex Credit Funds are the funds managed by Onex Credit, which include two closed-end funds listed on the Toronto Stock Exchange (TSX: OCS-UN and OSL-UN). Onex controls and consolidates certain funds managed by Onex Credit in which Onex, the parent company, holds an investment.

Private equity platform refers to our investing and asset management activities carried on through the Onex Partners and ONCAP Funds.

Subordinate Voting Shares ("SVS") are the non-controlling share capital of Onex. SVS shareholders are entitled to elect 40% of Onex' Directors and to 40% of the total shareholder vote on most matters. These shares are the only class of stock that economically participates in Onex Corporation. The SVS trade on the Toronto Stock Exchange.

CONSOLIDATED BALANCE SHEETS

(Unaudited) *(in millions of U.S. dollars)*	**As at March 31, 2017**	As at December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	**$ 2,272**	$ 2,371
Short-term investments	**158**	154
Accounts receivable	**3,549**	3,868
Inventories	**2,887**	2,731
Other current assets	**946**	1,190
Assets held by discontinued operations (note 4)	**3,018**	–
	12,830	10,314
Property, plant and equipment	**5,875**	4,275
Long-term investments (note 5)	**8,710**	8,672
Other non-current assets	**1,177**	1,192
Intangible assets	**8,199**	9,286
Goodwill	**8,141**	9,174
	$ 44,932	$ 42,913
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	**$ 4,100**	$ 4,324
Current portion of provisions	**295**	305
Other current liabilities	**1,695**	1,550
Current portion of long-term debt of operating companies, without recourse to Onex Corporation (note 6)	**402**	407
Current portion of Limited Partners' Interests (note 7)	**1,291**	89
Liabilities held by discontinued operations (note 4)	**2,931**	–
	10,714	6,675
Non-current portion of provisions	**317**	340
Long-term debt of operating companies, without recourse to Onex Corporation (note 6)	**21,094**	22,456
Other non-current liabilities	**2,092**	2,169
Deferred income taxes	**1,536**	1,537
Limited Partners' Interests (note 7)	**7,992**	8,385
	43,745	41,562
Equity		
Share capital (note 8)	**322**	324
Non-controlling interests	**2,106**	1,841
Retained deficit and accumulated other comprehensive loss	**(1,241)**	(814)
	1,187	1,351
	$ 44,932	$ 42,913

These unaudited interim consolidated financial statements should be read in conjunction with the 2016 audited annual consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited) *(in millions of U.S. dollars except per share data)*	Three months ended March 31 **2017**	2016
Revenues	**$ 6,517**	$ 4,726
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	**(4,836)**	(3,444)
Operating expenses	**(1,148)**	(824)
Interest income	**86**	77
Amortization of property, plant and equipment	**(178)**	(131)
Amortization of intangible assets and deferred charges	**(168)**	(116)
Interest expense of operating companies	**(305)**	(215)
Increase in value of investments in joint ventures and associates at fair value, net (note 5)	**25**	20
Stock-based compensation expense	**(110)**	(48)
Other expense (note 9)	**(210)**	(26)
Limited Partners' Interests charge (note 7)	**(519)**	(159)
Loss before income taxes and discontinued operations	**(846)**	(140)
Recovery of (provision for) income taxes	**13**	(29)
Loss from continuing operations	**(833)**	(169)
Loss from discontinued operations (note 4)	**(104)**	(6)
Loss for the Period	**$ (937)**	$ (175)

Earnings (Loss) from Continuing Operations attributable to:		
Equity holders of Onex Corporation	**$ (809)**	$ (181)
Non-controlling Interests	**(24)**	12
Loss from Continuing Operations for the Period	**$ (833)**	$ (169)

Net Earnings (Loss) attributable to:		
Equity holders of Onex Corporation	**$ (912)**	$ (187)
Non-controlling Interests	**(25)**	12
Net Loss for the Period	**$ (937)**	$ (175)

Net Loss per Subordinate Voting Share of Onex Corporation (note 10)		
Basic and Diluted:		
Continuing operations	**$ (7.87)**	$ (1.74)
Discontinued operations	**(1.01)**	(0.05)
Net Loss per Subordinate Voting Share for the Period	**$ (8.88)**	$ (1.79)

These unaudited interim consolidated financial statements should be read in conjunction with the 2016 audited annual consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(Unaudited) *(in millions of U.S. dollars)*	Three months ended March 31 **2017**	 2016
Net loss for the period	**$ (937)**	$ (175)
Other comprehensive earnings (loss), net of tax		
Items that may be reclassified to net earnings (loss):		
Currency translation adjustments	**98**	61
Change in fair value of derivatives designated as hedges	**12**	16
	110	77
Items that will not be reclassified to net earnings (loss):		
Remeasurements for post-employment benefit plans	**(5)**	(1)
Other comprehensive earnings from discontinued operations, net of tax (note 4)	**–**	2
Other comprehensive earnings, net of tax	**105**	78
Total Comprehensive Loss for the Period	**$ (832)**	$ (97)

Total Comprehensive Earnings (Loss) attributable to:		
Equity holders of Onex Corporation	**$ (771)**	$ (133)
Non-controlling Interests	**(61)**	36
Total Comprehensive Loss for the Period	**$ (832)**	$ (97)

These unaudited interim consolidated financial statements should be read in conjunction with the 2016 audited annual consolidated financial statements.

CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited) *(in millions of U.S. dollars except per share data)*	Share Capital (note 8)	Retained Earnings (Deficit)	Accumulated Other Comprehensive Earnings (Loss)	Total Equity Attributable to Equity Holders of Onex Corporation	Non-controlling Interests	Total Equity
Balance – December 31, 2015	$ 333	$ 3	$ (499)[b]	$ (163)	$ 1,353	$ 1,190
Dividends declared[a]	–	(5)	–	(5)	–	(5)
Repurchase and cancellation of shares (note 8)	(5)	(103)	–	(108)	–	(108)
Investments in operating companies by shareholders other than Onex	–	5	–	5	21	26
Distributions to non-controlling interests and other adjustments	–	–	–	–	(5)	(5)
Repurchase of shares of operating companies[c]	–	–	–	–	(42)	(42)
Comprehensive Earnings (Loss)						
Net earnings (loss) for the period	–	(187)	–	(187)	12	(175)
Other comprehensive earnings (loss) for the period, net of tax:						
Currency translation adjustments	–	–	58	58	3	61
Change in fair value of derivatives designated as hedges	–	–	(4)	(4)	20	16
Remeasurements for post-employment benefit plans	–	(1)	–	(1)	–	(1)
Other comprehensive earnings (loss) from discontinued operations, net of tax (note 4)	–	(11)	12	1	1	2
Balance – March 31, 2016	$ 328	$ (299)	$ (433)[d]	$ (404)	$ 1,363	$ 959
Balance – December 31, 2016	$ 324	$ (305)	$ (509)[e]	$ (490)	$ 1,841	$ 1,351
Dividends declared[a]	**–**	**(5)**	**–**	**(5)**	**–**	**(5)**
Repurchase and cancellation of shares (note 8)	**(2)**	**(53)**	**–**	**(55)**	**–**	**(55)**
Investments in operating companies by shareholders other than Onex[f]	**–**	**269**	**–**	**269**	**323**	**592**
Distributions to non-controlling interests	**–**	**–**	**–**	**–**	**(1)**	**(1)**
Repurchase of shares of operating companies	**–**	**–**	**–**	**–**	**(3)**	**(3)**
Sale of interests in operating companies under continuing control (note 2(a))	**–**	**133**	**–**	**133**	**7**	**140**
Comprehensive Earnings (Loss)						
Net loss for the period	**–**	**(912)**	**–**	**(912)**	**(25)**	**(937)**
Other comprehensive earnings (loss) for the period, net of tax:						
Currency translation adjustments	**–**	**–**	**128**	**128**	**(30)**	**98**
Change in fair value of derivatives designated as hedges	**–**	**–**	**4**	**4**	**8**	**12**
Remeasurements for post-employment benefit plans	**–**	**9**	**–**	**9**	**(14)**	**(5)**
Balance – March 31, 2017	**$ 322**	**$ (864)**	**$ (377)[g]**	**$ (919)**	**$ 2,106**	**$ 1,187**

(a) Dividends declared per Subordinate Voting Share were C$0.06875 for the three months ended March 31, 2017 (2016 – C$0.0625). In 2017, shares issued under the dividend reinvestment plan amounted to less than $1 (2016 – 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, 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.

(c) Repurchase of shares of operating companies during the first three months of 2016 consisted primarily of shares repurchased by Celestica.

(d) Accumulated Other Comprehensive Earnings (Loss) as at March 31, 2016 consisted of currency translation adjustments of negative $396, unrealized losses on the effective portion of cash flow hedges of $39 and unrealized gains on available-for-sale financial assets of $2. Accumulated Other Comprehensive Earnings (Loss) as at March 31, 2016 included $39 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, 2016 consisted of currency translation adjustments of negative $473, unrealized losses on the effective portion of cash flow hedges of $38 and unrealized gains on available-for-sale financial assets of $2. Income taxes did not have a significant effect on these items.

(f) Investments in operating companies by shareholders other than Onex included the issuance of new shares by JELD-WEN in its initial public offering and a transfer of the historical accounting carrying value associated with that ownership interest.

(g) Accumulated Other Comprehensive Earnings (Loss) as at March 31, 2017 consisted of currency translation adjustments of negative $345 and unrealized losses on the effective portion of cash flow hedges of $34 and unrealized gains on available-for-sale financial assets of $2. Accumulated Other Comprehensive Earnings (Loss) as at March 31, 2017 did not include any amounts related to discontinued operations. Income taxes did not have a significant effect on these items.

These unaudited interim consolidated financial statements should be read in conjunction with the 2016 audited annual consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited) *(in millions of U.S. dollars)*	Three months ended March 31 2017	2016
Operating Activities		
Loss for the period from continuing operations	**$ (833)**	$ (169)
Adjustments to loss from continuing operations:		
Provision for (recovery of) income taxes	**(13)**	29
Interest income	**(86)**	(77)
Interest expense of operating companies	**305**	215
Loss before interest and provision for income taxes	**(627)**	(2)
Cash taxes paid	**(41)**	(47)
Items not affecting cash and cash equivalents:		
Amortization of property, plant and equipment	**178**	131
Amortization of intangible assets and deferred charges	**168**	116
Increase in value of investments in joint ventures and associates at fair value, net (note 5)	**(25)**	(20)
Stock-based compensation expense	**98**	44
Foreign exchange gain	**(31)**	(30)
Limited Partners' Interests charge (note 7)	**519**	159
Change in provisions	**57**	23
Change in carried interest	**45**	10
Other	**73**	(14)
	414	370
Changes in non-cash working capital items:		
Accounts receivable	**140**	25
Inventories	**(105)**	(175)
Other current assets	**33**	49
Accounts payable, accrued liabilities and other current liabilities	**(150)**	(155)
Decrease in cash and cash equivalents due to changes in non-cash working capital items	**(82)**	(256)
Increase (decrease) in other operating activities	**(30)**	17
Cash flows from operating activities of discontinued operations (note 4)	**69**	76
	371	207
Financing Activities		
Issuance of long-term debt	**137**	115
Repayment of long-term debt	**(613)**	(113)
Cash interest paid	**(257)**	(180)
Cash dividends paid	**(5)**	(5)
Repurchase of share capital of Onex Corporation	**(54)**	(108)
Repurchase of share capital of operating companies	**(3)**	(40)
Contributions by Limited Partners (note 7)	**458**	8
Issuance of share capital by operating companies	**499**	3
Proceeds from sale of interests in operating company under continuing control (note 2(a))	**140**	–
Distributions paid to non-controlling interests and Limited Partners (note 7)	**(169)**	(78)
Decrease due to other financing activities	**(21)**	(4)
Cash flows used in financing activities of discontinued operations (note 4)	**(53)**	(20)
	59	(422)
Investing Activities		
Acquisitions, net of cash and cash equivalents in acquired companies of $68 (2016 – $1) (note 3)	**(586)**	(27)
Purchase of property, plant and equipment	**(148)**	(119)
Proceeds from sale of property, plant and equipment	**3**	36
Distributions received from investments in joint ventures and associates (note 5(b))	**15**	19
Purchase of investment in associate (note 5(b))	**(2)**	(33)
Cash interest received	**91**	74
Net sales (purchases) of investments and securities for CLOs and Onex Credit Funds (note 5)	**161**	(215)
Net sales (purchases) of investments and securities at parent company and operating companies (note 5)	**(13)**	107
Increase (decrease) due to other investing activities	**61**	(19)
Cash flows used in investing activities of discontinued operations (note 4)	**(31)**	(55)
	(449)	(232)
Decrease in Cash and Cash Equivalents for the Period	**(19)**	(447)
Increase in cash due to changes in foreign exchange rates	**4**	18
Cash and cash equivalents, beginning of the period – continuing operations	**2,272**	2,229
Cash and cash equivalents, beginning of the period – discontinued operations (note 4)	**99**	197
Cash and Cash Equivalents	**2,356**	1,997
Cash and cash equivalents held by discontinued operations (note 4)	**84**	203
Cash and Cash Equivalents Held by Continuing Operations	**$ 2,272**	$ 1,794

These unaudited interim consolidated financial statements should be read in conjunction with the 2016 audited annual consolidated financial statements.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

Onex Corporation is a Canadian corporation domiciled in Canada and is listed on the Toronto Stock Exchange under the symbol ONEX. Onex Corporation's shares are traded in Canadian dollars. The registered address for Onex Corporation is 161 Bay Street, Toronto, Ontario. Gerald W. Schwartz controls Onex Corporation by indirectly holding all of the outstanding Multiple Voting Shares of the corporation and also indirectly holds 12% of the outstanding Subordinate Voting Shares of the corporation as at March 31, 2017.

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

The unaudited interim consolidated financial statements were authorized for issue by the Board of Directors on May 11, 2017.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These unaudited interim consolidated financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of 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 unaudited interim consolidated financial statements represent the accounts of Onex and its subsidiaries, including its controlled operating companies. Onex also controls and consolidates the operations of Onex Partners LP ("Onex Partners I"), Onex Partners II LP ("Onex Partners II"), Onex Partners III LP ("Onex Partners III") and Onex Partners IV LP ("Onex Partners IV"), referred to collectively as "Onex Partners", and ONCAP II L.P., ONCAP III LP and ONCAP IV LP, referred to collectively as "ONCAP" (as described in note 31 to the 2016 audited annual consolidated financial statements). In addition, Onex controls and consolidates the operations of the Onex Credit asset management platform, certain funds managed by Onex Credit ("Onex Credit Funds") in which Onex, the parent company, holds 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 unaudited interim consolidated balance sheets, with changes in fair value recognized in the unaudited interim consolidated statements of earnings.

References to the Onex management team include the management of Onex, ONCAP and Onex Credit. References to management without the use of team include only the relevant group. References to the Onex Partners Groups represent Onex, the limited partners of the relevant Onex Partners Fund, the Onex management team and, where applicable, certain other limited partners as investors. References to the ONCAP Groups represent Onex, the limited partners of the relevant ONCAP Fund, the Onex management team and, where applicable, certain other limited partners as investors.

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

	March 31, 2017			December 31, 2016		
	Onex' Ownership	Onex' and Limited Partners' Ownership	Voting	Onex' Ownership	Onex' and Limited Partners' Ownership	Voting
Investments made through Onex						
Celestica Inc. ("Celestica")	13%	13%	79%	13%	13%	80%
Investments made through Onex and Onex Partners I						
Genesis Healthcare, Inc. ("Genesis Healthcare")	2%	10%	10%	2%	10%	10%
Investments made through Onex and Onex Partners II						
Carestream Health, Inc. ("Carestream Health")	36%	91%	100%	36%	91%	100%
Investments made through Onex and Onex Partners III						
BBAM Limited Partnership ("BBAM")	13%	50%	50%[a]	13%	50%	50%[a]
Emerald Expositions Events, Inc. ("Emerald Expositions")[b]	24%	99%	99%	24%	99%	99%
JELD-WEN Holding, Inc. ("JELD-WEN")[c]	15%	60%	60%	21%	84%	84%
Meridian Aviation Partners Limited and affiliates ("Meridian Aviation")	25%	100%	100%	25%	100%	100%
SGS International, Inc. ("sgsco")	23%	93%	93%	23%	93%	93%
USI Insurance Services ("USI")[d][e]	25%	89%	100%	25%	89%	100%
York Risk Services Holding Corp. ("York")	29%	88%	100%	29%	88%	100%
Investments made through Onex, Onex Partners I and Onex Partners III						
Res-Care, Inc. ("ResCare")	20%	98%	100%	20%	98%	100%
Investments made through Onex and Onex Partners IV						
Advanced Integration Technology LP ("AIT")	11%	50%	50%[a]	11%	50%	50%[a]
Clarivate Analytics	26%	72%	72%	26%	72%	72%
Jack's Family Restaurants ("Jack's")	28%	96%	100%	28%	96%	100%
Parkdean Resorts[f]	25%	91%	80%	–	–	–
Save-A-Lot	28%	100%	100%	28%	100%	100%
Schumacher Clinical Partners ("Schumacher")	20%	68%	68%	20%	68%	68%
SIG Combibloc Group Holdings S.à r.l. ("SIG")	33%	99%	95%	33%	99%	95%
Survitec Group Limited ("Survitec")	18%	79%	68%	18%	79%	68%
WireCo WorldGroup ("WireCo")	20%	71%	71%	20%	71%	71%
Investments made through Onex Real Estate Partners						
Flushing Town Center	88%	88%	100%	88%	88%	100%
Other investments						
ONCAP II Fund ("ONCAP II")	47%[g]	100%	100%	47%[g]	100%	100%
ONCAP III Fund ("ONCAP III")	29%	100%	100%	29%	100%	100%
ONCAP IV Fund ("ONCAP IV")	40%	100%	100%	40%	100%	100%

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

(b) In April 2017, Emerald Expositions completed an initial public offering, as described in note 2(f). Subsequent to the initial public offering, the Onex Partners III Group continues to hold a 75% economic and voting interest in Emerald Expositions, of which Onex' share is an 18% economic interest.

(c) The economic ownership and voting interests of JELD-WEN at December 31, 2016 are presented on an as-converted basis as the Company's investment was in common and convertible preferred shares. In January 2017, JELD-WEN completed an initial public offering in which all convertible preferred shares were converted to common stock, as described in note 2(a). The allocation of net earnings (loss) and comprehensive earnings (loss) attributable to equity holders of Onex Corporation and non-controlling interests was calculated using an as-converted economic ownership of 62% at March 31, 2017 (December 31, 2016 – 88%) to reflect certain JELD-WEN shares that are recorded as liabilities at fair value.

(d) 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 economic ownership of 99% at March 31, 2017 to reflect certain USI shares that are recorded as liabilities at fair value.

(e) USI is recorded as a discontinued operation, as described in note 2(c).

(f) Parkdean Resorts was acquired in March 2017, as described in note 2(b).

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

The ownership percentages are before the effect of any potential dilution relating to the Management Investment Plan (the "MIP"), as described in note 31(d) to the 2016 audited annual consolidated financial statements. 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

The disclosures contained in these unaudited interim consolidated financial statements do not include all the requirements of IFRS for annual financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2016.

The unaudited interim consolidated financial statements are based on accounting policies, as described in note 1 to the 2016 audited annual consolidated financial statements.

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 in the process of executing its implementation plan and intends to adopt IFRS 15 on January 1, 2018 on a full retrospective basis. 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. SIGNIFICANT TRANSACTIONS

a) Initial public offering by JELD-WEN

In January 2017, JELD-WEN completed an initial public offering of 28.75 million shares of its common stock (NYSE: JELD), including the exercise of the over-allotment option. The offering was priced at $23.00 per share for gross proceeds of $661. As part of the offering, JELD-WEN issued approximately 22.3 million treasury shares. The net proceeds from treasury shares were used to repay $375 of JELD-WEN's combined term loan with the balance for working capital and other general corporate purposes. The Onex Partners III Group sold approximately 6.5 million shares in the transaction for net proceeds of $140. Onex' portion of the net proceeds was $40, including $6 of carried interest.

Amounts received on account of the carried interest related to this transaction totalled $14. Onex was allocated 40% of the carried interest, with 60% allocated to management. Onex' share of the carried interest received was $6 and was included in the net proceeds to Onex. Management's share of the carried interest was $8. No amounts were paid on account of the MIP for this transaction as the required realized investment return hurdle for Onex was not met on realizations to date.

The Onex Partners III Group continues to hold approximately 62.8 million shares of JELD-WEN's common stock for a 60% economic interest, of which Onex' share is approximately 15.5 million shares for a 15% economic interest. Since this transaction did not result in a loss of control of JELD-WEN, the transaction was recorded as a transfer of equity to non-controlling interests in the unaudited interim consolidated financial statements, with the cash proceeds received in excess of the historical accounting carrying value of $133 being recorded directly to retained earnings.

As part of its initial public offering, JELD-WEN issued approximately 22.3 million new common shares. As a result of the dilution of the Company's ownership interest in JELD-WEN from the issuance, a transfer from the non-controlling interests was recorded in the unaudited interim consolidated statements of equity. This reflects Onex' share of the increase in the book value of the net assets of JELD-WEN due to the issuance of additional common shares at a value above the Company's historical accounting carrying value of JELD-WEN.

b) Acquisition of Parkdean Resorts

In March 2017, the Onex Partners IV Group acquired Parkdean Resorts, an operator of caravan holiday parks in the United Kingdom, for £1,350. Excluding the impact of foreign exchange hedges, the Onex Partners IV Group's investment was $612 (£500), comprised of $417 from Onex Partners IV and $195 as a co-investment from Onex and certain limited partners, for an economic interest of 91%. Onex' share of the investment was $166, comprised of $123 through Onex Partners IV and $43 as a co-investment, for an economic interest of 25%. The investment in Parkdean Resorts consists of equity of $520 (£425) and a loan note of $92 (£75), of which Onex' share is $141 and $25, respectively. The remainder of the purchase price was financed through a rollover of equity by management shareholders and debt financing, without recourse to Onex Corporation. Parkdean Resorts is included within the other segment.

c) Pending sale of USI

In March 2017, the Company entered into an agreement to sell USI for an enterprise value of approximately $4,300. Under the terms of the agreement, the Onex Partners III Group will receive net proceeds of approximately $1,900. Onex' portion will be approximately $563, including estimated carried interest of $65 and net of the estimated MIP distribution. The transaction is expected to close during the second quarter of 2017 and is subject to customary closing conditions and regulatory approvals.

The operations of USI have been presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows and the three months ended March 31, 2016 have been restated to report the results of USI as discontinued on a comparative basis, as described in note 4(a).

d) Distributions from Jack's

In April 2017, Jack's amended its existing credit facility to increase the size of its term loan to $275, as described in note 6(d). The proceeds from the incremental borrowing, along with cash on hand, were used to fund a distribution of $85 to shareholders. The share of the distribution for the Onex Partners IV Group was $81, of which Onex' share was $23.

e) Pending sale of Dental Digital business by Carestream Health

In April 2017, Carestream Health entered into an agreement to sell its Dental Digital business for an enterprise value of approximately $800. Net cash proceeds from the sale will be used to repay a portion of the company's term loan. The transaction is expected to close in the second half of 2017 and is subject to customary closing conditions and regulatory approvals.

f) Initial public offering by Emerald Expositions

In April 2017, Emerald Expositions completed an initial public offering of approximately 17.8 million shares of its common stock (NYSE: EEX), including the exercise of the over-allotment option. The offering was priced at $17.00 per share for gross proceeds of $303. As part of the offering, Emerald Expositions issued approximately 10.3 million treasury shares. The net proceeds from the treasury shares were used to repay $159 of Emerald Expositions' term loan, with the balance for working capital and other general corporate purposes. The Onex Partners III Group sold approximately 7.5 million shares in the transaction for net proceeds of $119. Onex' portion of the net proceeds was approximately $32, including $3 of carried interest.

Amounts received on account of the carried interest related to this transaction totalled $7. Onex was allocated 40% of the carried interest, with 60% allocated to management. Onex' share of the carried interest received was $3 and was included in the net proceeds to Onex. Management's share of the carried interest was $4. No amounts were paid on account of the MIP for this transaction as the required realized investment return hurdle for Onex was not met on realizations to date.

The Onex Partners III Group continues to hold approximately 53.8 million shares of Emerald Expositions' common stock for a 75% economic interest, of which Onex' share is approximately 13.0 million shares for an 18% economic interest. Since this transaction did not result in a loss of control of Emerald Expositions, the transaction will be recorded as a transfer of equity to non-controlling interests holders in the unaudited interim consolidated financial statements, with the cash proceeds received in excess of the historical accounting carrying value being recorded directly to retained earnings.

g) Distributions from operating businesses

During the three months ended March 31, 2017, the Company received distributions from certain operating businesses of $24, of which $10 was Onex' portion. Significant distributions received by the Company are described below.

In January 2017, PURE Canadian Gaming Corp. ("Pure Canadian Gaming") distributed C$15 to shareholders. The ONCAP II and III Group's portion of the distribution to shareholders was C$15 ($11), of which Onex' portion was C$6 ($5).

During the three months ended March 31, 2017, BBAM distributed $7 to the Onex Partners III Group, of which Onex' share was $2. The distribution was funded by the company's free cash flow.

h) Credit Strategies

i) Warehouse facility of CLO-13

In February 2017, Onex established a warehouse facility in connection with its thirteenth CLO denominated in U.S. dollars ("CLO-13"). Onex has invested $70 in the warehouse facility and a financial institution provided borrowing capacity of up to $280 backed by the underlying collateral. The warehouse facility matures on the earlier of the closing of CLO-13 and February 2018.

ii) Extension of CLO-4

In April 2017, Onex amended CLO-4 which extended the reinvestment period of the CLO by four years to April 2021 and increased the size by $105 to $600. Onex invested an additional $13 in the most subordinated capital of CLO-4 on closing.

iii) Closing of EURO CLO-1

In May 2017, Onex closed EURO CLO-1, which was funded through the issuance of collateralized loan instruments in a series of tranches of secured and subordinated notes in a private placement transaction for an aggregate principal amount of €361 ($393).

On closing, Onex received €55 ($60) plus interest for the investment that supported the warehouse facility and invested €38 ($42) for 100% of the most subordinated capital of the CLO. EURO CLO-1 was primarily invested in corporate loans, which are designated to be recorded at fair value. Reinvestment can be made in collateral by the CLO up to June 2021, or earlier, subject to certain provisions.

iv) Distributions

During the three months ended March 31, 2017, Onex received $15 of distributions from its CLO investments.

3. ACQUISITIONS

During the first three months of 2017, six acquisitions were completed by Onex and its subsidiaries, excluding acquisitions from discontinued operations. Details of the purchase price and allocation to the assets and liabilities acquired, net of debt financing, are as follows:

	Parkdean Resorts[a]	Other[b]	Total
Cash and cash equivalents	$ 68	$ –	$ 68
Other current assets	61	2	63
Intangible assets with limited life	42	13	55
Intangible assets with indefinite life	–	4	4
Goodwill	316	31	347
Property, plant and equipment and other non-current assets	1,611	1	1,612
	2,098	51	2,149
Current liabilities	(336)[1]	(3)	(339)
Non-current liabilities	(1,192)	–	(1,192)
	570	48	618
Non-controlling interests in net assets	(50)	–	(50)
Interests in net assets acquired	$ 520	$ 48	$ 568

(1) Included in current liabilities of Parkdean Resorts is $92 of acquisition financing, of which Onex' share is $25.

a) In March 2017, the Company acquired Parkdean Resorts, as described in note 2(b).

b) Other includes acquisitions made by Emerald Expositions, Hopkins Manufacturing Corporation ("Hopkins"), sgsco and York for total consideration of $48, of which $6 was non-cash consideration.

Included in the acquisitions above are gross receivables due from customers of $17, of which all contractual cash flows are expected to be recovered. The fair value of these receivables at the dates of acquisition was determined to be $17.

Revenue and net losses from the date of acquisition for these acquisitions to March 31, 2017 were $28 and $29, respectively.

The Company estimates it would have reported consolidated revenues of approximately $6,530 and a net loss of approximately $950 for the three months ended March 31, 2017 if acquisitions completed during 2017 had been acquired on January 1, 2017.

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 is expected to be deductible for tax purposes is $31.

4. DISCONTINUED OPERATIONS

The following tables show revenues, expenses and net after-tax results from discontinued operations for the three months ended March 31, 2017 and 2016.

Three months ended March 31, 2017	USI[a]
Revenues	**$ 272**
Expenses	**(389)**
Loss before income taxes	**(117)**
Recovery of income taxes	**13**
Net loss for the period	**$ (104)**

Three months ended March 31, 2016	USI[a]	KraussMaffei[b]	Total
Revenues	$ 272	$ 312	$ 584
Expenses	(275)	(313)	(588)
Loss before income taxes	(3)	(1)	(4)
Recovery of (provision for) income taxes	1	(3)	(2)
Net loss for the period	$ (2)	$ (4)	$ (6)

a) USI

The operations of USI have been presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows and the three months ended March 31, 2016 have been restated to report the results of USI as discontinued on a comparative basis, as described in note 2(c).

b) KraussMaffei

In April 2016, the Company sold its entire investment in KraussMaffei for a cash enterprise value of €925 ($1,000). Net proceeds from the sale were €717 ($821), which included proceeds to the management of KraussMaffei. The Onex Partners III Group received net proceeds of €669 ($753). Onex' portion of the net proceeds was $195, including carried interest and after the reduction for amounts on account of the MIP.

The operations of KraussMaffei have been presented as discontinued in the unaudited interim consolidated statements of earnings and cash flows for the quarter ended March 31, 2016.

The following table shows the summarized assets and liabilities of discontinued operations.

	As at March 31, 2017	As at December 31, 2016
	USI	USI
Cash and cash equivalents	**$ 84**	$ 99
Other current assets	**434**	512
Intangible assets	**1,021**	1,040
Goodwill	**1,414**	1,400
Property, plant and equipment and other non-current assets	**65**	60
	3,018	3,111
Current liabilities	**(826)**	(589)
Non-current liabilities	**(2,105)**	(2,358)
Net assets of discontinued operations	**$ 87**	$ 164

The following tables present the summarized aggregate cash flows from (used in) discontinued operations of USI and KraussMaffei.

For the three months ended March 31, 2017	USI
Operating activities	**$ 69**
Financing activities	**(53)**
Investing activities	**(31)**
Decrease in cash and cash equivalents for the period	**(15)**
Cash and cash equivalents, beginning of the period	**99**
Cash and cash equivalents, end of the period	**$ 84**

For the three months ended March 31, 2016	USI	KraussMaffei	Total
Operating activities	$ 48	$ 28	$ 76
Financing activities	(21)	1	(20)
Investing activities	(44)	(11)	(55)
Increase (decrease) in cash and cash equivalents for the period	(17)	18	1
Increase in cash due to changes in foreign exchange rates	–	5	5
Cash and cash equivalents, beginning of the period	84	113	197
Cash and cash equivalents, end of the period	$ 67	$ 136	$ 203

5. LONG-TERM INVESTMENTS

Long-term investments comprised the following:

	March 31, 2017	December 31, 2016
Corporate loans held by CLOs and warehouse facilities[a]	**$ 6,424**	$ 6,217
Investments in joint ventures and associates – at fair value through earnings[b]	**763**	751
Long-term investments held by Onex Credit Funds[c]	**640**	808
Onex Corporation investments in managed accounts[d]	**330**	325
Investments in joint ventures and associates – equity-accounted[e]	**316**	318
Other	**237**	253
Total	**$ 8,710**	$ 8,672

a) Corporate loans held by CLOs and warehouse facilities

CLO-13

In February 2017, Onex established a warehouse facility in connection with its thirteenth CLO denominated in U.S. dollars, as described in note 2(h).

EURO CLO-1

In May 2017, Onex closed EURO CLO-1, as described in note 2(h). At March 31, 2017, the asset portfolio of the EURO CLO-1 warehouse facility included $243 of corporate loans and notes.

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

Certain investments in joint ventures and associates over which the Company has joint control or significant influence, but not control, are 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 designated at fair value through earnings primarily include investments in AIT, BBAM, Ingersoll Tool Group ("ITG") and Mavis Tire Supply LLC ("Mavis Discount Tire"). The fair value measurements for these investments include 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, 2015	$ 733
Purchase of investments	33
Distributions received	(19)
Increase in fair value of investments, net	20
Balance – March 31, 2016	767
Purchase of investments	11
Distributions received	(187)
Increase in fair value of investments, net	160
Balance – December 31, 2016	$ 751
Purchase of investments	**2**
Distributions received	**(15)**
Increase in fair value of investments, net	**25**
Balance – March 31, 2017	**$ 763**

c) Long-term investments held by Onex Credit Funds

Investments held by Onex Credit Funds are recorded at fair value and classified as fair value through earnings. At March 31, 2017, Onex' share of the net investment in the Onex Credit Funds was $326 (December 31, 2016 – $521). During the first quarter of 2017, Onex redeemed $200 from the Onex Credit segregated unlevered fund for cash management purposes.

d) Onex Corporation investments in managed accounts

Long-term investments consisted 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 consisted of liquid investments that include money market instruments and commercial paper with original maturities of three months to one year. The investments are managed to maintain an overall weighted average duration of two years or less. At March 31, 2017, the fair value of investments managed by third-party investment managers was $482 (December 31, 2016 – $472), of which $152 (December 31, 2016 – $147) was included in short-term investments and $330 (December 31, 2016 – $325) was included in long-term investments.

e) 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 March 31, 2017 and December 31, 2016, the balances consisted primarily of investments in joint ventures and associates held by JELD-WEN, Meridian Aviation and SIG.

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

The following describes the significant changes to Onex Corporation's long-term debt from the information provided in the 2016 audited annual consolidated financial statements, in chronological order.

a) ONCAP IV

In January 2017, ONCAP IV entered into a $100 credit facility. The credit facility is available to finance ONCAP IV capital calls, bridge investments in ONCAP IV operating companies and finance other uses permitted by ONCAP IV's limited partnership agreement. The credit facility includes a deemed credit risk maximum of $35 available to ONCAP IV and its operating companies for foreign exchange transactions, including foreign exchange options, forwards and swaps. Amounts under the credit facility are available in Canadian and U.S. dollars. Borrowings drawn on the credit facility bear interest at a base rate plus a margin of 1.00% or bankers' acceptance rate (subject to a floor of 0.00%) plus a margin of 3.75%. The base rate and bankers' acceptance rate vary based on the currency of the borrowings. Borrowings under the credit facility are due and payable upon demand; however, ONCAP IV has 15 business days to complete a capital call to the limited partners of ONCAP IV. Onex Corporation, the parent company, is only obligated to fund borrowings under the credit facility based on its proportionate share as a limited partner in ONCAP IV.

At March 31, 2017, no amounts were outstanding under the credit facility.

b) Parkdean Resorts

The Onex Partners IV Group acquired Parkdean Resorts in March 2017, as described in note 2(b). In March 2017, Parkdean Resorts entered into a senior secured credit facility consisting of a £575 first lien term loan, a £150 second lien term loan and a £100 revolving credit facility. Borrowings under the first lien term loan bear interest at LIBOR (subject to a floor of 0.00%) plus a margin of up to 4.25%, depending on the company's leverage ratio. The first lien term loan matures in March 2024. Borrowings under the second lien term loan bear interest at LIBOR (subject to a floor of 1.00%) plus a margin of 8.50%. The second lien term loan matures in March 2025. Borrowings under the revolving credit facility bear interest at LIBOR (subject to a floor of 0.00%) plus a margin of up to 3.25%, depending on the company's leverage ratio. The revolving credit facility matures in March 2023. Substantially all of Parkdean Resorts assets are pledged as collateral under the senior secured credit facility.

At March 31, 2017, £575 ($720) was outstanding under the first lien term loan, £150 ($188) was outstanding under the second lien term loan and no amounts were outstanding under the revolving credit facility.

In March 2017, Parkdean Resorts entered into a $92 (£75) loan note with the Onex Partners IV Group, as described in note 2(b). The loan note bears interest at 4.75% and matures in September 2017. At March 31, 2017, $94 (£75) of the loan note was outstanding.

c) JELD-WEN

In February 2017, JELD-WEN repaid $375 under its combined term loan from a portion of its net proceeds from the sale of shares in its initial public offering, as described in note 2(a).

In March 2017, JELD-WEN amended its existing credit facility to reduce the rate at which borrowings under its combined term loan bear interest to LIBOR (subject to a floor of 1.00%) plus a margin of up to 3.00%, depending on the company's leverage ratio. The amendment resulted in a total interest rate reduction of 50 basis points. At March 31, 2017, $1,234 was outstanding under JELD-WEN's combined term loan, and was recorded net of unamortized discounts of $7.

d) Jack's

In April 2017, Jack's amended its existing credit facility to increase the size of its term loan to $275. In addition, the rate at which the company borrows under the term loan was reduced to LIBOR (subject to a floor of 1.00%) plus a margin of up to 4.25%, depending on the company's leverage ratio, and the maturity date was extended to April 2024. The rate at which the company borrows under the revolving credit facility was reduced to LIBOR plus a margin of up to 4.25%, depending on the company's leverage ratio, and the maturity date was extended to April 2022. The amendment resulted in a current interest rate reduction of 50 basis points on the company's term loan and revolving credit facility. The proceeds from the incremental borrowing, along with cash on hand, were used to fund a distribution of $85 to shareholders, as described in note 2(d).

7. LIMITED PARTNERS' INTERESTS

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

	Onex Partners and ONCAP Funds			Onex Credit Funds	Total
	Gross Limited Partners' Interests	Carried Interest	Net Limited Partners' Interests	Net Limited Partners' Interests[i]	
Balance – December 31, 2015	$ 7,492	$ (503)	$ 6,989	$ 329	$ 7,318
Limited Partners' Interests charge[a]	169	(16)	153	6	159
Contributions by Limited Partners[b]	6	–	6	2	8
Distributions paid to Limited Partners[c]	(63)	1	(62)	(11)	(73)
Balance – March 31, 2016	7,604	(518)	7,086	326	7,412
Limited Partners' Interests charge[a]	509	(75)	434	54	488
Contributions by Limited Partners[b]	1,568	–	1,568	17	1,585
Distributions paid to Limited Partners[c]	(1,021)	37	(984)	(27)	(1,011)
Balance – December 31, 2016[d]	8,660	(556)	8,104	370	8,474
Limited Partners' Interests charge[a]	**603**	**(94)**	**509**	**10**	**519**
Contributions by Limited Partners[b]	**458**	**–**	**458**	**–**	**458**
Distributions paid to Limited Partners[c]	**(182)**	**18**	**(164)**	**(4)**	**(168)**
Balance – March 31, 2017	**9,539**	**(632)**	**8,907**	**376**	**9,283**
Current portion of Limited Partners' Interests[d]	**(1,458)**	**167**	**(1,291)**	**–**	**(1,291)**
Non-current portion of Limited Partners' Interests	**$ 8,081**	**$ (465)**	**$ 7,616**	**$ 376**	**$ 7,992**

(i) Net of incentive fees in the Onex Credit Funds.

a) The gross Limited Partners' Interests charge for the Onex Partners and ONCAP Funds is primarily due to net fair value increases of the underlying investments in the Onex Partners and ONCAP Funds. Onex' share of the change in carried interest was $37 for the three months ended March 31, 2017 (2016 – $5) and $33 for the year ended December 31, 2016.

b) The following tables show contributions by limited partners of the Onex Partners and ONCAP Funds for the three months ended March 31, 2017 and 2016 and for the year ended December 31, 2016.

Company	Fund	Transaction	Contribution
Parkdean Resorts[i]	Onex Partners IV	Original investment	**$ 446**
Management fees, partnership expenses and other	Various	Various	**12**
Contributions by Limited Partners – March 31, 2017			**$ 458**

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

Company	Fund	Transaction	Contribution
Management fees, partnership expenses and other	Various	Various	$ 6
Contributions by Limited Partners – March 31, 2016			$ 6
Clarivate Analytics[i]	Onex Partners IV	Original investment	758
Save-A-Lot	Onex Partners IV	Original investment	474
WireCo	Onex Partners IV	Original investment	194
Tecta[ii]	ONCAP III and IV	Original investment	107
Survitec	Onex Partners IV	Add-on investment	27
Management fees, partnership expenses and other	Various	Various	8
Contributions by Limited Partners – December 31, 2016			$ 1,574

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

(ii) Includes contributions returned to the limited partners of ONCAP III in January 2017 from the syndication of a portion of the Tecta investment to ONCAP IV.

c) The following tables show distributions made to limited partners of the Onex Partners and ONCAP Funds for the three months ended March 31, 2017 and 2016 and for the year ended December 31, 2016.

Company	Fund	Transaction	Distribution
JELD-WEN[i]	Onex Partners III	Initial public offering	**$ 92**
Hopkins	ONCAP III	Distribution	**41**
Tecta[ii]	ONCAP III	Syndication	**24**
PURE Canadian Gaming	ONCAP II & III	Distribution	**6**
AIT	Onex Partners IV	Distribution	**1**
Distributions to Limited Partners – March 31, 2017			**$ 164**

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

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

Company	Fund	Transaction	Distribution
Jack's	Onex Partners IV	Repayment of promissory note	$ 42
BBAM	Onex Partners III	Distribution	9
AIT	Onex Partners IV	Distribution	6
Other	Various	Various	5
Distributions to Limited Partners – March 31, 2016			$ 62
KraussMaffei	Onex Partners III	Sale of business	519
JELD-WEN[(i)(ii)]	Onex Partners III	Distributions	264
AIT	Onex Partners IV	Distributions	98
Jack's	Onex Partners IV	Repayment of promissory note	13
BBAM	Onex Partners III	Distributions	28
Cicis	ONCAP II	Sale of business	28
Meridian Aviation	Onex Partners III	Distribution	24
Other	Various	Various	10
Distributions to Limited Partners – December 31, 2016			$ 1,046

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

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

d) At March 31, 2017, the current portion of the Limited Partners' Interests was $1,291, and consisted primarily of the limited partners' share of the expected proceeds from the sale of USI.

At December 31, 2016, the current portion of the Limited Partners' Interests was $89, and consisted primarily of the limited partners' share of (i) the distribution received from Hopkins; (ii) the return of capital to the limited partners of the ONCAP III Group related to the syndication of a portion of the investment in Tecta to the ONCAP IV Group; and (iii) the remaining KraussMaffei proceeds to be distributed during 2017.

8. SHARE CAPITAL

a) At March 31, 2017, the issued and outstanding share capital consisted of 100,000 Multiple Voting Shares (December 31, 2016 – 100,000) and 102,018,291 SVS (December 31, 2016 – 102,787,628). The Multiple Voting Shares have a nominal paid-in value in these unaudited interim consolidated financial statements.

There were no issued and outstanding Senior and Junior Preferred shares at March 31, 2017 or December 31, 2016.

The Company increased its quarterly dividend by 9% to C$0.075 per SVS beginning with the dividend declared by the Board of Directors in May 2017.

b) During the first three months of 2017, under the Dividend Reinvestment Plan, the Company issued 1,979 SVS (2016 – 2,170) at an average cost of C$88.94 per share (2016 – C$83.12). In the first three months of 2017 and 2016, no SVS were issued upon the exercise of stock options.

Onex renewed its Normal Course Issuer Bid in April 2017 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 the first three months of 2017, the Company repurchased and cancelled 771,316 of its SVS at a cost of $55 (C$73). The excess of the purchase cost of these shares over the average paid-in amount was $53 (C$70), which was charged to retained earnings. The shares repurchased were comprised of: (i) 21,316 SVS repurchased under the Normal Course Issuer Bids for a total cost of $2 (C$2) or an average cost per share of $71.22 (C$94.95); and (ii) 750,000 SVS repurchased in a private transaction for a total cost of $53 (C$71) or an average cost per share of $71.24 (C$94.98).

During the first three months of 2016, the Company repurchased and cancelled under its previous Normal Course Issuer Bid 1,855,885 of its SVS at a cost of $108 (C$152). The excess of the purchase cost of these shares over the average paid-in amount was $103 (C$144), which was charged to retained earnings.

c) During the first three months of 2017, the total cash consideration paid on 273,883 options (2016 – 104,600) surrendered was $13 (C$17) (2016 – $4 (C$5)). This amount represents the difference between the market value of the SVS at the time of surrender and the exercise price, both as determined under Onex' Stock Option plan, as described in note 19(e) to the 2016 audited annual consolidated financial statements.

In addition, 36,900 options (2016 – 8,700) expired during the first three months of 2017. At March 31, 2017, the Company had 12,632,400 options (December 31, 2016 – 12,943,183) outstanding to acquire SVS, of which 6,138,215 options were vested and exercisable. The exercisable options at March 31, 2017 had a weighted average price of C$47.00.

d) The Directors have chosen to receive their Directors' fees in Deferred Share Units ("DSUs") in lieu of cash. During the first three months of 2017 and 2016, no DSUs were redeemed. At March 31, 2017, 668,449 Director DSUs were outstanding (December 31, 2016 – 665,871).

Certain members of Onex management have chosen in prior years to apply a portion of their annual compensation earned to acquire DSUs based on the market value of Onex shares at the time. In early 2017, 28,670 DSUs (2016 – 44,333) were issued to certain members of Onex management in lieu of a portion of cash compensation for the prior fiscal year. At March 31, 2017, 664,449 Management DSUs were outstanding (December 31, 2016 – 635,326).

The Company has entered into forward agreements with a counterparty financial institution to hedge the Company's exposure to changes in the market value of Onex' SVS associated with substantially all of the outstanding Director DSUs and all of the outstanding Management DSUs, as described in note 1 to the 2016 audited annual consolidated financial statements.

9. OTHER EXPENSE

Three months ended March 31	2017	2016
Carried interest charge due to Onex and ONCAP management[a]	$ 57	$ 12
Restructuring[b]	50	11
Transition, integration and other[c]	38	12
Losses (gains) on investments and long-term debt in CLOs and Onex Credit Funds[d]	31	(85)
Transaction costs[e]	25	2
Change in fair value of other Onex Partners investments[f]	22	17
Impairment of goodwill, intangible assets and long-lived assets	21	9
Derivatives losses[g]	14	89
Foreign exchange gains[h]	(23)	(30)
Change in fair value of contingent consideration[i]	(16)	(4)
Other	(9)	(7)
Total other expense	$ 210	$ 26

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

During the three months ended March 31, 2017, a charge of $57 (2016 – $12) was recorded in the unaudited interim consolidated statements of earnings for an increase in management's share of the carried interest primarily due to an increase in the fair value of certain of the investments in the Onex Partners and ONCAP Funds.

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

The operating companies with restructuring activities at December 31, 2016 continue to implement their restructuring activities. During the first three months of 2017, Save-A-Lot recognized a restructuring charge related to the closure of facilities and associated lease abandonment costs.

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

	March 31, 2017	December 31, 2016
Employee termination costs	**$ 39**	$ 40
Lease and other contractual obligations	**37**	7
Facility exit costs and other	**5**	3
	$ 81	$ 50

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

Transition, integration and other expenses for the first three months of 2017 were primarily due to Clarivate Analytics, Save-A-Lot and Survitec. Transition, integration and other expenses for the first three months of 2016 were primarily due to the integration of acquisitions completed by Carestream Health and Survitec.

d) Losses on investments and long-term debt in CLOs and Onex Credit Funds were driven by unrealized losses on long-term debt recorded at fair value in the CLOs, partially offset by realized and unrealized gains on investments.

e) Transaction costs are incurred by Onex and its operating companies to complete business acquisitions, and typically include advisory, legal and other professional and consulting costs. Transaction costs for the three months ended March 31, 2017 were primarily due to the acquisition of Parkdean Resorts, in addition to acquisitions completed by the operating companies.

f) Includes realized and unrealized (gains) losses on other Onex Partners investments in which Onex has no or limited remaining strategic or operating influence. During 2017 and 2016, the other Onex Partners investments primarily consisted of FLY Leasing Limited and Genesis Healthcare.

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

h) For the three months ended March 31, 2017 and 2016, foreign exchange gains were primarily due to gains recognized by SIG.

i) During the first three months of 2017, a net recovery of $16 (2016 – $4) was recognized in relation to the change in estimated 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 March 31, 2017 was $107 (December 31, 2016 – $127).

10. NET LOSS PER SUBORDINATE VOTING SHARE

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

Three months ended March 31	2017	2016
Weighted average number of shares outstanding *(in millions)*:		
Basic	103	105
Diluted	103	105

11. 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				
March 31, 2017						
Assets as per balance sheet						
Cash and cash equivalents	$ –	$ 2,272	$ –	$ –	$ –	$ 2,272
Short-term investments	152	–	6	–	–	158
Accounts receivable	–	–	–	3,549	–	3,549
Other current assets	3	164	–	196	15	378
Long-term investments	1,804	6,427	74	–	89	8,394
Other non-current assets	87	168	–	80	8	343
Financial assets held by discontinued operations	1	219	–	313	–	533
Total	$ 2,047	$ 9,250	$ 80	$ 4,138[i]	$ 112	$ 15,627

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

	Fair Value through Net Earnings		Available-for-Sale	Loans and Receivables	Derivatives Used for Hedging	Total
	Recognized	Designated				
December 31, 2016						
Assets as per balance sheet						
Cash and cash equivalents	$ –	$ 2,371	$ –	$ –	$ –	$ 2,371
Short-term investments	147	–	7	–	–	154
Accounts receivable	–	–	–	3,868	–	3,868
Other current assets	9	314	–	292	13	628
Long-term investments	1,979	6,221	71	–	83	8,354
Other non-current assets	94	197	–	94	9	394
Total	$ 2,229	$ 9,103	$ 78	$ 4,254[i]	$ 105	$ 15,769

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

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

	Fair Value through Net Earnings		Financial Liabilities at Amortized Cost	Derivatives Used for Hedging	Total
	Recognized	Designated			
March 31, 2017					
Liabilities as per balance sheet					
Accounts payable and accrued liabilities	$ –	$ –	$ 4,015	$ –	$ 4,015
Provisions	57	–	20	–	77
Other current liabilities	126	1	201	37	365
Long-term debt(i)	–	5,908	15,948	–	21,856
Obligations under finance leases	–	–	267	–	267
Other non-current liabilities	539	5	110	15	669
Limited Partners' Interests	–	9,283	–	–	9,283
Financial liabilities held by discontinued operations	51	28	2,235	1	2,315
Total	$ 773	$ 15,225	$ 22,796	$ 53	$ 38,847

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

	Fair Value through Net Earnings		Financial Liabilities at Amortized Cost	Derivatives Used for Hedging	Total
	Recognized	Designated			
December 31, 2016					
Liabilities as per balance sheet					
Accounts payable and accrued liabilities	$ –	$ –	$ 4,089	$ –	$ 4,089
Provisions	117	–	18	–	135
Other current liabilities	43	21	270	59	393
Long-term debt(i)	–	5,855	17,389	–	23,244
Obligations under finance leases	–	–	77	–	77
Other non-current liabilities	550	30	113	17	710
Limited Partners' Interests	–	8,474	–	–	8,474
Total	$ 710	$ 14,380	$ 21,956	$ 76	$ 37,122

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

12. FAIR VALUE MEASUREMENTS

Fair values of financial instruments

The estimated fair values of financial instruments as at March 31, 2017 and December 31, 2016 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 March 31, 2017 was $21,772 (December 31, 2016 – $23,176) compared to a carrying value of $21,496 (December 31, 2016 – $23,863). The fair value of consolidated long-term debt measured at amortized cost is substantially a Level 2 measurement in the fair value hierarchy and is calculated by discounting the expected future cash flows using an observable discount rate for instruments of similar maturity and credit risk. For certain operating companies, an adjustment is made by management for that operating company's own credit risk, resulting in a Level 3 measurement in the fair value hierarchy.

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. During the first three months of 2017, the liability for JELD-WEN's employee stock ownership plan was transferred from a Level 3 measurement to a Level 1 measurement as a result of JELD-WEN's initial public offering. 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 March 31, 2017 was as follows:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through net earnings				
Corporate loans held by CLOs and warehouse facilities	$ –	$ 6,424	$ –	$ 6,424
Investments in debt	–	1,098	–	1,098
Investments in equities	18	74	4	96
Investments in joint ventures and associates	–	–	763	763
Restricted cash and other	381	178	1	560
Available-for-sale financial assets				
Investments in debt	–	56	–	56
Investments in equities	24	–	–	24
Total financial assets at fair value	$ 423	$ 7,830	$ 768	$ 9,021

The allocation of financial assets in the fair value hierarchy, excluding cash and cash equivalents, at December 31, 2016 was as follows:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through net earnings				
Corporate loans held by CLOs and warehouse facilities	$ –	$ 6,217	$ –	$ 6,217
Investments in debt	–	1,255	–	1,255
Investments in equities	23	96	–	119
Investments in joint ventures and associates	–	–	751	751
Restricted cash and other	482	136	1	619
Available-for-sale financial assets				
Investments in debt	–	56	–	56
Investments in equities	22	–	–	22
Total financial assets at fair value	$ 527	$ 7,760	$ 752	$ 9,039

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

	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through net earnings				
Limited Partners' Interests for Onex Partners and ONCAP Funds	$ –	$ –	$ 8,907	$ 8,907
Limited Partners' Interests for Onex Credit Funds	–	–	376	376
Unrealized carried interest due to Onex and ONCAP management	–	–	411	411
Long-term debt of CLOs	–	–	5,908	5,908
Contingent consideration and other	135	123	138	396
Total financial liabilities at fair value	$ 135	$ 123	$ 15,740	$ 15,998

The allocation of financial liabilities in the fair value hierarchy at December 31, 2016 was as follows:

	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through net earnings				
Limited Partners' Interests for Onex Partners and ONCAP Funds	$ –	$ –	$ 8,104	$ 8,104
Limited Partners' Interests for Onex Credit Funds	–	–	370	370
Unrealized carried interest due to Onex and ONCAP management	–	–	366	366
Long-term debt of CLOs	–	–	5,855	5,855
Contingent consideration and other	22	134	239	395
Total financial liabilities at fair value	$ 22	$ 134	$ 14,934	$ 15,090

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 5(b)) and Limited Partners' Interests designated at fair value (note 7), are as follows:

	Financial Assets at Fair Value through Net Earnings	Long-Term Debt of CLOs	Other Financial Liabilities at Fair Value through Net Earnings
Balance – December 31, 2015	$ 1	$ 4,870	$ 766
Change in fair value recognized in net earnings	–	133	9
Transfer to Level 3	–	–	–
Additions	61	1,571	–
Acquisition of subsidiaries	–	–	38
Settlements	(61)	(719)	(214)
Other	–	–	6
Balance – December 31, 2016	1	5,855	605
Change in fair value recognized in net earnings	–	45	47
Transfer to (from) Level 3	4	–	(87)
Additions	–	8	–
Acquisition of subsidiaries	–	–	8
Settlements	–	–	(25)
Other	–	–	1
Balance – March 31, 2017	$ 5	$ 5,908	$ 549
Unrealized change in fair value of assets and liabilities held at the end of the reporting period	$ –	$ 45	$ 47

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

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

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

The fair value measurement of the Limited Partners' Interests for the 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, long-only, par, stressed and distressed opportunities.

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

i) an increase in the unrealized value of investments in joint ventures and associates at fair value in the consolidated statements of earnings, with a corresponding increase in long-term investments in the consolidated balance sheets;
ii) a charge would be recorded for the limited partners' share of the fair value increase of the investment in associate on the Limited Partners' Interests line in the consolidated statements of earnings, with a corresponding increase to the Limited Partners' Interests in the consolidated balance sheets;
iii) a change in the calculation of unrealized carried interest in the respective Fund that holds the investment in associate, 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 March 31, 2017	Inputs at December 31, 2016
Market comparable companies	EBITDA multiple	7.4x – 13.3x	7.5x – 13.0x
Discounted cash flow	Weighted average cost of capital	10.3% – 18.0%	9.8% – 18.0%
	Exit multiple	6.0x – 11.0x	6.0x – 11.0x

In addition, at March 31, 2017 and December 31, 2016, the Company has an investment that was valued using market comparable transactions. At March 31, 2017, the Company also had an investment whose value was based on estimated sales proceeds.

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

The long-term debt issued by the CLOs is recognized at fair value using third-party pricing models without 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.

13. RELATED PARTY TRANSACTIONS

a) Tax loss transaction with a related party

In March 2017, Onex entered into the sale of an entity, whose sole assets were certain tax losses, to a company 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 unaudited interim consolidated financial statements for these losses. In connection with this transaction, an independent accounting firm retained by Onex' Audit and Corporate Governance Committee provided an opinion that the amount received by Onex for the tax losses was fair from a financial point of view. Onex' Audit and Corporate Governance Committee, all the members of which are independent Directors, unanimously approved the transaction. Onex received $5 in cash for tax losses of $48, of which the entire $5 was recorded as a gain and included in other income (expense) in the unaudited interim consolidated statements of earnings.

b) Incline Aviation Fund

At December 31, 2016, Onex had a commitment of $75 to Incline Aviation Fund. In February 2017, Mr. Gerald W. Schwartz assumed $25 of Onex' commitment to Incline Aviation Fund, reducing the amount committed by Onex to $50. At March 31, 2017, Onex' uncalled commitment to Incline Aviation Fund was $45.

c) Private share repurchase

In March 2017, Onex repurchased in a private transaction 750,000 of its SVS that were held indirectly by Mr. Gerald W. Schwartz. The private transaction was approved by the disinterested directors of the Board of Directors of the Company. The shares were repurchased at a cash cost of $71.24 ($C94.98) per share or a total cost of $53 (C$71), which represents a slight discount to the trading price of Onex shares at that date.

14. SUBSEQUENT EVENTS

a) Distributions from Jack's

In April 2017, Jack's amended its existing credit facility to increase the size of its term loan to $275. The proceeds from the incremental borrowing, along with cash on hand, were used to fund a distribution to shareholders, as described in note 2(d).

b) Pending sale of Dental Digital business by Carestream Health

In April 2017, Carestream Health entered into an agreement to sell its Dental Digital business, as described note 2(e).

c) Initial public offering by Emerald Expositions

In April 2017, Emerald Expositions completed an initial public offering, as described in note 2(f).

d) Credit Strategies

i) Extension of CLO-4

In April 2017, Onex amended CLO-4 which extended the reinvestment period of the CLO by four years to April 2021, as described in note 2(h).

ii) Closing of EURO CLO-1

In May 2017, Onex closed EURO CLO-1, as described in note 2(h).

15. INFORMATION BY INDUSTRY SEGMENT

In March 2017, the Company entered into an agreement to sell USI, as described in note 2(c). The results of operations of USI, which were previously included in the insurance services segment, are presented in the other segment as a discontinued operation. Comparative results have been restated to reflect this change.

2017 Industry Segments

(Unaudited) *(in millions of U.S. dollars)* Three months ended March 31, 2017	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Building Products	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other[a]	Consolidated Total
Revenues	$ 1,470	$ 421	$ 438	$ 848	$ 188	$ 498	$ 346	$ 1,120	$ 1	$ 1,187	$ 6,517
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(1,346)	(252)	(331)	(644)	–	(327)	(138)	(939)	–	(859)	(4,836)
Operating expenses	(53)	(134)	(78)	(138)	(166)	(76)	(112)	(136)	(9)	(246)	(1,148)
Interest income	–	1	–	–	–	–	–	–	80	5	86
Amortization of property, plant and equipment	(16)	(16)	(7)	(27)	(2)	(48)	(3)	(24)	–	(35)	(178)
Amortization of intangible assets and deferred charges	(2)	(15)	(4)	(6)	(11)	(36)	(53)	(4)	(1)	(36)	(168)
Interest expense of operating companies	(3)	(37)	(5)	(28)	(18)	(51)	(42)	(18)	(48)	(55)	(305)
Increase in value of investments in joint ventures and associates at fair value, net	–	–	–	–	–	–	–	–	–	25	25
Stock-based compensation recovery (expense)	(11)	(1)	1	(48)	(1)	(1)	(2)	(1)	–	(46)	(110)
Other income (expense)	(8)	5	(2)	–	(3)	24	(20)	(54)	(31)	(121)	(210)
Limited Partners' Interests charge	–	–	–	–	–	–	–	–	(10)	(509)	(519)
Earnings (loss) before income taxes and discontinued operations	31	(28)	12	(43)	(13)	(17)	(24)	(56)	(18)	(690)	(846)
Recovery of (provision for) income taxes	(8)	(3)	(4)	15	4	2	(17)	24	–	–	13
Earnings (loss) from continuing operations	23	(31)	8	(28)	(9)	(15)	(41)	(32)	(18)	(690)	(833)
Loss from discontinued operations[b]	–	–	–	–	–	–	–	–	–	(104)	(104)
Net earnings (loss) for the period	$ 23	$ (31)	$ 8	$ (28)	$ (9)	$ (15)	$ (41)	$ (32)	$ (18)	$ (794)	$ (937)
Net earnings (loss) attributable to:											
Equity holders of Onex Corporation	$ 3	$ (27)	$ 8	$ (17)	$ (8)	$ (15)	$ (22)	$ (32)	$ (18)	$ (784)	$ (912)
Non-controlling interests	20	(4)	–	(11)	(1)	–	(19)	–	–	(10)	(25)
Net earnings (loss) for the period	$ 23	$ (31)	$ 8	$ (28)	$ (9)	$ (15)	$ (41)	$ (32)	$ (18)	$ (794)	$ (937)
Total assets[c]	$ 2,815	$ 1,406	$ 993	$ 2,825	$ 1,549	$ 6,062	$ 5,859	$ 2,185	$ 7,810	$ 13,428	$ 44,932
Long-term debt[c][d]	$ 205	$ 1,913	$ 412	$ 1,241	$ 939	$ 3,461	$ 2,681	$ 886	$ 5,990	$ 5,653	$ 23,381

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

(b) Represents the after-tax results of USI, as described in note 4.

(c) The other segment includes USI, which is a discontinued operation, as described in note 4.

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

2016 Industry Segments

(Unaudited) *(in millions of U.S. dollars)* Three months ended March 31, 2016	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Building Products	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other[a]	Consolidated Total
Revenues	$ 1,353	$ 437	$ 453	$ 800	$ 178	$ 522	$ 128	$ 86	$ 1	$ 768	$ 4,726
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(1,241)	(252)	(346)	(623)	–	(346)	(32)	(70)	–	(534)	(3,444)
Operating expenses	(51)	(140)	(89)	(118)	(159)	(69)	(24)	(4)	(7)	(163)	(824)
Interest income	–	1	–	–	–	1	–	–	71	4	77
Amortization of property, plant and equipment	(15)	(16)	(7)	(30)	(2)	(45)	–	(2)	–	(14)	(131)
Amortization of intangible assets and deferred charges	(2)	(24)	(4)	(4)	(10)	(37)	(10)	(1)	(1)	(23)	(116)
Interest expense of operating companies	(2)	(36)	(6)	(18)	(17)	(54)	(12)	(4)	(37)	(29)	(215)
Increase in value of investments in joint ventures and associates at fair value, net	–	–	–	–	–	–	–	–	–	20	20
Stock-based compensation expense	(9)	(1)	–	(31)	(1)	(1)	(1)	–	–	(4)	(48)
Other income (expense)	(3)	(14)	2	(12)	2	(9)	(2)	(1)	84	(73)	(26)
Limited Partners' Interests charge	–	–	–	–	–	–	–	–	(6)	(153)	(159)
Earnings (loss) before income taxes and discontinued operations	30	(45)	3	(36)	(9)	(38)	47	4	105	(201)	(140)
Recovery of (provision for) income taxes	(4)	2	(1)	(2)	–	9	(20)	–	–	(13)	(29)
Earnings (loss) from continuing operations	26	(43)	2	(38)	(9)	(29)	27	4	105	(214)	(169)
Loss from discontinued operations[b]	–	–	–	–	–	–	–	–	–	(6)	(6)
Net earnings (loss) for the period	$ 26	$ (43)	$ 2	$ (38)	$ (9)	$ (29)	$ 27	$ 4	$ 105	$ (220)	$ (175)
Net earnings (loss) attributable to:											
Equity holders of Onex Corporation	$ 4	$ (39)	$ 2	$ (33)	$ (8)	$ (29)	$ 27	$ 4	$ 105	$ (220)	$ (187)
Non-controlling interests	22	(4)	–	(5)	(1)	–	–	–	–	–	12
Net earnings (loss) for the period	$ 26	$ (43)	$ 2	$ (38)	$ (9)	$ (29)	$ 27	$ 4	$ 105	$ (220)	$ (175)

(Unaudited) *(in millions of U.S. dollars)* As at December 31, 2016	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Building Products	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other[a]	Consolidated Total
Total assets[c]	$ 2,822	$ 1,473	$ 995	$ 2,669	$ 1,545	$ 6,144	$ 5,765	$ 2,185	$ 7,624	$ 11,691	$ 42,913
Long-term debt[c][d]	$ 226	$ 1,920	$ 421	$ 1,615	$ 939	$ 3,447	$ 2,667	$ 886	$ 5,912	$ 4,830	$ 22,863

(a) Includes Survitec, Schumacher, ONCAP II and III, Flushing Town Center, Meridian Aviation and the parent company. Investments in joint ventures and associates recorded at fair value include AIT, BBAM, Incline Aviation Fund (since March 2016), ITG and Mavis Discount Tire.

(b) Represents the after-tax results of USI and KraussMaffei, as described in note 4.

(c) The other segment includes USI, which is a discontinued operation.

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

SHAREHOLDER INFORMATION

First Quarter Dividend
A dividend of C$0.06875 per Subordinate Voting Share was paid on April 28, 2017 to shareholders of record as of April 10, 2017. 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
The Subordinate Voting Shares of the Company are listed and traded on the Toronto Stock Exchange.

Share Symbol
ONEX

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 Communications 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 quarterly reports, annual reports and other corporate communications should be directed to:
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161 Bay Street
P.O. Box 700
Toronto, Ontario M5J 2S1
(416) 362-7711
investor@onex.com

Website
www.onex.com

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.

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ONEX

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AIT   BBAM AIRCRAFT LEASING & MANAGEMENT   Bradshaw   Carestream   Celestica   CHATTERS HAIR | BEAUTY | SALON

Clarivate Analytics   Davis-Standard   EMERALD EXPOSITIONS   Englobe   Genesis HealthCare   HOPKINS

INGERSOLL   Jack's   JELD-WEN WINDOWS & DOORS   MAVIS DISCOUNT TIRE   Parkdean Resorts   Pinnacle. Renewable Energy Group

PURE CANADIAN GAMING   ResCare   Save a Lot food stores   SCHUMACHER CLINICAL PARTNERS   sgsco   SIG

survitecgroup   TectaAmerica Roofing Redefined   USI   WireCo WorldGroup   YORK Risk Services Group