

**ONEX**

Supplemental Information Package

Q2 2016

# Safe Harbour

This supplemental information package contains forward-looking statements related to our future growth, trends in our operating companies' businesses and industries and our financial and operational results and performance that are based on current expectations, forecasts and assumptions involving risks and uncertainties that could cause actual outcomes and results to differ materially. In some cases, forward-looking statements can be identified by the use of words such as "outlook", "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," "continue," "likely," "will," "would," "illustrative" or the negative of such words or other comparable words. Specific risks and uncertainties that could cause our actual results to differ materially from those expressed in our forward-looking statements include, but are not limited to: variability of operating results among periods, which include the pace, size and nature of acquisitions, investments, dispositions and other realization events; the volatility of the exchange rate between the U.S. dollar and the Canadian dollar; changes in the market value of Onex' publicly traded operating companies; and activities at Onex' operating companies and events within their industries. These and other risks and uncertainties and factors are discussed in the Company's various public filings at [www.sedar.com](http://www.sedar.com) or on the Company's website, [www.onex.com](http://www.onex.com). These risks, uncertainties and factors may cause our actual financial and operational results and performance to differ materially from the expectations expressed or implied by the forward-looking statements contained in this package. Any forward-looking statement speaks only as of the date on which it is made. We do not undertake to update any forward-looking statement, except as required by applicable law.

In addition, we may refer to CLO and other offerings by Onex Credit Partners. We are required to specifically notify you that these offerings are made solely to qualified institutional investors and to certain non-U.S. investors in private transactions not requiring registration under U.S. securities laws. The securities are not and will not be registered under U.S. securities laws and cannot be offered or sold in the U.S. without registration or exemption. This notification shall not constitute an offer to sell or the solicitation of an offer to buy any securities.

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All amounts in US\$ as of June 30, 2016 unless otherwise stated.



## HOW WE ARE INVESTED

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

### Onex Capital

As at	June 30, 2016	March 31, 2016	December 31, 2015
<b>Private Equity</b>			
Onex Partners			
Private Companies <sup>(1)</sup>	\$ 2,369	\$ 2,566	\$ 2,520
Public Companies <sup>(2)</sup>	6	8	12
Unrealized Carried Interest <sup>(3)</sup>	170	183	178
ONCAP <sup>(4)</sup>	397	401	381
Direct Investment – Public Company <sup>(2)</sup>	167	197	198
	<b>3,109</b>	<b>3,355</b>	<b>3,289</b>
<b>Credit<sup>(5)</sup></b>	<b>409</b>	<b>361</b>	<b>346</b>
<b>Real Estate</b>	<b>191</b>	<b>201</b>	<b>172</b>
	<b>600</b>	<b>562</b>	<b>518</b>
<b>Other Investments</b>	<b>64</b>	<b>58</b>	<b>27</b>
<b>Cash and Near-Cash<sup>(6)(7)</sup></b>	<b>2,184</b>	<b>1,989</b>	<b>2,138</b>
<b>Debt<sup>(8)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Onex Capital</b>	<b>\$ 5,957</b>	<b>\$ 5,964</b>	<b>\$ 5,972</b>
Onex Capital per Share [U.S. dollars] <sup>(9)(10)</sup>	\$ 55.76	\$ 55.46	\$ 54.39
Onex Capital per Share [Canadian dollars] <sup>(9)(10)</sup>	C\$ 72.02	C\$ 72.02	C\$ 75.27

(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 \$64 million (March 31, 2016 – \$67 million; December 31, 2015 – \$65 million).

(2) Based on closing prices on June 30, 2016, March 31, 2016 and December 31, 2015.

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

(4) Based on the fair value of the investments in ONCAP net of the estimated management incentive programs on these investments of \$19 million (March 31, 2016 – \$18 million; December 31, 2015 – \$16 million).

(5) Based on the market values of investments in Collateralized Loan Obligations (including warehouse facilities) of \$279 million (March 31, 2016 – \$237 million; December 31, 2015 – \$225 million) and Onex Credit Funds of \$130 million (March 31, 2016 – \$124 million; December 31, 2015 – \$121 million). Excludes \$361 million (March 31, 2016 – \$356 million; December 31, 2015 – \$351 million) invested in an Onex Credit segregated unlevered senior secured loan strategy fund, which is included with cash and near-cash items.

(6) Includes \$361 million (March 31, 2016 – \$356 million; December 31, 2015 – \$351 million) invested in an Onex Credit segregated unlevered senior secured loan strategy fund and \$1.2 billion (March 31, 2016 – \$1.1 billion; December 31, 2015 – \$1.2 billion) of investments managed by third-party investment managers.

(7) Includes \$6 million (March 31, 2016 – nil; December 31, 2015 – nil) of management fees receivable from the limited partners of its private equity platforms.

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

(9) Calculated on a fully diluted basis. Fully diluted shares were 115.0 million at June 30, 2016 (March 31, 2016 – 115.7 million; December 31, 2015 – 117.6 million). Fully diluted shares include all outstanding SVS and outstanding stock options where Onex' share price exceeds the exercise price of the stock options.

(10) 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 June 30, 2016	Shares Subject to Carried Interest (millions)	Shares Held by Onex (millions)	Closing Price per Share <sup>(1)</sup>	Market Value of Onex' Investment
<b>Onex Partners</b> – Genesis Healthcare	10.7	3.5	\$ 1.77	\$ 6
<b>Direct Investments</b> – Celestica <sup>(2)</sup>	–	17.9	\$ 9.30	167
				\$ 173

## Significant Private Companies

As at June 30, 2016	Onex' and its Limited Partners' Economic Ownership	LTM EBITDA <sup>(3)</sup>	Net Debt	Cumulative Distributions	Onex' Economic Ownership	Original Cost of Onex' Investment
<b>Onex Partners</b>						
AIT	40% <sup>(4)</sup>	n/a	n/a	\$ 59 <sup>(5)</sup>	9% <sup>(4)</sup>	\$ 45
BBAM <sup>(6)</sup>	50%	\$ 120	\$ (53) <sup>(7)</sup>	276	13%	49
Carestream Health	91%	346	1,932	1,311	33% <sup>(2)</sup>	186
Emerald Expositions	99%	151 <sup>(8)</sup>	670	–	24%	119
Jack's	96% <sup>(9)</sup>	52 <sup>(10)</sup>	195	–	28% <sup>(9)</sup>	67 <sup>(11)</sup>
JELD-WEN	84% <sup>(12)</sup>	351 <sup>(13)</sup>	1,227 <sup>(13)</sup>	432	21% <sup>(12)</sup>	217 <sup>(14)</sup>
Meridian Aviation	100%	n/a	n/a	124	25%	19
ResCare	98%	136	501	235	20%	41
Schumacher	68%	135 <sup>(8)</sup>	632	–	20%	93
sgsco	93%	113 <sup>(8)</sup>	571	–	23%	66
SIG	99%	€ 427	€ 2,574	–	33%	405 <sup>(15)</sup>
Survitec	99%	€ 46 <sup>(8)</sup>	€ 298	–	22%	76 <sup>(16)</sup>
USI	88%	344 <sup>(8)</sup>	1,792	230	25%	170
York	88%	105 <sup>(8)</sup>	950	–	29%	173
						\$ 1,726

(1) Closing prices on June 30, 2016.

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

(3) EBITDA is a non-GAAP measure and is based on the local GAAP of the individual operating companies. These adjustments may include non-cash costs of stock-based compensation and retention plans, transition and restructuring expenses including severance payments, the impact of derivative instruments that no longer qualify for hedge accounting, the impacts of purchase accounting and other similar amounts.

(4) In August 2016, AIT repurchased units from investors other than the Onex Partners IV Group. Subsequent to the repurchase, the Onex Partners IV Group has a 50 percent economic interest, of which Onex' share is 11 percent.

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

(6) Ownership percentages, LTM EBITDA, net debt and cumulative distributions are presented for BBAM and do not reflect information for Onex' investments in FLY Leasing Limited (NYSE: FLY). The original cost of Onex' investment includes \$7 million invested in FLY Leasing Limited.

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

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

(9) In June 2016, the balance of \$14 million outstanding under the promissory note held by Onex Partners IV Group was converted into additional equity of Jack's. Subsequent to the transaction, the Onex Partners IV Group has a 96 percent economic interest in Jack's, of which Onex' share is 28 percent.

(10) LTM EBITDA is presented on a pro-forma basis to reflect the annualized rent impact of sale-leaseback transactions completed during 2015 and 2016.

(11) Net of \$52 million return of principal on the promissory note during 2015 and 2016 prior to the conversion into additional equity of Jack's in June 2016.

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

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

(14) Net of a \$27 million return of capital on the convertible promissory notes prior to the conversion into additional convertible preferred shares of JELD-WEN in April 2013.

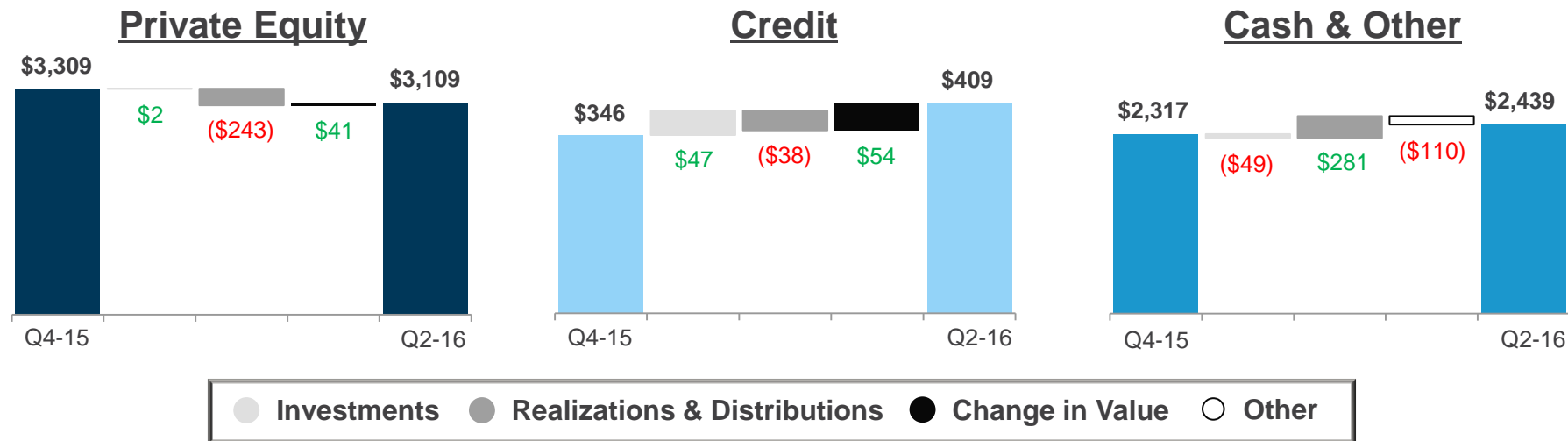
(15) The investment in SIG was made in U.S. dollars.

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

# INVESTING

## How We Are Invested: YTD Changes

(\$ in millions)



### YTD Highlights

#### Private Equity

- Sale of KraussMaffei provided \$184mm of cash, including carried interest of \$11mm
- Distribution from Meridian of \$12mm, including carried interest of \$2mm
- Repayment of promissory note by Jack's, \$12mm received by Onex

#### Credit

- Net additional CLO capital deployed of \$9mm, which includes \$36mm of CLO distributions

#### Cash & Other

- Investment in Incline Aviation Fund of \$35mm
- Distributions from Flushing Town Center of \$26mm
- Share repurchases of \$149mm
- Dividends paid of \$10mm



# INVESTING

## LTM Changes in Cash and Near-Cash

(\$ in millions)

	Amount
<b>Cash and near-cash on hand at December 31, 2015<sup>(1)</sup></b>	<b>\$ 2,138</b>
Private equity realizations:	
KraussMaffei Sale	184
Jack's repayment of promissory note	12
Meridian Aviation distribution	12
BBAM distributions	7
AIT distributions	3
Flushing Town Center distributions	26
Investments in Incline Aviation Fund	(35)
Net Onex Credit activity, including investments in warehouse facilities	7
Onex share repurchases	(149)
Other, net, including dividends, management fees and operating costs <sup>(2)</sup>	(21)
<b>Cash and near-cash on hand at June 30, 2016<sup>(1)</sup></b>	<b>\$ 2,184</b>
<b>Year-to-date Treasury Return:</b>	<b>\$ 27</b>

(1) Includes \$1.2 billion (December 31, 2015 – \$1.2 billion) of short- and long-term investments managed by third-party investment managers, \$361 million (December 31, 2015 – \$351 million) invested in a segregated Onex Credit unlevered senior secured loan strategy fund and \$6 million of management fees receivable (December 31, 2015 – nil).

(2) Other includes the impact of incentive compensation payments paid in 2016 related to 2015 and favourable foreign exchange on cash.

# INVESTING

## Share Repurchases

Years	Shares Repurchased	Average Share Price
1997 – 2010	73,088,931	C\$14.53
2011	3,165,296	C\$33.27
2012	627,061	C\$38.59
2013	3,060,400	C\$51.81
2014	2,593,986	C\$62.93
2015	3,084,877	C\$70.70
Q1 2016	1,855,885	C\$81.81
Q2 2016	687,844	C\$76.53
July 2016	230,812	C\$78.63
YTD 2016	2,774,541	C\$80.24
<b>TOTAL</b>	<b>88,395,092</b>	<b>C\$22.11</b>

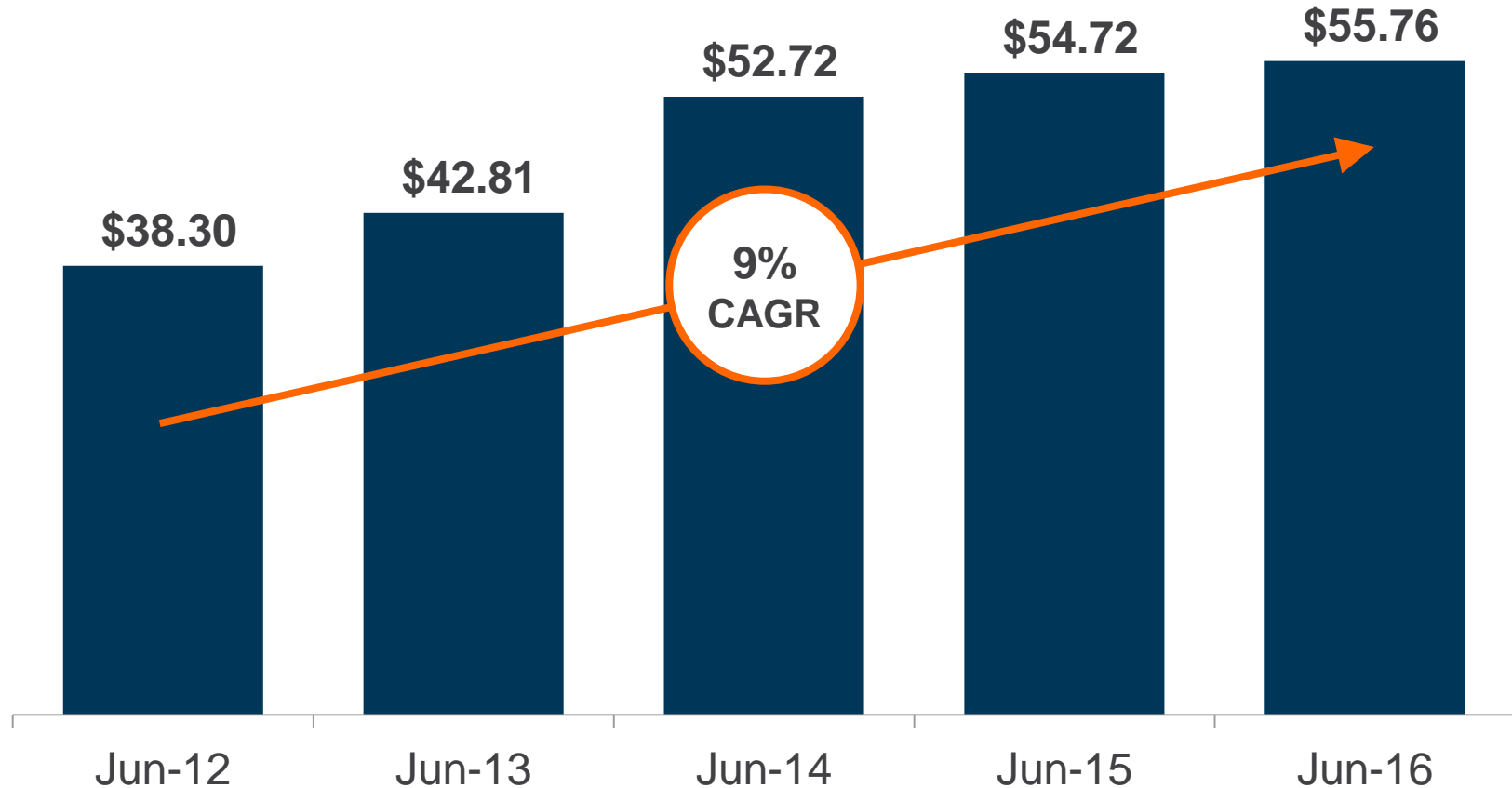
The full list of Onex' share repurchases can be found under the Investor Information section of its website [www.onex.com](http://www.onex.com).



# INVESTING

Goal: Grow Onex Capital per Share by 15% annually

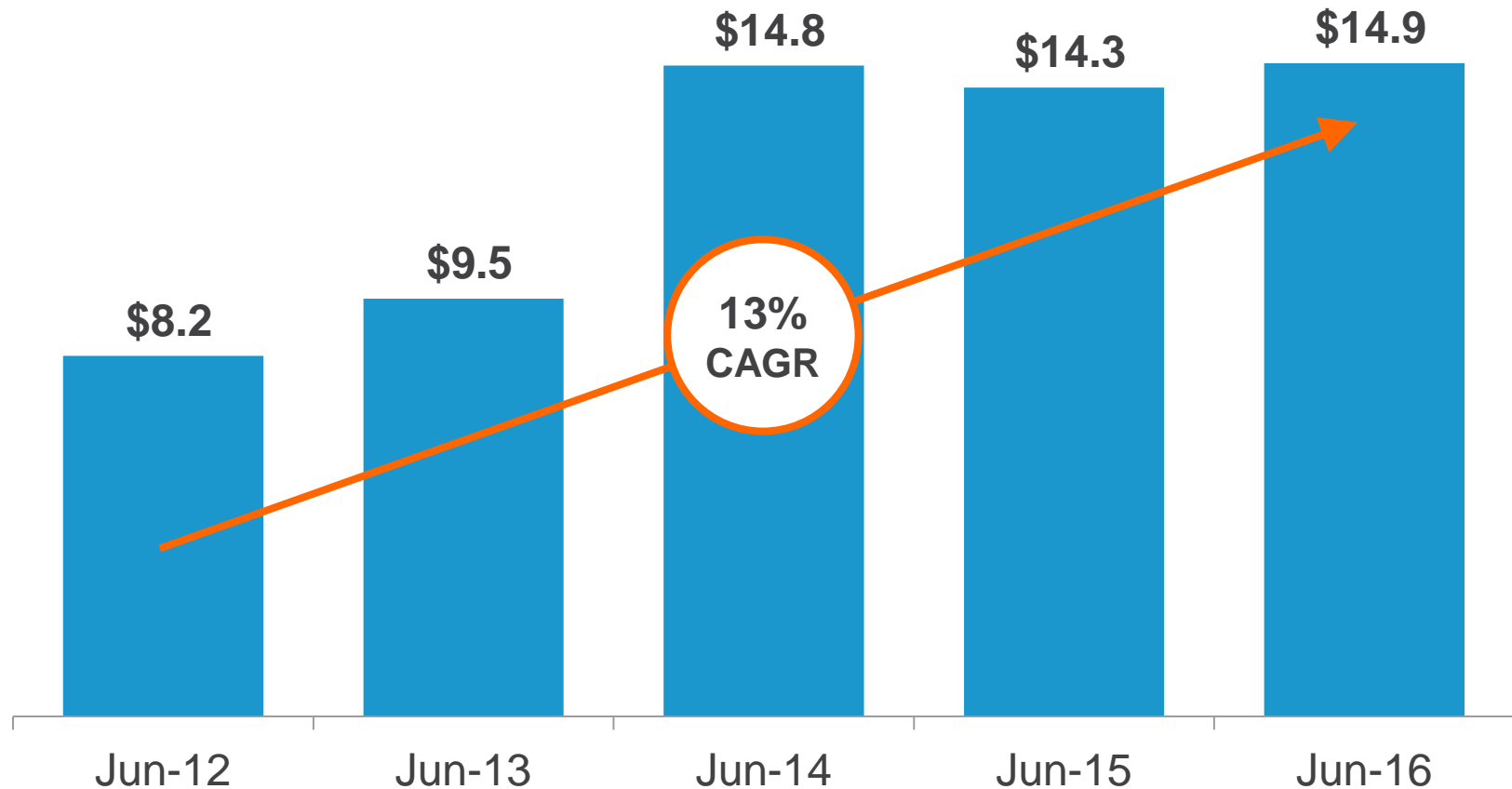
(\$ per share)



# ASSET MANAGEMENT

Goal: Grow Fee-Generating Assets by 10% annually

(\$ in billions)



## Schedule of Fees and Expenses

(USD Millions)	Last 12 months ended		
	June 30, 2016	December 31, 2015	December 31, 2014
<b>Private Equity</b>			
Management and Advisory Fees <sup>(1)(2)</sup>	\$ 99	\$ 107	\$ 71
Carried Interest <sup>(3)</sup>	13	1	171
Revenue Items	<b>112</b>	<b>108</b>	<b>242</b>
Base Compensation	17	16	15
Variable Compensation	56	52	124
Other Expenses, net <sup>(4)</sup>	25	20	20
Expense Items	<b>98</b>	<b>88</b>	<b>159</b>
Net Contribution	<b>14</b>	<b>20</b>	<b>83</b>
<b>Credit</b>			
Management and Advisory Fees <sup>(5)</sup>	37	34	28
Carried Interest <sup>(3)</sup>	1	1	1
Revenue Items	<b>38</b>	<b>35</b>	<b>29</b>
Base Compensation	7	6	5
Variable Compensation	11	10	12
Other Expenses	4	4	3
Expense Items	<b>22</b>	<b>20</b>	<b>20</b>
Net Contribution	<b>16</b>	<b>15</b>	<b>9</b>
<b>Parent Company and Other</b>			
Base Compensation	15	15	15
Variable Compensation	9	9	18
Other Expenses, net <sup>(4)</sup>	8	7	6
Expense Items	<b>32</b>	<b>31</b>	<b>39</b>
Net Contribution	<b>(32)</b>	<b>(31)</b>	<b>(39)</b>
<b>Net Amount</b>	<b>\$ (2)</b>	<b>\$ 4</b>	<b>\$ 53</b>

(1) The management and advisory fees include those earned in the Onex Partners and ONCAP private equity funds and Onex' retained portion of the management and advisory fees earned from operating companies. No fees are included in respect of Onex capital invested in or committed to Onex Partners and ONCAP private equity funds.

(2) Since the beginning of 2014, management fees for Onex Partners III were based on 1% of invested capital. Onex began to receive management fees for Onex Partners IV in August 2014, which were based on 1.7% of committed capital. Run-rate private equity management fees at June 30, 2016 were \$100 million.

(3) Private equity carried interest is reported on a cash received basis. Credit carried interest and performance fees are accrued in the fourth quarter each year, since they are typically received shortly after the end of the calendar year.

(4) Expenses include those of the Onex and ONCAP corporate office and Onex Real Estate Partners. This schedule excludes stock-based compensation.

(5) Credit management and advisory fees include fees of \$3 million paid by Onex in respect of its investment in Onex Credit funds (year ended December 31, 2015 - \$3 million and December 31, 2014 - \$3 million). Run-rate credit management fees at June 30, 2016 were \$39 million.

## Pro Forma Schedule of Fees and Expenses

This schedule reflects pro forma adjustments including for fees and carried interest on Onex' \$4 billion of private equity capital assuming this capital is subject to the same fee structure as our institutional investors.

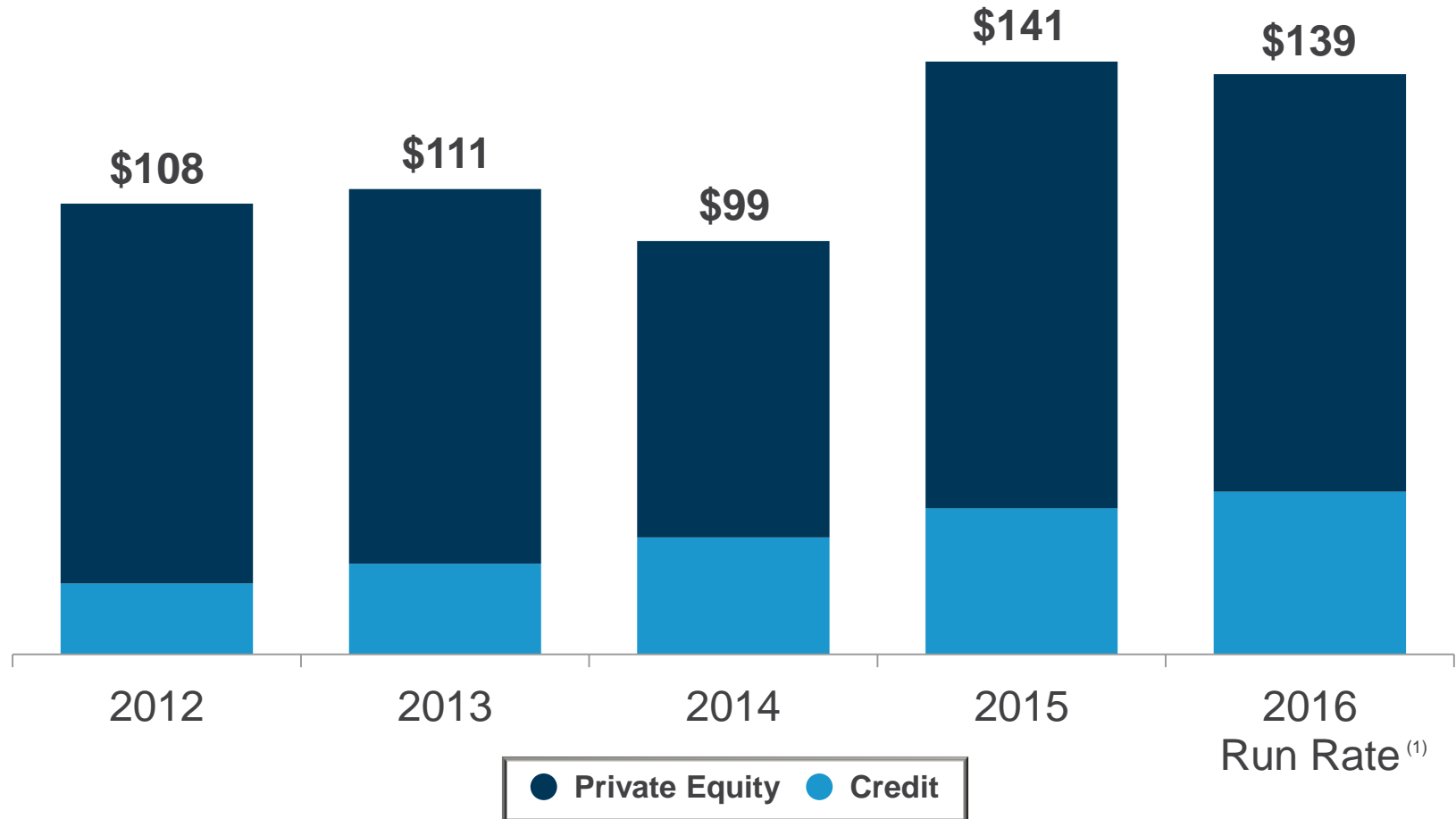
(USD Millions)	Last 12 months ended		
	June 30, 2016	December 31, 2015	December 31, 2014
<b>Private Equity</b>			
Management and Advisory Fees <sup>(1)(2)</sup>	\$ 99	\$ 107	\$ 71
Management and Advisory Fees on Onex Capital <sup>(2)(3)</sup>	36	37	21
Carried Interest <sup>(4)</sup>	13	1	171
Carried Interest on Onex Capital <sup>(4)(5)</sup>	5	1	98
<b>Revenue Items</b>	<b>153</b>	<b>146</b>	<b>361</b>
Base Compensation	17	16	15
Variable Compensation	56	52	124
Adjustment to Variable Compensation <sup>(6)</sup>	(3)	-	(40)
Other Expenses, net <sup>(7)</sup>	25	20	20
<b>Expense Items</b>	<b>95</b>	<b>88</b>	<b>119</b>
<b>Net Contribution</b>	<b>58</b>	<b>58</b>	<b>242</b>
<b>Credit</b>			
Management and Advisory Fees <sup>(8)</sup>	37	34	28
Carried Interest <sup>(4)</sup>	1	1	1
<b>Revenue Items</b>	<b>38</b>	<b>35</b>	<b>29</b>
Base Compensation	7	6	5
Variable Compensation	11	10	12
Other Expenses	4	4	3
<b>Expense Items</b>	<b>22</b>	<b>20</b>	<b>20</b>
<b>Net Contribution</b>	<b>16</b>	<b>15</b>	<b>9</b>
<b>Parent Company and Other</b>			
Base Compensation	15	15	15
Variable Compensation	9	9	18
Other Expenses, net <sup>(7)</sup>	8	7	6
<b>Expense Items</b>	<b>32</b>	<b>31</b>	<b>39</b>
<b>Net Contribution</b>	<b>(32)</b>	<b>(31)</b>	<b>(39)</b>
<b>Net Amount</b>	<b>\$ 42</b>	<b>\$ 42</b>	<b>\$ 212</b>

- (1) The management and advisory fees include those earned in the Onex Partners and ONCAP private equity funds and Onex' retained portion of the management and advisory fees earned from operating companies. No fees are included in respect of Onex capital invested in or committed to Onex Partners and ONCAP private equity funds.
- (2) Since the beginning of 2014, management fees for Onex Partners III were based on 1% of invested capital. Onex began to receive management fees for Onex Partners IV in August 2014, which were based on 1.7% of committed capital. Run-rate private equity management fees at June 30, 2016 were \$135 million, which includes \$35 million of run-rate management and advisory fees that would be earned on Onex capital.
- (3) The management and advisory fees from Onex Capital is a pro forma adjustment and represents the additional net fees that would be earned on Onex capital if that capital was subject to the same management and advisory fees as other investors in the Onex Partners and ONCAP private equity funds.
- (4) Private equity carried interest is reported on a cash received basis. Credit carried interest and performance fees are accrued in the fourth quarter each year, since they are typically received shortly after the end of the calendar year.
- (5) The carried interest from Onex Capital is a pro forma adjustment and represents 40% of the additional carried interest that would have been received on Onex capital if that capital was subject to the same carried interest provisions as other investors in the Onex Partners and ONCAP private equity funds.
- (6) The adjustment to variable compensation is a pro forma adjustment and reflects the estimated reduction in Private Equity variable compensation that would occur if Onex Capital was subject to the same carried interest provisions as other investors. In this scenario, the Onex management team would be allocated 60% of the pro forma carried interest on Onex Capital instead of participating in Onex investments through the Management Investment Plan. The adjustment to variable compensation is the excess of 60% of the pro forma carried interest from Onex Capital over payments under the Management Investment Plan.
- (7) Expenses include those of the Onex and ONCAP corporate office and Onex Real Estate Partners. This schedule excludes stock-based compensation.
- (8) Credit management and advisory fees include fees of \$3 million paid by Onex in respect of its investment in Onex Credit funds (year ended December 31, 2015 - \$3 million and December 31, 2014 - \$3 million). Run-rate credit management fees at June 30, 2016 were \$39 million.

# ASSET MANAGEMENT

## Growth in Management Fees

(\$ in millions)



(1) As of June 30, 2016.

# ASSET MANAGEMENT

## Private Equity: Run Rate Management and Advisory Fees

<i>(\$ in millions)</i>	<b>Fee Basis</b>	<b>Limited Partner Capital</b>	<b>Percentage Applied</b>	<b>Run Rate Fees at Jun-16</b>
<b>Onex Partners III</b>	Invested	\$1,995	1%	\$20
<b>Onex Partners IV</b>	Committed	\$3,821	1.7%	\$65
<b>ONCAP II</b>	Invested	C\$221	2%	\$2
<b>ONCAP III</b>	Committed	C\$520	2%	\$8
<b>Advisory Fees</b>				\$5
<b>Total Run Rate Management and Advisory Fees</b>				<b>\$100</b>

Onex receives management fees on limited partner capital through its Onex Partners and ONCAP Funds. During the initial fee period, Onex receives a management fee based on limited partners' committed capital to each fund. Following the termination of the initial fee period, Onex becomes entitled to a management fee based on limited partners' invested capital. As realizations occur in these funds, the management fees calculated based on invested limited partner capital will decline. In January 2016, with the approval of a majority in interest of the limited partners, the term of Onex Partners I was further extended to February 4, 2017. As a result of this extension, management fees were no longer earned for Onex Partners I as of February 4, 2016. Invested Capital of Onex Partners II's remaining investment is negligible at June 30, 2016. ONCAP run rate fees presented in U.S. dollars based on the June 30, 2016 exchange rate of 1.2917.

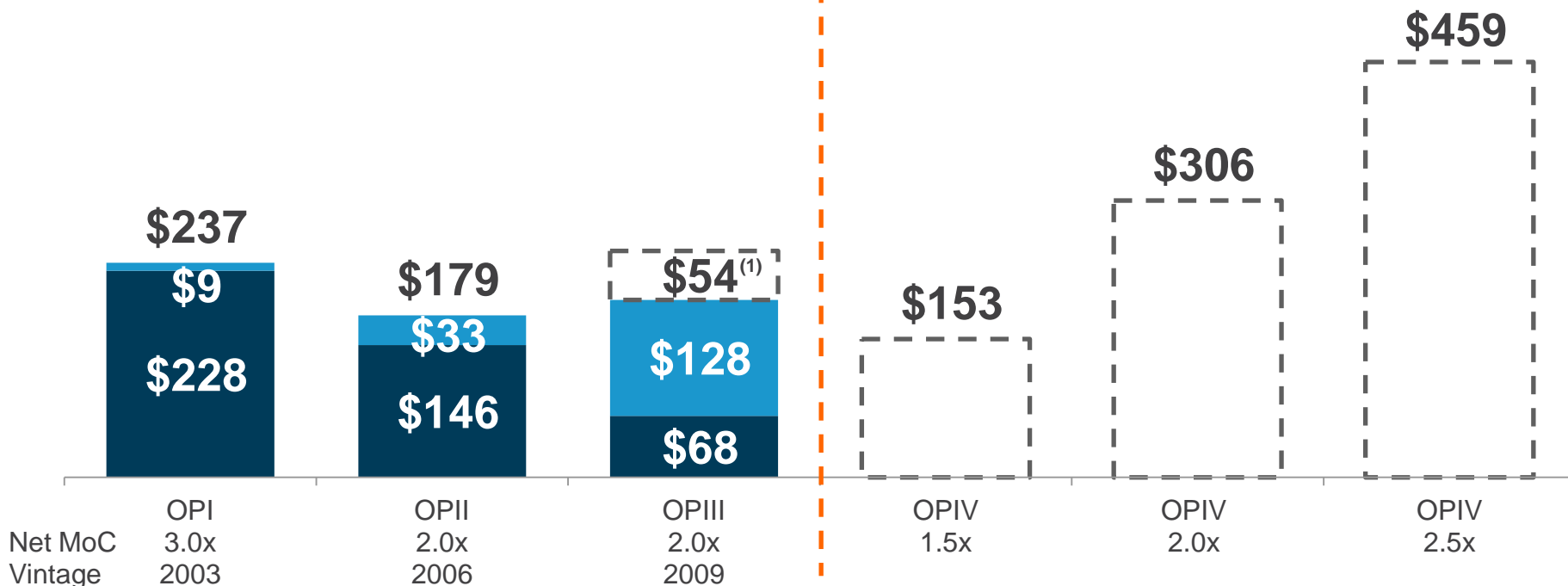


# ASSET MANAGEMENT

## Private Equity: Carried Interest

### Actual & Potential Carried Interest

(\$ in millions)



● Realized Carried Interest   
 ● Unrealized Carried Interest at Jun-16   
    Potential Carried Interest

(1) Hypothetical illustration of what OPIII carried interest would be if the Fund reached a net multiple of invested capital of 2.0 times on capital invested. This illustration is based on the amount of capital that has been called for investments, fees and expenses and assumes that all performance conditions for OPIII are met. As of June 30, 2016 OPIII net MoC, excluding the potential carried interest, is 1.6 times.

(2) Hypothetical illustration of what OPIV carried interest would be if the Fund reaches the net multiples of invested capital as indicated above. This illustration assumes the entire amount of committed capital is called for investments, fees and expenses and that all performance conditions for OPIV are met.

# ASSET MANAGEMENT

## Credit Manager: Revenues and Expenses

(\$ in millions)	Last 12 months ended		
	Jun. 30, 2016	Dec. 31, 2015	Dec. 31, 2014
Management and Advisory Fees <sup>(1)</sup>	\$ 37	\$ 34	\$ 28
Carried Interest <sup>(2)</sup>	1	1	1
<b>Revenue Items</b>	<b>38</b>	<b>35</b>	<b>29</b>
Base Compensation	7	6	5
Variable Compensation	11	10	12
Other Expenses	4	4	3
<b>Expense Items</b>	<b>22</b>	<b>20</b>	<b>20</b>
<b>Credit Manager Net Contribution</b>	<b>16</b>	<b>15</b>	<b>9</b>
CLO Investment Income (Loss)	(59)	(94)	(21)
<b>Total Net Contribution</b>	<b>\$ (43)</b>	<b>\$ (79)</b>	<b>\$ (12)</b>

**2016 Run Rate Credit Management Fees: \$39 million**

(1) Include fees of \$3 million paid by Onex in respect of its investment in Onex Credit funds (year ended December 31, 2015 - \$3 million and December 31, 2014 - \$3 million). Run-rate credit management fees at June 30, 2016 were \$39 million.

(2) Carried interest and performance fees are accrued in the fourth quarter each year, since they are typically received shortly after the end of the calendar year.

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