

ONEX

Supplemental Information Package

Q4 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 or on the Company's website, 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 December 31, 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	December 31, 2016	September 30, 2016	December 31, 2015
Private Equity			
Onex Partners			
Private Companies ⁽¹⁾	\$ 3,078	\$ 2,502	\$ 2,520
Public Companies ⁽²⁾	15	9	12
Unrealized Carried Interest ⁽³⁾	197	183	178
ONCAP ⁽⁴⁾	402	432	381
Direct Investment – Public Company ⁽²⁾	213	194	198
	3,905	3,320	3,289
Credit⁽⁵⁾	529	503	346
Real Estate	198	197	172
	727	700	518
Other Investments	32	46	27
Cash and Near-Cash⁽⁶⁾⁽⁷⁾	1,586	2,049	2,138
Debt⁽⁸⁾	-	-	-
Onex Capital	\$ 6,250	\$ 6,115	\$ 5,972
Onex Capital per Share (U.S. dollars) ⁽⁹⁾⁽¹⁰⁾	\$ 58.56	\$ 57.37	\$ 54.39
Onex Capital per Share (Canadian dollars) ⁽⁹⁾⁽¹⁰⁾	C\$ 78.63	C\$ 75.26	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 \$77 million (September 30, 2016 – \$71 million; December 31, 2015 – \$65 million).

(2) Based on closing prices on December 31, 2016, September 30, 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 \$18 million (September 30, 2016 – \$17 million; December 31, 2015 – \$16 million).

(5) Based on the market values of investments in Collateralized Loan Obligations (including warehouse facilities) of \$384 million (September 30, 2016 – \$365 million; December 31, 2015 – \$225 million) and Onex Credit Funds of \$145 million (September 30, 2016 – \$138 million; December 31, 2015 – \$121 million). Excludes \$376 million (September 30, 2016 – \$370 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 \$376 million (September 30, 2016 – \$370 million; December 31, 2015 – \$351 million) invested in an Onex Credit segregated unlevered senior secured loan strategy fund and \$483 million (September 30, 2016 – \$703 million; December 31, 2015 – \$1.2 billion) of investments managed by third-party investment managers.

(7) Includes \$48 million (September 30, 2016 – \$26 million; 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 114.0 million at December 31, 2016 (September 30, 2016 – 114.3 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 December 31, 2016	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	\$ 4.25	\$ 15
Direct Investments – Celestica ⁽²⁾	–	18.0	\$ 11.85	213
				\$ 228

Subsequent Listing – As at January 31, 2017	Shares Subject to Carried Interest (millions)	Shares Held by Onex (millions)	Closing Price per Share ⁽³⁾	Market Value of Onex' Investment
Onex Partners – JELD-WEN ⁽⁴⁾	38.8	15.5	\$ 27.07	\$ 421
				\$ 421

Significant Private Companies

As at December 31, 2016	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% ⁽⁶⁾	n/a	n/a	\$ 241 ⁽⁷⁾	11% ⁽⁶⁾	\$ 45
BBAM ⁽⁸⁾	50%	\$ 103	\$ (40) ⁽⁹⁾	326	13%	49
Carestream Health	91%	336	1,858	1,311	33% ⁽²⁾	186
Clarivate Analytics	72%	315	1,965	–	26%	419
Emerald Expositions	99%	159 ⁽¹⁰⁾	698	–	24%	119
Jack's	96% ⁽¹¹⁾	56 ⁽¹²⁾	186	–	28% ⁽¹¹⁾	67 ⁽¹³⁾
Meridian Aviation	100%	n/a	n/a	124	25%	19
ResCare	98%	127	446	235	20%	41
Save-A-Lot	100%	200	710	–	28%	186
Schumacher	68%	117 ⁽¹⁰⁾	652	–	20%	93
sgsco	93%	116 ⁽¹⁰⁾	564	–	23%	66
SIG	99%	€ 467	€ 2,692	–	33%	405 ⁽¹⁴⁾
Survitec	79%	£ 73 ⁽¹⁰⁾	£ 368	–	18%	84 ⁽¹⁵⁾
USI	89%	353 ⁽¹⁰⁾	1,824	230	25%	170
WireCo	71%	96	595	–	20%	76
York	88%	105 ⁽¹⁰⁾	936	–	29%	173
						\$ 2,198

(1) Closing prices on December 31, 2016.

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

(3) Closing price on January 31, 2017.

(4) 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 percent. Onex continues to hold 15.5 million shares for a 15 percent economic interest in JELD-WEN.

(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) In August 2016, AIT repurchased units from investors other than the Onex Partners IV Group.

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

(8) 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.

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

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

(11) In June 2016, the balance of \$14 million outstanding under the promissory note held by the Onex Partners IV Group was converted into additional equity of Jack's.

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

(13) Net of a \$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.

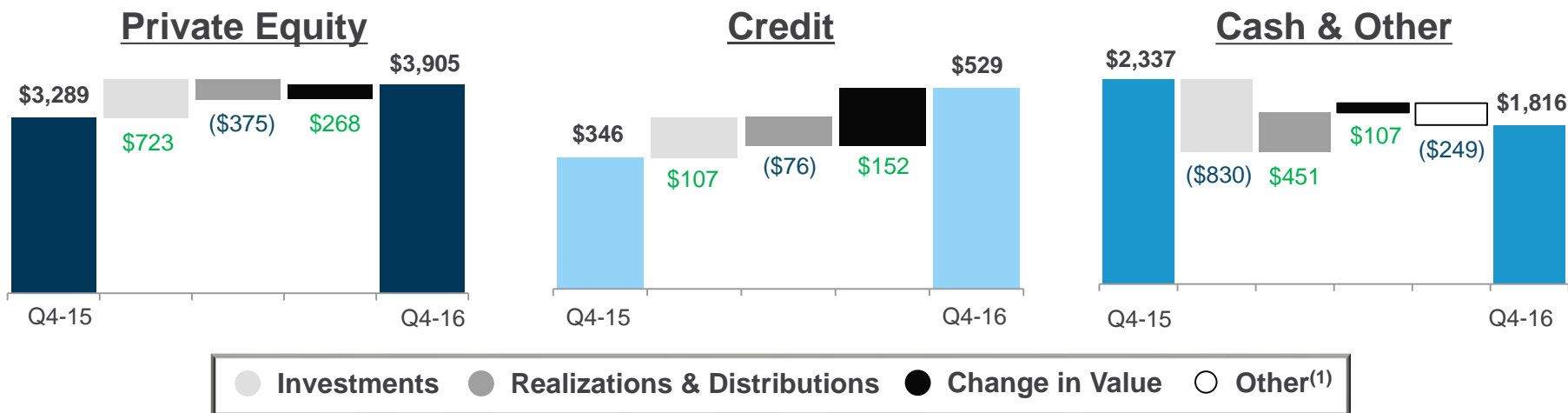
(14) The investment in SIG was made in U.S. dollars.

(15) The investments in Survitec were made primarily in pounds sterling and converted to U.S. dollars using the prevailing exchange rate on the date of the investments. In November 2016, Onex invested an additional \$8 million in Survitec.

INVESTING

How We Are Invested: YTD Changes

(\$ in millions)



2016 Highlights

Private Equity

- Sale of KraussMaffei, \$191mm of cash, incl. carried interest of \$12mm
- Investments of \$732mm in Clarivate Analytics, Save-A-Lot, WireCo, Tecta and add-on in Survitec
- Sale of Cicis, \$23mm of cash
- Distributions from AIT (\$27mm), BBAM (\$13mm), Hopkins (\$21mm) and Meridian (\$12mm)
- JELD-WEN distributions, \$87mm received by Onex, excludes \$40mm of IPO proceeds
- Promissory note repayment by Jack's of \$12mm

Credit

- Net additional CLO capital deployed of \$31mm, which includes \$73mm of CLO distributions
- Change in value of CLOs and Credit Funds of \$152mm

Cash & Other

- Net investment in Incline Aviation Fund of \$12mm
- Distributions from Flushing Town Center of \$33mm
- Share repurchases of \$184mm
- Change in value of Flushing Town Center and near-cash and other investments of \$107mm
- Dividends paid of \$20mm

INVESTING

YTD Changes in Cash and Near-Cash

(\$ in millions)

Cash and near-cash on hand at December 31, 2015⁽¹⁾	\$	2,138
Private equity realizations:		
KraussMaffei Sale	191	
JELD-WEN distributions	87	
AIT distributions	27	
Cicis sale	23	
Hopkins distribution	21	
BBAM distributions	13	
Jack's repayment of promissory note	12	
Meridian Aviation distribution	12	
Total private equity realizations	<u>386</u>	386
Flushing Town Center distributions		33
Private equity investments:		
Acquisition of Clarivate Analytics	(419)	
Acquisition of Save-A-Lot	(186)	
Acquisition of WireCo	(76)	
Acquisition of Tecta	(43)	
Add-on investment in Survitec	(8)	
Total private equity investments	<u>(732)</u>	(732)
Net investment in Incline Aviation Fund		(13)
Net Onex Credit activity, including investments in warehouse facilities		(15)
Onex share repurchases		(184)
Other, net, including dividends, management fees, operating costs and treasury income ⁽²⁾		(27)
Cash and near-cash on hand at December 31, 2016⁽¹⁾	\$	1,586
Year-to-date Treasury Return	\$	41

(1) Includes \$483 million (December 31, 2015 – \$1.2 billion) of short- and long-term investments managed by third-party investment managers, \$376 million (December 31, 2015 – \$351 million) invested in a segregated Onex Credit unlevered senior secured loan strategy fund and \$48 million (December 31, 2015 – nil) of management fees receivable.

(2) Other includes the impact of unfavourable foreign exchange on cash.

INVESTING

Share Repurchases

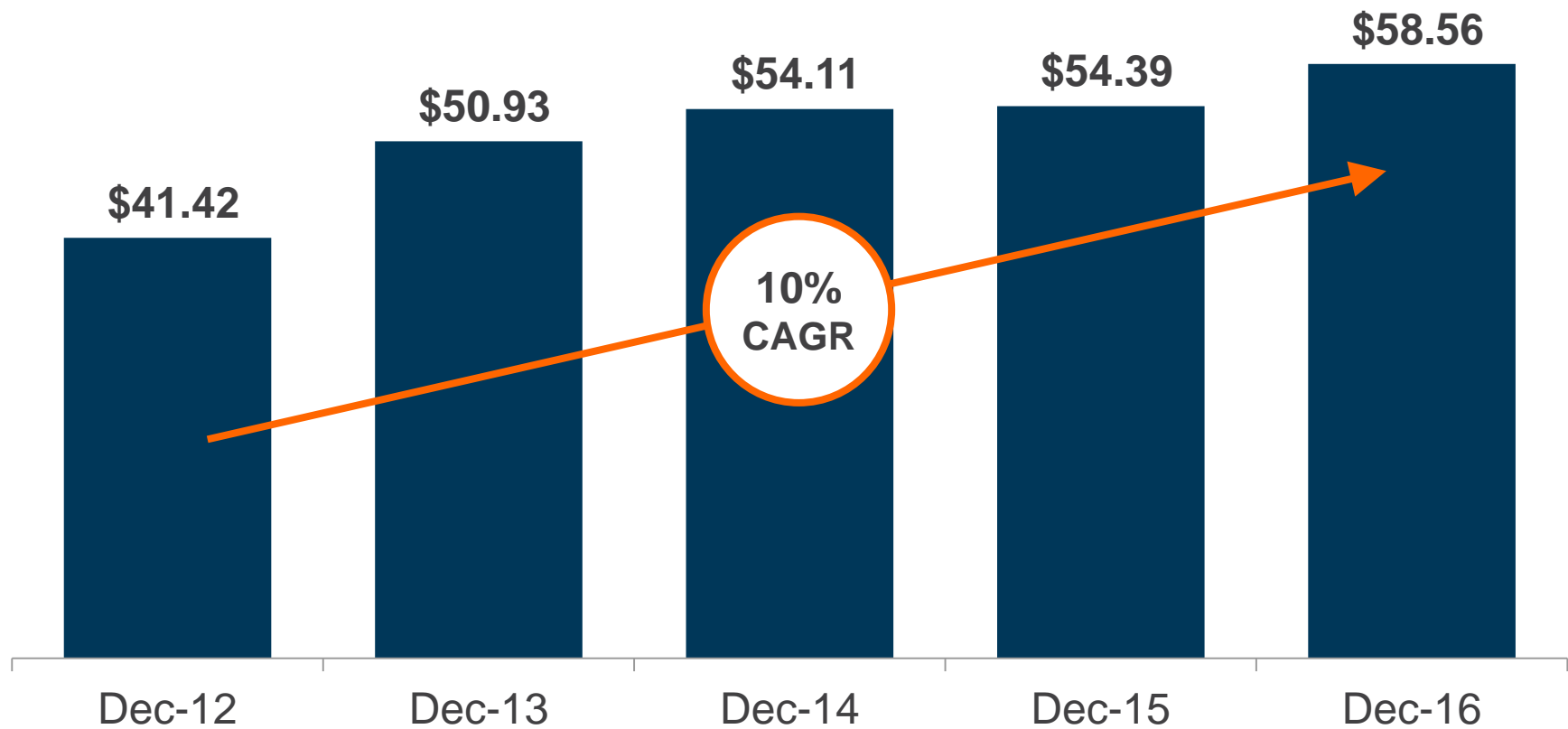
Years	Shares Repurchased	Average Share Price
1997 – 2010	73,088,931	C\$14.53
2011	3,165,296	C\$33.27
2012	627,061	C\$38.59
2013	3,060,400	C\$51.81
2014	2,593,986	C\$62.93
2015	3,084,877	C\$70.70
Q1 2016	1,855,885	C\$81.81
Q2 2016	687,844	C\$76.53
Q3 2016	570,668	C\$79.04
Q4 2016	-	-
FY 2016	3,114,397	C\$80.14
TOTAL	88,734,948	C\$22.33

The full list of Onex' share repurchases can be found under the For Shareholders section of its website www.onex.com.

INVESTING

Goal: Grow Onex Capital per Share by 15% annually

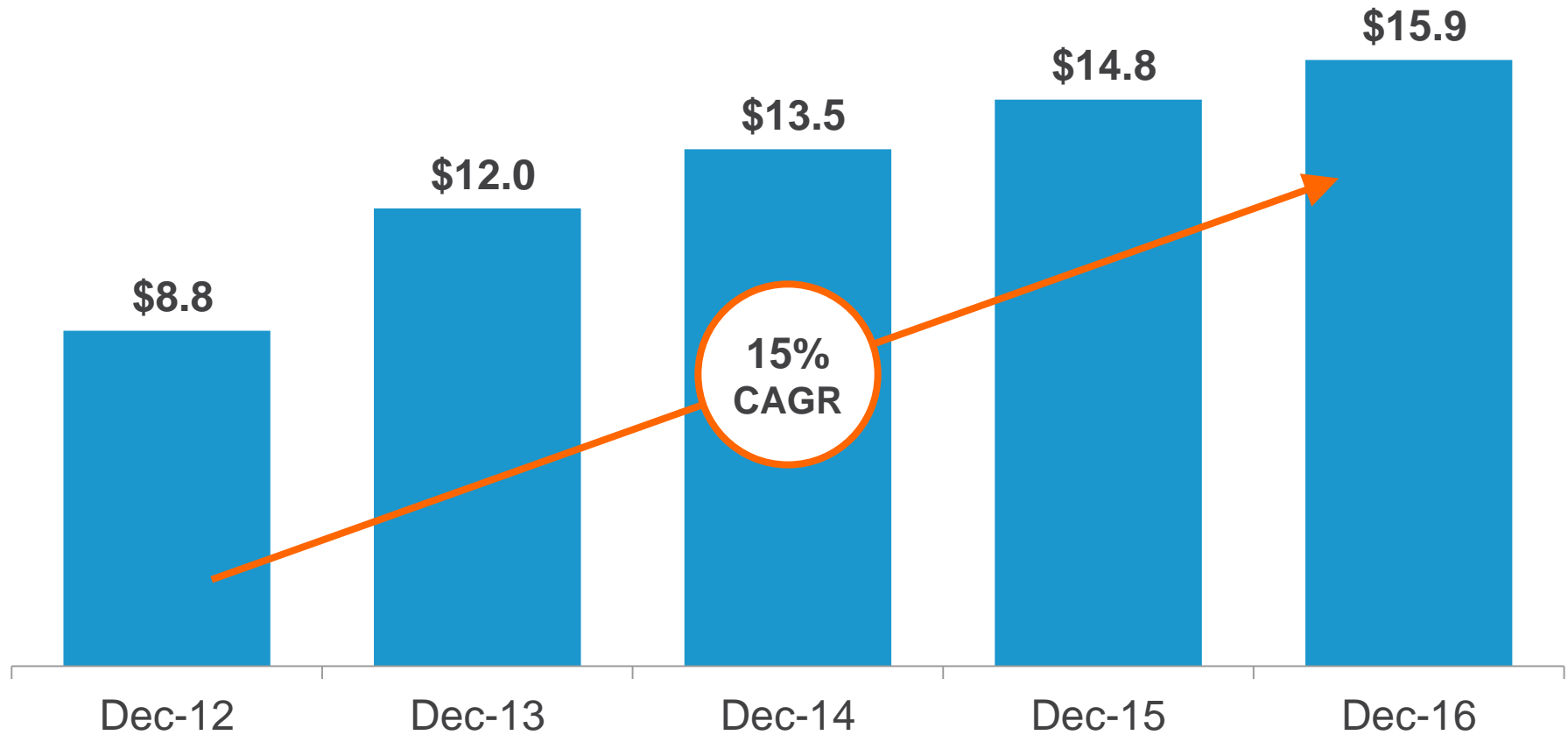
(\$ per share)



ASSET MANAGEMENT

Goal: Grow Fee-Generating Assets by 10% annually

(\$ in billions)





SCHEDULE OF FEES AND EXPENSES

(in millions of U.S. dollars)

Last twelve months ended	December 31, 2016	December 31, 2015	December 31, 2014
Private Equity			
Management and Advisory Fees ⁽¹⁾⁽²⁾	\$ 96	\$ 107	\$ 71
Carried Interest ⁽³⁾	14	1	171
Revenue Items	110	108	242
Base Compensation	19	16	15
Variable Compensation	69	52	124
Other Expenses, net ⁽⁴⁾	25	20	20
Expense Items	113	88	159
Net Contribution	(3)	20	83
Credit			
Management and Advisory Fees ⁽⁵⁾	39	34	28
Carried Interest ⁽³⁾⁽⁵⁾	4	1	1
Revenue Items	43	35	29
Base Compensation	7	6	5
Variable Compensation	13	10	12
Other Expenses	4	4	3
Expense Items	24	20	20
Net Contribution	19	15	9
Parent Company and Other			
Base Compensation	15	15	15
Variable Compensation	10	9	18
Other Expenses, net ⁽⁴⁾	7	7	6
Expense Items	32	31	39
Net Contribution	(32)	(31)	(39)
Net Amount	\$ (16)	\$ 4	\$ 53

- (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. Since August 2016, management fees for ONCAP III were based on 1.5% of net funded commitments. Onex began to receive management fees for ONCAP IV in November 2016, which were based on 2% of committed capital by investors other than Onex and management of Onex and ONCAP. Run-rate private equity management fees are \$110 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 and carried interest include \$5 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 December 31, 2016 are \$40 million.



PRO FORMA SCHEDULE OF FEES AND EXPENSES

This schedule reflects pro forma adjustments including for fees and carried interest on Onex' \$5 billion of private equity capital assuming this capital is subject to the same fee structure as our institutional investors.

(in millions of U.S. dollars)
Last twelve months ended

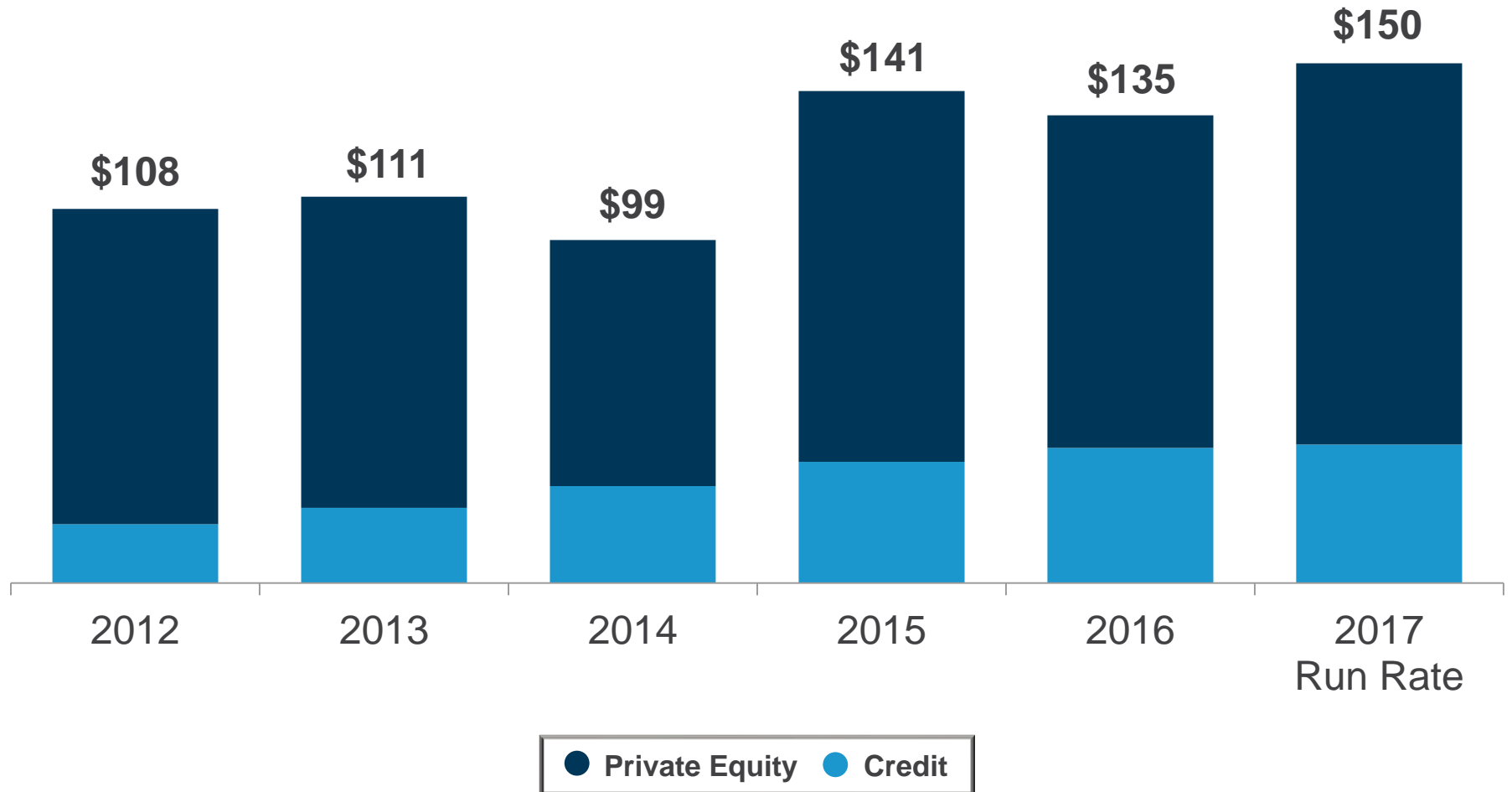
	December 31, 2016	December 31, 2015	December 31, 2014
Private Equity			
Management and Advisory Fees ⁽¹⁾⁽²⁾	\$ 96	\$ 107	\$ 71
Management and Advisory Fees on Onex Capital ⁽²⁾⁽³⁾	35	37	21
Carried Interest ⁽⁴⁾	14	1	171
Carried Interest on Onex Capital ⁽⁴⁾⁽⁵⁾	6	1	98
Revenue Items	151	146	361
Base Compensation	19	16	15
Variable Compensation	69	52	124
Adjustment to Variable Compensation ⁽⁶⁾	(3)	-	(40)
Other Expenses, net ⁽⁷⁾	25	20	20
Expense Items	110	88	119
Net Contribution	41	58	242
Credit			
Management and Advisory Fees ⁽⁸⁾	39	34	28
Carried Interest ⁽⁴⁾⁽⁸⁾	4	1	1
Revenue Items	43	35	29
Base Compensation	7	6	5
Variable Compensation	13	10	12
Other Expenses	4	4	3
Expense Items	24	20	20
Net Contribution	19	15	9
Parent Company and Other			
Base Compensation	15	15	15
Variable Compensation	10	9	18
Other Expenses, net ⁽⁷⁾	7	7	6
Expense Items	32	31	39
Net Contribution	(32)	(31)	(39)
Net Amount	\$ 28	\$ 42	\$ 212

- 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.
- 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. Since August 2016, management fees for ONCAP III were based on 1.5% of net funded commitments. Onex began to receive management fees for ONCAP IV in November 2016, which were based on 2% of committed capital by investors other than Onex and management of Onex and ONCAP. Run-rate private equity management fees are \$151 million, which includes \$41 million of run-rate management and advisory fees that would be earned on Onex capital.
- 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.
- 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.
- 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.
- 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 actual payments under the Management Investment Plan.
- Expenses include those of the Onex and ONCAP corporate office and Onex Real Estate Partners. This schedule excludes stock-based compensation.
- Credit management and advisory fees and carried interest include \$5 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 December 31, 2016 are \$40 million.

ASSET MANAGEMENT

Growth in Management Fees

(\$ in millions)



ASSET MANAGEMENT

Private Equity: Management and Advisory Fees

<i>(\$ in millions)</i>	Fee Basis	Limited Partner Capital	Percentage Applied	Run-Rate Fees at Dec-16
Onex Partners III	Invested	\$1,995	1%	\$20
Onex Partners IV	Committed	\$3,821	1.7%	\$65
ONCAP II	Invested	C\$91	2%	\$1
ONCAP III	Invested	C\$376	1.5%	\$4
ONCAP IV	Committed	\$597	2%	\$12
Advisory Fees				\$8
Total Private Equity Management and Advisory Fees				\$110

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 November 2016, ONCAP completed fundraising for ONCAP IV and Onex is entitled to management fees based on 2% of limited partners' committed capital. In August 2016, the commitment period of ONCAP III ended and Onex' entitlement to management fees changed from being earned based on 2% of limited partners' committed capital to being based on 1.5% of limited partners' invested capital. ONCAP II and III run rate fees presented in U.S. dollars based on the December 31, 2016 exchange rate of 1.3427.

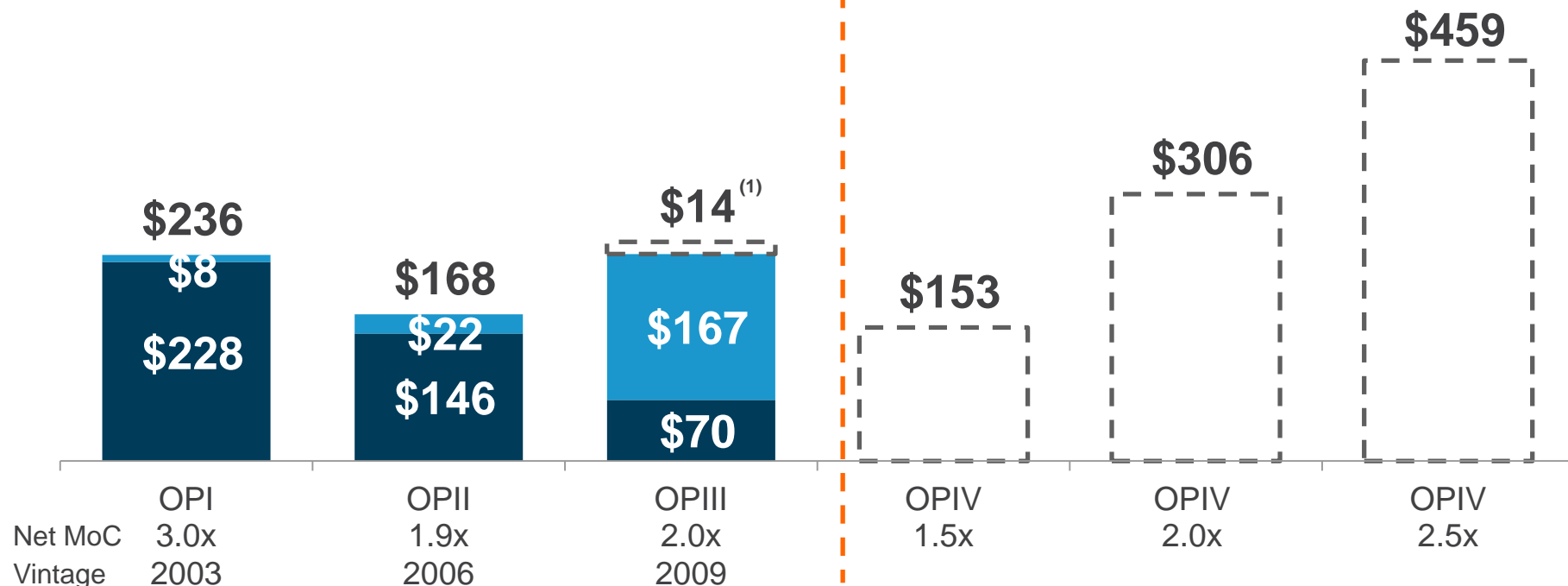
ASSET MANAGEMENT

Private Equity: Carried Interest

Actual & Potential Carried Interest

(\$ in millions)

OPIV Potential Carried Interest⁽²⁾



● Realized Carried Interest
 ● Unrealized Carried Interest at Dec-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 all performance conditions for OPIII are met. As of December 31, 2016 OPIII net MoC, excluding the potential carried interest, is 1.7 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		
	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014
Management and Advisory Fees ⁽¹⁾	\$ 39	\$ 34	\$ 28
Carried Interest ⁽¹⁾⁽²⁾	4	1	1
Revenue Items	43	35	29
Base Compensation	7	6	5
Variable Compensation	13	10	12
Other Expenses	4	4	3
Expense Items	24	20	20
Credit Manager Net Contribution	19	15	9
CLO Investment Income (Loss)	127	(94)	(21)
Total Net Contribution	\$ 146	\$ (79)	\$ (12)

2017 Run-Rate Credit Management Fees: \$40 million

(1) Credit management and advisory fees and carried interest include \$5 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 December 31, 2016 were \$40 million.

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

Contact

Toronto

161 Bay Street
Toronto, Ontario
M5J 2S1

New York

712 Fifth Avenue
New York, New York
10019

New Jersey

910 Sylvan Avenue
Englewood Cliffs, New Jersey
07632

London

17 Duke of York Street
London, England
SW1Y 6LB

Laura Carrigan
Director, Investor Relations
416.362.7711
lcarrigan@onex.com

www.onex.com