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Second Quarter Ended June 30, 2003

Onex Corporation Report on the Second Quarter Ended June 30, 2003

Onex Corporation is a diversified company with 2002 annual revenues of $23 billion, assets of $16 billion and 98,000 employees worldwide.

We operate through autonomous subsidiaries in a variety of industries, including: electronics manufacturing services, customer management services, theatre exhibition, automotive products and communications infrastructure.

Onex' objective is to create long-term value by building industry-leading businesses and to have that value reflected in our share price.

To Our Shareholders

We encourage our shareholders to visit Onex' website, **www.onex.com**, to obtain the most complete and current information about Onex and its operating companies.

Business conditions for many of our operating companies continued to be challenging in the second quarter of 2003, as shown by the decline in revenues and operating earnings from the second quarter of last year. The management teams of these companies are operating their businesses to weather the difficult economic conditions while aggressively seeking growth opportunities.

The second quarter had some encouraging developments. Onex announced a new business opportunity in the second quarter with the proposed acquisition of a controlling interest in Magellan Health Services. The company is the largest behavioural managed care organization in the United States, with approximately 65 million covered lives. We believe that Magellan's industry leadership and strong management team, as well as the growth dynamics of the industry, represent an attractive opportunity for value creation.

In June, Onex announced the sale of its remaining Rogers Sugar Income Fund trust units. This was the final sale of assets that originally comprised the operations of BC Sugar. Since the acquisition of BC Sugar in 1997, Onex has realized a total of approximately $250 million on its $74 million investment. The transaction was completed in mid-July.

Onex ended the quarter in a very strong financial position, with approximately $1 billion of cash at the parent company. These funds are available for attractive growth opportunities with our existing businesses and in new industries where we can build value for shareholders.

The information that follows includes Onex' unaudited interim consolidated financial statements and notes for the three and six months ended June 30, 2003, together with management's discussion and analysis of those results.

Significant Events

This section provides a summary of significant activities at Onex and its operating companies during the second quarter ended June 30, 2003. Readers interested in a descriptive listing of the Onex operating companies and Onex' ownership interest in each can find it in the December 31, 2002 report and on the Onex website at **www.onex.com**.

Revenues and operating earnings in the following discussion have been presented in each operating company's reporting currency since currency translations in the quarter may otherwise distort the operating company's results.

Agreement to acquire Magellan Health Services

In the second quarter, Onex announced that it had entered into an agreement to acquire a controlling equity interest in Magellan Health Services, Inc. ("Magellan"). Completion of the purchase is subject to final court approval, which would lead to Magellan's emergence from bankruptcy. Magellan is the largest behavioural managed care organization in the United States, with approximately 65 million covered lives. The company's customers include health plans, government agencies, unions and corporations. As part of Magellan's proposed plan of reorganization filed with the Bankruptcy Court under Chapter 11 in the United States, Onex has committed to invest up to US$150 million in the equity of Magellan following the execution of the reorganization plan. Subject to the participation of certain creditors, additional amounts may be required from Onex, but these amounts cannot be determined at this time. Magellan represents an exciting new opportunity for value creation for Onex. Magellan is expected to emerge from bankruptcy in early fall 2003.

Sale of Rogers Sugar Income Fund trust units

In late June 2003, Onex entered into an agreement to sell all of its 21.8 million trust units of Rogers Sugar Income Fund ("RSIF") at a price of $4.10 per trust unit. During Onex' ownership of RSIF's operating companies, Rogers Sugar and Lantic Sugar, Onex and the operating companies' management teams worked together to reduce costs with the modernization and expansion of Lantic Sugar's Montreal refinery, and to build a stable capital structure to enable the growth of new complementary industry segments. Onex sold its remaining trust units of RSIF to realize the remaining value that it had created over its six-year partnership with Rogers Sugar and Lantic Sugar. Today, the combined Rogers Sugar and Lantic Sugar operations are the leading refiner and marketer of sugar in Canada.

This sale, which closed in mid-July, resulted in net proceeds of approximately $85 million for Onex' remaining trust units of RSIF. The transaction brings the total value that Onex has received from Rogers Sugar, Lantic Sugar and other BC Sugar assets to approximately $250 million, or a 212 percent compound annual return on Onex' total investment in BC Sugar of $74 million,

which was made in 1997. As a result of the sale, Onex will no longer control RSIF's operating companies, Lantic Sugar and Rogers Sugar. Therefore, the quarter and year-to-date financial results up to June 30, 2003 for these businesses have been reclassified as earnings from discontinued operations in Onex' unaudited interim consolidated statements of earnings. The comparative 2002 second-quarter and year-to-date unaudited interim consolidated statements of earnings have also been adjusted to report the operations of Rogers Sugar and Lantic Sugar as discontinued.

Electronics manufacturing services

In the second quarter of 2003, Celestica experienced ongoing weakness in demand, particularly from its major customers in the communications and information technology industries. This resulted in Celestica reporting revenues of US$1.6 billion for the three months ended June 30, 2003, a 29 percent decline from the same quarter last year. However, the company's revenues in 2003 have remained stable, with second-quarter revenues being up 1 percent from the first quarter of this year based on recent new program wins. Operating earnings continue to be affected by the ongoing weak end-market environment. The company reported an operating loss of US$13 million in the second quarter of 2003, down from operating earnings of US$86 million reported in the second quarter last year. This decline was the result of lower revenues, pricing pressure based on excess capacity in the EMS industry, a shift in customer demands to lower-margin, less complex products, and higher expenses related to the movement of numerous customer programs to lower-cost manufacturing facilities.

In order to address excess capacity, Celestica continued to implement its previously announced restructuring initiatives to downsize and/or close facilities, particularly in North America and Europe. Celestica expects that by the end of this year it will have substantially completed its restructuring initiatives and that operating margins will begin to reflect the resulting benefits, particularly in Europe, in the second half of 2003.

Celestica's balance sheet remained strong during the second quarter of 2003. The company maintained its 18 percent debt-to-capitalization ratio, which represents the lowest debt levels among top-tier EMS companies and reflects the company's overall strong financial position. The company ended the quarter with cash on hand of US$1.5 billion. During the second quarter, the company used US$120 million to repurchase 9.2 million of its subordinate voting shares at an average cost of US$13.09 per share, virtually completing the share buyback program announced last year to acquire up to 10 percent of its outstanding shares. Celestica also spent US$61 million during the quarter to repurchase US$117 million in principal amount of its outstanding liquid yield option notes. Celestica continues to be the only major EMS company repurchasing its stock and debt.

In July, the company announced the launch of a new normal course issuer bid, upon the expiry of the current issuer bid on July 31, 2003. Under the new issuer bid, Celestica is authorized

to repurchase up to an additional 10 percent of the public float of Celestica's subordinate voting shares, or approximately 17 million shares, on the open market during the 12 months ending July 31, 2004. Celestica believes that the continuation of its stock repurchase program and ongoing debt repurchases reflect the company's commitment to drive shareholder value while still pursuing appropriate and sustainable growth opportunities in its business.

Celestica's management is beginning to see more stability in demand. Going forward, the company believes revenues and operating earnings should gradually start to improve in the second half of 2003 as volume from new program wins starts to ramp up and the company begins to achieve the benefits from previously announced restructuring activities.

Customer management services

ClientLogic's revenues grew 10 percent to US$104 million in the second quarter of 2003 from US$95 million in the same quarter last year. New business from SBC Communications increased revenues from item processing and warehouse management services in North America by 40 percent in the second quarter; North American customer contact management revenues equalled those of the second quarter of last year. Ongoing business with British Telecom, new business in the financial services sector in the Netherlands and favourable currency translation increased European revenues by 20 percent. Nevertheless, the company reported an operating loss of US$3 million in the second quarter of 2003 compared to an operating loss of US$1 million in the second quarter of last year. The decline was attributable primarily to price reductions in the United Kingdom and startup costs on new client implementations in North America.

ClientLogic began to ramp up operations in June at its joint-venture call centre in Bangalore, India. The facility is already experiencing strong customer demand and positive cash flow.

Subsequent to quarter-end, the board of directors of ClientLogic accepted the resignation of Mark Briggs as CEO of ClientLogic. Tom Harbison, who has worked with Onex on the development of ClientLogic, has agreed to act as interim CEO while the company undertakes a formal search for Mr. Briggs' successor.

Theatre exhibition

The theatre exhibition segment, which includes the operations of Loews Cineplex, Star Theatres, Cinemex (in Mexico), Yelmo Cineplex (in Spain), Megabox Cineplex (in Korea) and Galaxy Entertainment, reported a 25 percent increase in second-quarter revenues. Revenues for the second quarter advanced to US$319 million from US$256 million reported in the second quarter of 2002. Approximately 60 percent of the increase in revenues resulted from the inclusion of a full quarter of revenues for Cinemex, which was acquired in mid-June 2002. Excluding the positive contribution from Cinemex, revenues for the second quarter of 2003 increased 10 percent over

the same quarter last year despite a decline in North American film attendance due to a less successful slate of films during the second quarter of 2003 compared to the same quarter last year. The theatre exhibition segment reported slightly higher operating earnings of US$26 million for the quarter due to the positive contribution from Cinemex, partially offset by lower film attendance.

In early May, Loews Cineplex announced its intention to enter into a 50–50 partnership with Kieft & Kieft Filmtheatre GmbH to acquire 28 theatres with 173 screens from UFA Theatre GmbH & Co. KG ("UFA") following that company's emergence from bankruptcy. UFA is Germany's third-largest cinema circuit, with many of its theatres located in major cities such as Berlin, Cologne, Dresden, Frankfurt, Dusseldorf and Hamburg. The acquisition of UFA's assets will provide Loews Cineplex with an excellent platform in Germany upon which to explore further growth in that market.

Galaxy Entertainment opened three new theatres during the second quarter, in Regina and Prince Albert, Saskatchewan and in Victoriaville, Quebec. These theatres bring the company's total number of screens to 148 in 18 theatres across Canada and build on Galaxy Entertainment's strategy of providing a modern movie-going experience to smaller markets in Canada.

Automotive products

North American car and light truck production declined approximately 9 percent to 4.2 million units during the second quarter of 2003 from the same quarter in 2002. The decline was due primarily to reduced production levels at the Big Three North American automotive companies – General Motors, Ford Motor Company and DaimlerChrysler.

Dura Automotive reported second-quarter revenues of US$606 million compared to US$638 million recorded in the second quarter of 2002. The 5 percent decline was due to the weakening of the automotive and recreational vehicle production volumes in the second quarter and to the phase-out of Dura Automotive's conventional window regulator business. Partially offsetting this decline was the strengthening of the euro versus the U.S. dollar, which improved reported revenues by US$45 million. Lower revenues and a shift in geographic and product mix were the primary factors in the decline in Dura Automotive's operating earnings, which fell to US$40 million from US$59 million in the same quarter last year.

In late July, Dura Automotive completed the acquisition of the Creation Group, a premier designer and manufacturer of windows, doors and specialty products for recreational vehicle, automotive accessory and manufactured housing markets in North America. The purchase price was US$57 million and is subject to an earn-out provision of an additional US$3 million if certain financial targets are achieved. This acquisition will complement and expand Dura Automotive's existing product offerings and broaden the company's customer base.

J.L. French reported revenues of US$133 million and operating earnings of US$13 million in the second quarter of 2003 compared to US$147 million and US$16 million, respectively, in the three months ended June 30, 2002. The reductions were due to lower production volumes for General Motors and Ford Motor Company.

In mid-July, J.L. French appointed a new President and CEO, John F. Falcon. Mr. Falcon brings more than 25 years of experience in the automotive industry to J.L. French and will lead the continuing growth of the business.

Performance Logistics Group ("PLG") reported revenues of US$51 million in the second quarter of 2003 compared to revenues of US$54 million in the second quarter of last year. The decline in revenues resulted from lower dealer vehicle deliveries, particularly for Ford in southern California, which is PLG's largest market. Lower revenues also resulted in a decline in operating earnings to US$3 million in the second quarter compared to US$5 million in the second quarter of 2002.

Heavy truck production during the second quarter of 2003 achieved a run rate of approximately 145,000 units compared to a rate of about 135,000 units in the second quarter of last year. However, the commercial vehicle sector companies – Bostrom Holdings and Trim Systems – reported revenues of US$71 million in the second quarter of 2003 compared to US$86 million in the same quarter last year. The revenue decline resulted from lower revenues primarily at Trim Systems due to a change in product mix to reduced content on truck interiors. Operating earnings were US$6 million in the second quarter of 2003 compared to US$8 million for the same quarter last year. The decline in operating earnings resulted from lower revenues, partially offset by the benefits of continued cost-reduction initiatives implemented at Bostrom Holdings and Trim Systems.

In late July, Scott Rued, CEO of Hidden Creek Industries, announced that he would be leaving to pursue other opportunities. Mr. Rued was instrumental in developing the Hidden Creek businesses and the strong management teams at both Hidden Creek and Onex' automotive operating companies. Onex will continue to work with those management teams to build their businesses.

Engineered building products

The decline in demand for engineered metal buildings and products over the past three years, exacerbated by rapidly rising steel prices related to the imposition of U.S. import tariffs on steel, has taken a considerable toll on most industry participants. Revenues in the engineered metal buildings industry declined 7 percent in the first five months of 2003 compared to the same period last year. MAGNATRAX reported second-quarter revenues of US$157 million and an operating loss of US$15 million (including restructuring costs) compared to revenues of US$177 million and operating earnings of US$5 million in the same quarter last year.

With declining revenues and rising costs, MAGNATRAX was unable to meet the financial requirements under its lending agreements and, as a result, the company and its subsidiaries filed a voluntary petition in May for reorganization under Chapter 11 in the United States and under the Companies' Creditors Arrangement Act in Canada. Onex and MAGNATRAX' management have been working with debt holders and other creditor groups to arrange a restructuring of the company's debts. It is expected that Onex will have a minimal ownership interest in MAGNATRAX following the restructuring. All the debt of MAGNATRAX is without recourse to Onex and other Onex operating companies. Onex has invested approximately $173 million in MAGNATRAX, which has been more than written off in Onex' consolidated financial results in the years prior to 2003. Onex will cease to consolidate MAGNATRAX' results once the restructuring is completed and Onex no longer controls the company.

Other businesses

Communications infrastructure Radian's second-quarter revenues were down year-over-year due to the adverse impact of delayed network expansion by customers, which decreased wireless spending in the United States and Canada. However, Radian reported an improvement in operating results compared to the second quarter of 2002. Process controls implemented over the past year, improved job execution and the implementation of strategic cost reductions delivered the higher margins and results in the second quarter.

Subsequent to the quarter-end, Radian won significant business that includes the engineering, furnishing and installation of 17 new towers in Alberta as well as the engineering and furnishing of 26 new towers in various international markets.

Small-capitalization opportunities ONCAP's operating companies include CMC Electronics Inc., Armtec Limited and Western Inventory Service Ltd. Collectively, these companies contributed $125 million in total revenues during the second quarter of 2003 compared to $128 million in revenues for the second quarter of last year. The small revenue decline in the second quarter resulted primarily from lower revenues at CMC Electronics related to the company's divestiture of certain product lines. The lower revenues at CMC Electronics were partially offset by the inclusion of Western Inventory Service, which was acquired during the first quarter of 2003. The ONCAP companies' operating earnings collectively increased $5 million to $15 million in the second quarter of 2003. The improvement was due to better margins at Armtec and CMC Electronics resulting from cost-reduction initiatives and to the inclusion of a full quarter of operating earnings for Western Inventory Service. ONCAP also continues to own approximately 10 percent of Enerflex Systems (TSX: EFX).

Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking/Safe Harbour and Fair Disclosure Statement

This quarterly report may contain, without limitation, certain statements that include words such as "believes", "expects", "anticipates" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause actual performance or results to be materially different from those anticipated in these forward-looking statements. Onex is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or otherwise.

Management's Discussion and Analysis and Onex Corporation's consolidated financial statements have been prepared to provide information about Onex Corporation on a consolidated basis and should not be considered as providing sufficient information to make an investment decision in regard to any particular Onex operating company.

The following discussion of Onex' consolidated financial condition and results of operations should be read in conjunction with the unaudited interim consolidated financial statements for the period ended June 30, 2003 and with the 2002 audited annual consolidated financial statements. All amounts are in Canadian dollars unless otherwise indicated.

Financial highlights for the second quarter of 2003

- Revenues were **$4.4 billion** compared to $6.0 billion in the second quarter of 2002.
- Loss from operations was **$11 million** compared to operating earnings of $349 million for the same quarter last year (operating earnings (loss) is defined on page 11).
- Net loss from continuing operations was **$159 million ($1.04 per share)** compared to net earnings of $53 million ($0.33 per share) for the three months ended June 30, 2002.
- Net loss was **$162 million ($1.06 per share)** compared to net earnings of $49 million ($0.31 per share) in the second quarter of 2002.
- Cash flow from operations, excluding changes in working capital, was **$91 million**, down from $298 million in the same quarter last year.

Financial highlights for the six months ended June 30, 2003

- Revenues were **$9.0 billion** compared to $11.3 billion in the first six months of last year.
- Operating earnings were **$128 million**, down from $620 million in the first six months of 2002.
- Net loss from continuing operations was **$205 million ($1.32 per share)** for the first half of 2003 compared to net earnings of $78 million ($0.48 per share) in the same period last year.
- Net loss for the six months ended June 30, 2003 was **$197 million ($1.27 per share)** compared to net earnings of $71 million ($0.44 per share) in the same period last year.
- Cash flow from operations was **$251 million**, down from $603 million in the first six months of last year.
- At June 30, 2003, assets totalled **$16.4 billion** and shareholders' equity was **$0.6 billion**.

Financial Review

This section compares the unaudited interim consolidated financial results for the three and six months ended June 30, 2003 to those ended June 30, 2002. The discussion analyzes significant changes in the unaudited interim consolidated statements of earnings, unaudited interim consolidated balance sheet and unaudited interim consolidated statements of cash flows.

Accounting policies and estimates

Onex prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP").

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, at the date of the unaudited interim consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant accounting policies and methods used in preparation of the financial statements are described in note 1 to the unaudited interim consolidated financial statements and in note 1 to the December 31, 2002 audited annual consolidated financial statements. Onex and its operating companies evaluate their estimates and assumptions on a regular basis, based on historical experience and other relevant factors. Significant estimates are used in determining the allowance for doubtful accounts, inventory valuation, income tax valuation allowances, the fair value of reporting units for purposes of goodwill impairment tests, the useful lives and valuation of intangible assets, and restructuring costs and other matters. Actual results could differ materially from those estimates and assumptions.

New accounting policies in 2003

Guarantees

Effective January 1, 2003, Onex and its operating companies adopted the new *Canadian Institute of Chartered Accountants ("CICA") Handbook* Accounting Guideline "Disclosure of Guarantees". This guideline requires additional disclosure of guarantees as follows: (1) the nature of the guarantee, including how it arose and the events and circumstances that would require the guarantor to perform under the guarantee; (2) the maximum amount of future payments the guarantor would be required to make; (3) the nature of any recourse provisions and the nature of assets held, either as collateral or by third parties; and (4) the approximate extent to which the proceeds from collateral would be expected to cover the maximum potential for loss under the guarantee. Information regarding this new accounting guideline and guarantees for Onex and its operating companies as at June 30, 2003 is provided in note 12 to the unaudited interim consolidated financial statements.

Disposal of long-lived assets and discontinued operations

In the first quarter of 2003, Onex adopted *CICA Handbook* Section 3063, "Impairment or Disposal of Long-lived Assets", which establishes standards for recognizing, measuring and disclosing impairment of long-lived assets held for use. An impairment is recognized when the carrying amount of an asset to be held and used exceeds the projected future cash flows expected from its use and disposal. Any impairment is measured as the amount by which the carrying amount of the asset exceeds its fair value. In addition, the Company also adopted *CICA Handbook* Section 3475, "Disposal of Long-lived Assets and Discontinued Operations". This Section provides specific criteria for, and requires separate classification of, assets held for sale, and requires that these assets be measured at the lower of their carrying amounts or fair values, less costs to sell. This new requirement also broadens the definition of discontinued operations to include all distinguishable components of an entity that will be eliminated from operations.

Accounting for severance and termination benefits and costs associated with exit and disposal activities

Effective January 1, 2003, Onex and its operating companies adopted the new CICA Emerging Issues Committee Abstracts EIC-134, "Accounting for Severance and Termination Benefits", and EIC-135, "Accounting for Costs Associated with Exit and Disposal Activities", which establishes standards for recognizing, measuring and disclosing costs related to an exit or disposal activity. The EIC Abstracts permit the recognition of a liability for an exit or disposal activity only when the costs are incurred and can be measured at fair value. Prior to these EIC Abstracts, a commitment to an exit or disposal plan was sufficient to record the majority of costs.

CONSOLIDATED RESULTS

This section should be read in conjunction with the unaudited interim consolidated statements of earnings and the December 31, 2002 audited annual consolidated financial statements.

Onex' annual and quarterly operating results vary from period to period for many reasons, including some of the following factors: acquisitions or dispositions of businesses by Onex, the parent company; the volatility of the U.S. dollar to Canadian dollar exchange rate; the change in market value of stock-based compensation at Onex; and activities at Onex' operating companies, such as the purchase or sale of businesses, and fluctuations in customer demand, materials and employee-related costs changes, as well as the mix of products and services.

Consolidated revenues

Consolidated revenues declined to $4.4 billion in the second quarter of 2003 from $6.0 billion in the same quarter last year. For the six months ended June 30, 2003, revenues were $9.0 billion

compared to $11.3 billion in the first six months of 2002. The second-quarter decline in revenues was due primarily to lower revenues at Celestica, MAGNATRAX and the automotive companies resulting from difficult market conditions in their respective industries. In addition, Onex' consolidated revenues for the second quarter and the six months ended June 30, 2003 were adversely affected by foreign currency exchange rates. The strengthening of the value of the Canadian dollar relative to the U.S. dollar resulted in lower reported results for U.S.-based operating companies. Partially offsetting the overall decline in revenues were additional revenues from the theatre exhibition companies in the second quarter and first half of 2003 compared to the same periods last year.

A detailed breakdown of revenues by industry segment and the change in revenues from the second quarter and first six months of last year is provided in the table below. Note 14 to the unaudited interim consolidated financial statements also provides revenues by industry segment.

Revenues by Industry Segment

(Unaudited) *(in millions of dollars)*	Three months ended June 30			Six months ended June 30		
	2003	2002	**Revenue increase/ (decrease)**	**2003**	2002	**Revenue increase/ (decrease)**
Electronics Manufacturing Services	**2,219**	3,486	**(1,267)**	**4,615**	6,920	**(2,305)**
Customer Management Services	**145**	148	**(3)**	**304**	299	**5**
Theatre Exhibition	**440**	397	**43**	**860**	407	**453**
Automotive Products	**1,202**	1,439	**(237)**	**2,486**	2,772	**(286)**
Engineered Building Products	**219**	275	**(56)**	**423**	497	**(74)**
Other [a]	**154**	217	**(63)**	**292**	427	**(135)**
Total	**4,379**	5,962	**(1,583)**	**8,980**	11,322	**(2,342)**

Results are reported in Canadian dollars and in accordance with Canadian generally accepted accounting principles. These results may differ from those reported by the individual operating companies.

(a) Includes Radian, InsLogic, ONCAP, Vencap and parent company.

Operating earnings

We define operating earnings as EBIAT, or earnings before interest expense, amortization of intangibles and deferred charges, acquisition and restructuring expenses and income taxes. The table below provides a reconciliation of the reported amounts to arrive at operating earnings.

Operating Earnings Reconciliation

Amounts as shown in unaudited interim consolidated statements of earnings (in millions of dollars)	Three months ended June 30		Six months ended June 30	
	2003	2002	**2003**	2002
Earnings before the undernoted items	**166**	468	**421**	874
Amortization of property, plant and equipment	**(164)**	(198)	**(341)**	(371)
Interest and other income	**18**	19	**47**	44
Stock-based compensation	**(31)**	60	**1**	73
Operating earnings (loss)	**(11)**	349	**128**	620

Onex uses EBIAT to evaluate each operating company's performance because it eliminates interest charges, which are a function of the particular financing structure, and any unusual charges. Onex' method of determining operating earnings may differ from other companies' methods and, accordingly, EBIAT may not be comparable to measures used by other companies. EBIAT is not a performance measure under Canadian GAAP and should not be considered either in isolation or as a substitute for net earnings (loss) prepared in accordance with Canadian GAAP.

The consolidated operating loss was $11 million in the second quarter of 2003 compared to consolidated operating earnings of $349 million for the second quarter of last year. The quarter-over-quarter change in operating earnings was due primarily to three factors: lower performance at Onex' operating companies, a change in stock-based compensation of $91 million, and higher currency translation losses due to a weakening U.S. dollar relative to the Canadian dollar. The effect of lower revenues at Celestica and the automotive companies contributed $206 million of the total decline in operating earnings in the second quarter of 2003. In addition, the value of the U.S. dollar relative to the Canadian dollar continued to decline in the second quarter of 2003 from 1.4678 to 1.3475, a difference of approximately 12 Canadian cents. As Onex holds a significant portion of its cash in U.S. dollars, this exchange rate change during the quarter resulted in Onex, the parent company, recording a $62 million reduction in the value of U.S. cash held, which was charged against operating earnings. This compares to a $32 million exchange loss on U.S. cash held at the parent company in the second quarter of last year.

For the six months ended June 30, 2003, Onex' operating earnings decreased to $128 million from the $620 million reported for the first six months of 2002. This decline was due to lower operating earnings at Celestica, MAGNATRAX and the automotive companies, a $72 million increase in stock-based compensation costs and the exchange rate decline from 1.5776 to 1.3475, a change of approximately 23 Canadian cents, which resulted in a $110 million charge against operating earnings compared to a charge of $22 million recorded in the six months ended June 30, 2002. Partially offsetting this decline was the inclusion of a full six months of operating earnings in 2003 from Loews Cineplex, Star Theatres and Cinemex, which were acquired in March 2002, April 2002 and June 2002, respectively.

A detailed breakdown of operating earnings by industry segment and the change in operating earnings for the three and six months ended June 30, 2003 is provided in the table which follows.

Operating Earnings (Loss) by Industry Segment

(Unaudited) *(in millions of dollars)*	Three months ended June 30			Six months ended June 30		
	2003	2002	**Operating earnings increase/ (decrease)**	**2003**	2002	**Operating earnings increase/ (decrease)**
Electronics Manufacturing Services	**(18)**	133	**(151)**	**9**	259	**(250)**
Customer Management Services	**(5)**	(2)	**(3)**	**(8)**	(4)	**(4)**
Theatre Exhibition	**37**	40	**(3)**	**72**	42	**30**
Automotive Products	**86**	141	**(55)**	**178**	254	**(76)**
Engineered Building Products	**(16)**	7	**(23)**	**(34)**	5	**(39)**
Other [a]	**(95)**	30	**(125)**	**(89)**	64	**(153)**
Total	**(11)**	349	**(360)**	**128**	620	**(492)**

Results are reported in Canadian dollars and in accordance with Canadian generally accepted accounting principles. These results may differ from those reported by the individual operating companies.

(a) Includes Radian, InsLogic, ONCAP, Vencap and parent company.

Stock-based compensation

It is Onex' policy to record the change in the value of its stock-based compensation at the parent company through the statements of earnings. The effect of the change in the value of Onex' options and investment rights is recorded in the unaudited interim statements of earnings. As a result, earnings may increase or decrease depending upon the changes in the market value of the shares underlying the stock-based compensation.

As noted in the operating earnings discussion, during the second quarter of 2003 the revaluation of Onex' stock-based compensation liability to market value resulted in a $31 million charge to operating earnings due to the increase in value of Onex' stock options and investment rights from their value at March 31, 2003. By comparison, Onex recorded a $60 million improvement in operating earnings for the three months ended June 30, 2002 due to the decrease in value of the stock-based compensation liability to market value during the period.

For the first six months of 2003, the stock-based compensation liability revaluation resulted in the recognition of a $1 million improvement in earnings due to the overall decline in the value of the stock-based compensation liability from January 1, 2003. This compares to the $73 million benefit to operating earnings that was recorded in the first six months of last year. Stock-based compensation expense or credit is included in determining operating earnings.

Interest expense of operating companies

Consolidated interest expense was $90 million in the second quarter of 2003, down from $106 million for the three months ended June 30, 2002. The change was due primarily to lower interest costs at Celestica, which has been repurchasing its debt, and at MAGNATRAX, which has not been incurring certain interest costs while under Chapter 11 protection. For the six months ended June 30, 2003, consolidated interest expense was $204 million, equal to that in the first six months of 2002.

Accounting gains (losses) on shares of operating companies, net

Onex recorded a loss of $5 million on shares of operating companies in the second quarter of 2003 compared to gains of $5 million in the second quarter of last year. The current quarter loss was due to a provision on an investment in a non-controlled entity. For the six months ended June 30, 2003, Onex recorded $14 million in gains on shares of operating companies; this compares to $8 million of such gains in the first six months of 2002. Included in the 2003 gains on shares of operating companies was a $16 million gain recorded by Vencap from the company's sale of its remaining operating company in the first quarter of 2003. Note 6 to the unaudited interim consolidated financial statements provides additional details on the gains (loss) on shares of operating companies.

Acquisition, restructuring and other expenses

Acquisition, restructuring and other expenses are considered to be one-time costs incurred to realign organizational structures, restructure manufacturing capacity and obtain operating synergies critical to building the long-term value of Onex' operating companies. In the second quarter of 2003, acquisition, restructuring and other expenses totalled $39 million compared to $23 million in the same quarter last year. Celestica recorded $29 million in restructuring expenses during the second quarter of 2003 associated with restructuring plans implemented in response to difficult industry conditions. These charges were largely intended to align Celestica's capacity and infrastructure with anticipated customer demand, as well as to rationalize its manufacturing capacity worldwide. In the second quarter of 2002, acquisition, restructuring and other expenses were primarily integration costs recorded by Celestica for the purchase of certain assets of Lucent Technologies in August 2001 and of NEC Corporation in March 2002, as well as the October 2001 acquisition of Omni Industries.

For the six months ended June 30, 2003, acquisition, restructuring and other expenses were $43 million compared to $30 million in the first six months of 2002. Note 7 and note 14 to the unaudited interim consolidated financial statements provide information on acquisition, restructuring and other expenses by industry segment.

Income taxes

During the first six months of 2003, Onex recorded a net $10 million reduction in the deferred income tax liability on the unaudited interim consolidated balance sheet with an associated credit to the tax provision on the unaudited interim consolidated statement of earnings. This adjustment is required to record the decrease in the deferred tax liability, primarily as a result of the legislated reduction in income tax rates that would apply to past gains recorded by the parent company. All of this reduction was recorded in the first quarter of 2003.

Non-controlling interests in losses (earnings) of operating companies

In the unaudited interim consolidated statements of earnings, the non-controlling interests amount of $19 million for the second quarter of 2003 represents the losses of shareholders other than Onex in the net losses of the operating companies. This compares to $86 million in non-controlling interests' share of earnings in the second quarter of 2002. For the first six months of 2003, the non-controlling interests amount in the earnings of Onex' operating companies was $3 million compared to $174 million for the six months ended June 30, 2002. The change in the non-controlling interests amount was due primarily to lower net earnings at Celestica and Dura Automotive in the second quarter and for the six months ended June 30, 2003 compared to those in the same periods last year.

Earnings (loss) from discontinued operations

In mid-July, Onex sold its remaining interest in Rogers Sugar Income Fund ("RSIF") for net proceeds of $85 million. As a result, the operations of Lantic Sugar and Rogers Sugar up to June 30, 2003 are presented in the unaudited interim consolidated statements of earnings on one line – earnings from discontinued operations. Included in discontinued operations for the second quarter of 2003 is Onex' share of the net loss of Lantic Sugar and Rogers Sugar of $2 million. On a year-to-date basis, earnings from discontinued operations were $8 million, which included a $12 million accounting dilution gain from RSIF's issuance of 11.4 million trust units in the first quarter of 2003. The unaudited interim consolidated statements of earnings and statements of cash flows for the three and six months ended June 30, 2003 and 2002 have been reclassified to report the operations of Lantic Sugar and Rogers Sugar as discontinued. In the third quarter of 2003, the gain on the sale will be reported in earnings from discontinued operations.

In addition, Dura Automotive divested certain operations in the first six months of 2003, which have also been reclassified to report those operations in earnings from discontinued operations in the unaudited interim consolidated statements of earnings. Note 2 to the unaudited interim consolidated financial statements provides a detailed description of earnings (loss) from discontinued operations.

Consolidated net earnings (loss)

The consolidated net loss for the second quarter of 2003, including losses on shares and on discontinued operations, was $162 million ($1.06 per share); this compares to net earnings of $49 million ($0.31 per share) for the second quarter of 2002. Loss from discontinued operations in the second quarter of 2003 was $3 million ($0.02 per share) compared to $4 million ($0.02 per share) in the second quarter of 2002.

For the six months ended June 30, 2003, Onex' consolidated net loss was $197 million ($1.27 per share) compared to net earnings of $71 million ($0.44 per share) in the first six months

of 2002. Included in the year-to-date net loss for 2003 are earnings of $8 million (2002 – loss of $7 million) from discontinued operations related to the divestiture of Rogers Sugar and Lantic Sugar and to divestitures completed by Dura Automotive.

For the second quarter and for the six months ended June 30, 2003, Onex was required for accounting purposes to recognize 100 percent of the losses of ClientLogic, InsLogic, J.L. French, Trim Systems and MAGNATRAX even though Onex does not own 100 percent of these businesses. Prior losses at these companies have eliminated the value contributed by other shareholders in these companies. Thus, for accounting purposes, the other shareholders' portion of these companies' current losses is required to be included in determining Onex' net earnings (loss). For consolidation accounting purposes, the cumulative interests of other shareholders in those companies cannot be recorded at a negative value. These losses of other shareholders included in Onex' unaudited interim consolidated results totalled $10 million in the second quarter of 2003 (second quarter of 2002 – $5 million) and $26 million in the first six months of 2003 (first six months of 2002 – $12 million). When these companies begin to record earnings, Onex will include 100 percent of any profits in these companies until Onex has recovered the value of the losses of non-controlling shareholders that were previously booked.

Note 14 to the unaudited interim consolidated financial statements provides a detailed breakdown of earnings (loss) before income taxes and non-controlling interests by industry segment for the quarters and six months ended June 30, 2003 and 2002.

CONSOLIDATED FINANCIAL POSITION

This section should be read in conjunction with the unaudited interim consolidated balance sheet as at June 30, 2003 and the audited annual consolidated balance sheet as at December 31, 2002.

Consolidated assets

Consolidated assets were $16.4 billion at June 30, 2003, down from $19.9 billion at December 31, 2002. A breakdown of assets by industry segment is provided in note 14 to the unaudited interim consolidated financial statements. The total value of Onex' consolidated assets will fluctuate with the U.S. dollar to Canadian dollar exchange rate as most of Onex' operating companies are based in the United States. In the first half of 2003, the major portion of the decline in consolidated assets was due to the strength of the Canadian dollar relative to the U.S. dollar. The exchange rate change amounted to 23 Canadian cents, or a 15 percent increase in the value of the Canadian dollar relative to the U.S. dollar. Repurchases of shares by Onex and Celestica as well as the repurchase by Celestica of some of its outstanding liquid yield option notes in the first six months of 2003 used a total of $577 million of cash, which reduced total assets. The acquisition of Western Inventory Service completed during the first quarter of 2003 added $83 million to consolidated assets. That acquisition is described in note 4 to the unaudited interim consolidated financial statements.

Liabilities subject to compromise

Following MAGNATRAX' filing for bankruptcy protection under Chapter 11 in May 2003, the company's liabilities of $510 million, which consist of $101 million in accounts payable and accrued liabilities, $15 million of other long-term liabilities and $394 million of long-term debt, have been classified as liabilities subject to compromise until an agreement is reached with MAGNATRAX' lenders. Note 3 to the unaudited interim consolidated financial statements provides additional details on MAGNATRAX.

Long-term debt

Onex, the parent company, has no debt, with the exception of debentures that are exchangeable into shares of Celestica. It has been Onex' policy to preserve a financially strong parent company. We strictly adhere to this policy, which means that all debt financing is within our operating companies and each company is required to support its own debt. There are no guarantees of debt by Onex or cross-guarantees between operating companies. As a result, there can be no calls on Onex or an operating company for the debt of another operating company.

Total long-term debt (comprising the current portion of long-term debt and long-term debt) was $3.9 billion at June 30, 2003 compared to $5.0 billion at December 31, 2002. The change in long-term debt resulted primarily from the decrease in the value of the U.S. dollar relative to the Canadian dollar in the first half of 2003.

Non-controlling interests

The non-controlling interests amount on Onex' unaudited interim consolidated balance sheet as at June 30, 2003 represents the ownership interests of shareholders other than Onex in Onex' operating companies. As at June 30, 2003, the non-controlling interests balance totalled $5.4 billion compared to $6.7 billion as at December 31, 2002. The change in the non-controlling interests balance from December 31, 2002 was due to Celestica's repurchase of 17.9 million shares under its normal course issuer bid as well as its repurchase of a portion of its outstanding liquid yield option notes. These repurchases reduced non-controlling interests amounts by a total of $486 million. The balance of the change was primarily due to the change in foreign currency translation rates in the first half of 2003.

Shareholders' equity

Shareholders' equity was $0.6 billion as at June 30, 2003 compared to $1.0 billion at December 31, 2002. The decrease in shareholders' equity was due primarily to repurchases of Subordinate Voting Shares by Onex of $91 million, the $197 million net loss incurred for the first six months of 2003 and foreign currency fluctuations. The unaudited interim consolidated statements of shareholders' equity on page 22 show the changes to the components of shareholders' equity for the six months ended June 30, 2003 and 2002.

Onex had a Normal Course Issuer Bid (the "Bid") in place, which expired on April 9, 2003, that enabled it to repurchase up to 10 percent of the public float of its Subordinate Voting Shares. Under this Bid Onex repurchased 6,561,000 Subordinate Voting Shares in the first six months of 2003 at a total cost of $91 million. In the first six months of 2002, Onex did not repurchase any Subordinate Voting Shares under a similar bid. On April 10, 2003, Onex renewed its Normal Course Issuer Bid, which permits the Company to repurchase for cancellation up to 10 percent, or approximately 11.9 million shares, of the public float of its Subordinate Voting Shares. Onex is of the view that it is advantageous for the Company, and indirectly its shareholders, to continue to purchase its Subordinate Voting Shares for cancellation when the shares are trading at prices that reflect a significant discount to their intrinsic value.

Onex' Dividend Reinvestment Plan (the "Plan") enables Canadian shareholders to reinvest cash dividends to acquire new Subordinate Voting Shares of Onex at a 5 percent discount to a market-related price at the time of reinvestment. In the first six months of 2003, Onex issued 164,530 Subordinate Voting Shares under the Plan at an average cost of $14.05 per share, providing cash savings of approximately $2 million. In the six months ended June 30, 2002, 101,610 Subordinate Voting Shares were issued under the Plan at an average cost of $20.92 per share, providing cash savings of approximately $2 million.

In February 2003, Onex issued 710,000 options at an exercise price of $14.90, which was the market value of Onex shares at the time of issuance of the options. These options vest over five years and are not exercisable unless the market price is at least 25 percent above the option exercise price.

The currency translation adjustment ("CTA") component of shareholders' equity at June 30, 2003 represents the cumulative unrealized decrease in the value of Onex' ownership in U.S.-based operating companies since the date of their respective acquisitions due to changes in the U.S. dollar to Canadian dollar exchange rate. There was a decrease recorded to the CTA component of shareholders' equity of $181 million in the first half of 2003, of which $92 million was in the second quarter, due to the decline in value of the U.S. dollar relative to the Canadian dollar during the period.

CONSOLIDATED CASH FLOW

This section should be read in conjunction with the unaudited interim consolidated statements of cash flows as at June 30, 2003.

Operating activities

Cash flow from operations, excluding changes in working capital, totalled $91 million in the second quarter of 2003 compared to $298 million reported for the three months ended June 30, 2002. For the first six months of 2003, cash flow from operations was $251 million compared to

$603 million reported in the same period last year. The decline in cash generated from operations was due to lower operating results, primarily at Celestica.

Financing activities

Cash used in financing activities was $327 million in the second quarter of 2003 compared to cash generated from financing activities of $355 million in the comparative quarter last year. For the six months ended June 30, 2003, cash used in financing activities was $567 million compared to $264 million of cash generated in the first half of 2002. Included in the 2003 year-to-date cash used in financing activities was $91 million for Onex' repurchase of shares under its Normal Course Issuer Bid. Celestica's repurchase of its subordinate voting shares and the repurchase of its liquid yield option notes accounted for an additional $486 million of cash used in financing activities during the first half of 2003.

Investing activities

Cash used in investing activities totalled $24 million for the three months ended June 30, 2003 compared to $439 million in the second quarter of 2002. Included in the second quarter of 2002 were the acquisitions of Loeks-Star Partners and Cinemex.

On a year-to-date basis, cash used in investing activities declined to $203 million from $523 million in the same period last year. Cash used for acquisitions in the first six months of 2003 was $67 million compared to $468 million of cash used in the first six months of 2002. Most of the cash used for acquisitions completed in the first half of 2002 was for those completed in the second quarter of 2002, as discussed above. In addition, cash used for the purchase of property, plant and equipment was $220 million in the first six months of 2003, down from $252 million in the same period in 2002.

Cash on the sale of the RSIF trust units was received in July 2003 and will appear in cash from discontinued operations in the third-quarter consolidated statement of cash flows.

Consolidated cash resources

At June 30, 2003, consolidated cash was $3.3 billion compared to $4.6 billion as at December 31, 2002. Onex, the parent company, had approximately $1 billion of cash, and Celestica had about $2 billion of cash on hand at June 30, 2003. For the six months ended June 30, 2003, changes in foreign currency exchange rates reduced the value of consolidated cash by $561 million.

Consolidated Balance Sheets

(in millions of dollars)	*(Unaudited)* As at June 30 **2003**	As at December 31 2002
Assets		
Current assets		
Cash and short-term investments	**$ 3,301**	$ 4,590
Accounts receivable	**1,821**	2,277
Inventories	**1,554**	1,717
Other current assets	**607**	537
Current assets held by discontinued operations (note 2)	**122**	191
	7,405	9,312
Property, plant and equipment	**3,606**	4,224
Investments and other assets	**843**	1,213
Goodwill	**3,457**	3,930
Intangible assets	**613**	721
Long-lived assets held by discontinued operations (note 2)	**486**	490
	$ 16,410	$ 19,890
Liabilities and Shareholders' Equity		
Current liabilities		
Bank indebtedness, without recourse to Onex	**$ 43**	$ 40
Accounts payable and accrued liabilities	**3,361**	4,143
Current portion of long-term debt and obligations under capital leases of operating companies, without recourse to Onex (note 5)	**238**	706
Current liabilities held by discontinued operations (note 2)	**59**	130
	3,701	5,019
Liabilities subject to compromise (note 3)	**510**	–
Long-term debt of operating companies, without recourse to Onex (note 5)	**3,688**	4,295
Obligations under capital leases of operating companies, without recourse to Onex	**62**	73
Exchangeable debentures	**195**	203
Future income taxes	**879**	918
Other liabilities	**864**	1,104
Long-term liabilities held by discontinued operations (note 2)	**528**	541
	10,427	12,153
Non-controlling interests	**5,413**	6,693
Shareholders' equity	**570**	1,044
	$ 16,410	$ 19,890

See accompanying notes to unaudited interim consolidated financial statements.

These unaudited interim consolidated financial statements should be read in conjunction with the 2002 audited annual consolidated financial statements.

The December 31, 2002 balance sheet is taken from the audited annual consolidated financial statements.

Consolidated Statements of Earnings

(Unaudited) *(in millions of dollars, except per share data)*	Three months ended June 30 **2003**	 2002	Six months ended June 30 **2003**	 2002
Revenues	**$ 4,379**	$ 5,962	**$ 8,980**	$ 11,322
Earnings Before the Undernoted Items	**$ 166**	$ 468	**$ 421**	$ 874
Amortization of property, plant and equipment	**(164)**	(198)	**(341)**	(371)
Amortization of intangible assets and deferred charges	**(25)**	(43)	**(54)**	(82)
Interest expense of operating companies	**(90)**	(106)	**(204)**	(204)
Interest and other income	**18**	19	**47**	44
Stock-based compensation (note 10)	**(31)**	60	**1**	73
Gains (loss) on shares of operating companies, net (note 6)	**(5)**	5	**14**	8
Acquisition, restructuring and other expenses (note 7)	**(39)**	(23)	**(43)**	(30)
Debt prepayment costs	**1**	(9)	**(9)**	(9)
Writedown of long-lived assets	**–**	–	**(6)**	–
Earnings (loss) before income taxes and non-controlling interests	**(169)**	173	**(174)**	303
Provision for income taxes	**(9)**	(34)	**(28)**	(51)
Non-controlling interests of operating companies	**19**	(86)	**(3)**	(174)
Earnings (loss) from continuing operations	**(159)**	53	**(205)**	78
Earnings (loss) from discontinued operations (note 2)	**(3)**	(4)	**8**	(7)
Net Earnings (Loss) for the Period	**$ (162)**	$ 49	**$ (197)**	$ 71
Net Earnings (Loss) per Subordinate Voting Share (note 8)				
Basic:				
Continuing operations	**$ (1.04)**	$ 0.33	**$ (1.32)**	$ 0.48
Discontinued operations	**$ (0.02)**	$ (0.02)	**$ 0.05**	$ (0.04)
Net earnings (loss)	**$ (1.06)**	$ 0.31	**$ (1.27)**	$ 0.44
Diluted:				
Continuing operations	**$ (1.04)**	$ 0.32	**$ (1.32)**	$ 0.47
Discontinued operations	**$ (0.02)**	$ (0.02)	**$ 0.05**	$ (0.04)
Net earnings (loss)	**$ (1.06)**	$ 0.30	**$ (1.27)**	$ 0.43

See accompanying notes to unaudited interim consolidated financial statements.

These unaudited interim consolidated financial statements should be read in conjunction with the 2002 audited annual consolidated financial statements.

Consolidated Statements of Shareholders' Equity

(Unaudited) Six months ended June 30 *(in millions of dollars, except per share data)*	Share Capital (note 9)	Retained Earnings	Cumulative Translation Adjustment	Total Shareholders' Equity
Balance – December 31, 2001	$ 659	$ 1,160	$ 120	$ 1,939
Dividends declared	–	(9)	–	(9)
Issue of shares – dividend reinvestment				
plan and exercise of options	3	–	–	3
Currency translation adjustment	–	–	(69)	(69)
Net earnings for the period	–	71	–	71
Balance – June 30, 2002	$ 662	$ 1,222	$ 51	$ 1,935
Balance – December 31, 2002	**$ 658**	**$ 279**	**$ 107**	**$ 1,044**
Dividends declared	**–**	**(8)**	**–**	**(8)**
Issue of shares – dividend reinvestment				
plan and exercise of options	**3**	**–**	**–**	**3**
Purchase and cancellation of shares	**(26)**	**(65)**	**–**	**(91)**
Currency translation adjustment	**–**	**–**	**(181)**	**(181)**
Net loss for the period	**–**	**(197)**	**–**	**(197)**
Balance – June 30, 2003	**$ 635**	**$ 9**	**$ (74)**	**$ 570**

Dividends declared per Subordinate Voting Share were $0.055 (2002 – $0.055) for the six months ended June 30, 2003.

See accompanying notes to unaudited interim consolidated financial statements.
These unaudited interim consolidated financial statements should be read in conjunction with the 2002 audited annual consolidated financial statements.

Consolidated Statements of Cash Flows

(Unaudited) *(in millions of dollars)*	Three months ended June 30 **2003**	 2002	Six months ended June 30 **2003**	 2002
Operating Activities				
Net earnings (loss) for the period from continuing operations	**$ (159)**	$ 53	**$ (205)**	$ 78
Items not affecting cash:				
Amortization of property, plant and equipment	**164**	198	**341**	371
Amortization of intangible assets and deferred charges	**25**	43	**54**	82
Writedown of long-lived assets	**–**	–	**6**	–
Non-controlling interests in results of operating companies	**(19)**	86	**3**	174
Future income taxes	**(23)**	2	**(28)**	(9)
Stock-based compensation (note 10)	**31**	(60)	**(1)**	(73)
Loss (gains) on shares of operating companies, net (note 6)	**5**	(5)	**(14)**	(8)
Other	**67**	(19)	**95**	(12)
	91	298	**251**	603
Increase in other liabilities	**5**	43	**15**	41
Changes in non-cash working capital items:				
Accounts receivable	**(60)**	(201)	**164**	(189)
Inventories	**(57)**	158	**(75)**	447
Other current assets	**(106)**	15	**(101)**	(64)
Accounts payable and accrued liabilities	**(67)**	(30)	**(212)**	(31)
Decrease (increase) in non-cash net working capital related to operations	**(290)**	(58)	**(224)**	163
	(194)	283	**42**	807
Financing Activities				
Issuance of long-term debt	**115**	937	**333**	1,095
Repayment of long-term debt	**(91)**	(808)	**(310)**	(1,080)
Repurchase of share capital	**(14)**	–	**(91)**	–
Issuance of share capital by operating companies	**8**	259	**32**	300
Repurchase of share capital by operating companies	**(256)**	–	**(486)**	–
Decrease in other financing activities	**(89)**	(33)	**(45)**	(51)
	(327)	355	**(567)**	264
Investing Activities				
Acquisition of operating companies, net of cash in acquired companies[1] (note 4)	**–**	(399)	**(67)**	(468)
Purchase of property, plant and equipment	**(122)**	(157)	**(220)**	(252)
Proceeds from sales of shares of operating companies	**2**	7	**26**	12
Net decrease in investments and other investing activities	**96**	110	**58**	185
	(24)	(439)	**(203)**	(523)
Increase (Decrease) in Cash and Short-term Investments for the Period	**(545)**	199	**(728)**	548
Decrease in cash and short-term investments due to changes in foreign exchange rates	**(275)**	(182)	**(561)**	(178)
Cash and short-term investments – beginning of the period	**4,121**	4,115	**4,590**	3,762
Cash and Short-term Investments – End of the Period	**$ 3,301**	$ 4,132	**$ 3,301**	$ 4,132

(1) Cash in the acquired companies for the quarter was nil (2002 – $6) and $6 (2002 – $156) for the six months ended June 30.

See note 2 for cash flow information on discontinued operations.

See accompanying notes to unaudited interim consolidated financial statements.
These unaudited interim consolidated financial statements should be read in conjunction with the 2002 audited annual consolidated financial statements.

Notes to Interim Consolidated Financial Statements

(unaudited) (in millions of dollars, except per share data)

Onex Corporation ("Onex" or the "Company") is a diversified company, the subsidiaries of which operate as autonomous businesses.

1. BASIS OF PREPARATION

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"). The disclosures contained in these unaudited interim consolidated financial statements do not include all the requirements of generally accepted accounting principles 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, 2002. Certain amounts presented in the comparative prior periods have been reclassified to conform to the presentation adopted in the current year for discontinued operations.

The unaudited interim consolidated financial statements are based on accounting principles consistent with those used and described in the audited annual consolidated financial statements except as disclosed herein.

In the first quarter of 2003, the Company adopted Section 3063 of the *Canadian Institute of Chartered Accountants ("CICA") Handbook*, "Impairment or Disposal of Long-lived Assets" and Section 3475, "Disposal of Long-lived Assets and Discontinued Operations".

Section 3063 establishes standards for recognizing, measuring and disclosing impairment of long-lived assets held for use. An impairment is recognized when the carrying amount of an asset to be held and used exceeds the projected future net cash flows expected from its use and disposal, and is measured as the amount by which the carrying amount of the asset exceeds its fair value. Section 3475 provides specific criteria for, and requires separate classification of, assets held for sale, and that these assets be measured at the lower of their carrying amounts or fair values, less costs to sell. Section 3475 also broadens the definition of discontinued operations to include all distinguishable components of an entity that are planned to be eliminated from operations.

Effective January 1, 2003, the Company adopted the new CICA Emerging Issues Committee Abstracts EIC-134, "Accounting for Severance and Termination Benefits", and EIC-135, "Accounting for Costs Associated with Exit and Disposal Activities", which establish standards for recognizing, measuring and disclosing costs relating to an exit or disposal activity.

The EIC Abstracts allow recognition of a liability for an exit or disposal activity only when costs are incurred and can be measured at fair value. Previously, a commitment to an exit or disposal plan was sufficient to record the majority of costs.

2. DISCONTINUED OPERATIONS

a) In June 2003 the Company entered into an agreement to sell its remaining interest in Rogers Sugar Income Fund ("RSIF"), and the transaction closed on July 14, 2003. The proceeds from the sale amounted to $85. Onex' share of the net earnings (loss) of Lantic Sugar Limited and Rogers Sugar Ltd. for the first six months of 2003 amounted to $8 (2002 – ($3)), which for 2003 includes an accounting dilution gain of $12 as a result of an 11.4 million trust unit offering by RSIF in February 2003. The revenue from these operations amounted to $200 and $169, respectively, for the six months ended June 30, 2003 and 2002.

b) During the first six months of 2003 certain operations in the automotive sector were sold. The revenue from these operations amounted to $21 and $94, respectively, for the six months ended June 30, 2003 and 2002.

The results of these operations have been reclassified in the unaudited interim consolidated statements of earnings and unaudited interim consolidated statements of cash flows for the three and six month periods ended June 30, 2003 and 2002 as discontinued operations. The amounts for discontinued operations included in the June 30, 2003 and December 31, 2002 consolidated balance sheets are as follows:

	June 30, 2003	December 31, 2002		
	RSIF[a]	RSIF[a]	Automotive[b]	Total
Cash and short-term investments	**$ 23**	$ 52	$ –	$ 52
Accounts receivable	**34**	37	1	38
Inventories	**56**	42	1	43
Other current assets	**9**	7	51	58
Current assets held by discontinued operations	**122**	138	53	191
Property, plant and equipment	**193**	196	–	196
Goodwill	**243**	243	–	243
Other assets	**50**	51	–	51
Long-lived assets held by discontinued operations	**486**	490	–	490
Accounts payable and accrued liabilities	**(59)**	(63)	(54)	(117)
Current portion of long-term debt, without recourse to Onex	**–**	(13)	–	(13)
Current liabilities held by discontinued operations	**(59)**	(76)	(54)	(130)
Long-term debt, without recourse to Onex	**(244)**	(231)	–	(231)
Other liabilities and non-controlling interests	**(284)**	(310)	–	(310)
Long-term liabilities held by discontinued operations	**(528)**	(541)	–	(541)
Net assets (liabilities) of discontinued operations	**$ 21**	$ 11	$ (1)	$ 10

Cash from discontinued operations is as follows:

	Three months ended June 30		Six months ended June 30	
	2003	2002	**2003**	2002
Operating activities	**$ (5)**	$ 46	**$ (26)**	$ 18
Financing activities	**–**	31	**–**	36
Investing activities	**(1)**	(75)	**(3)**	(53)
Cash from (used in) discontinued operations	**$ (6)**	$ 2	**$ (29)**	$ 1

3. MAGNATRAX

The decline in the engineered metal buildings industry over the past three years combined with rapidly rising steel prices due to the imposition of U.S. import tariffs on steel resulted in MAGNATRAX being unable to meet the financial requirements under its lending agreements. Onex and management of MAGNATRAX have been working with the senior debt holders and other creditor groups to arrange a restructuring of MAGNATRAX' debts. During the second quarter of 2003, MAGNATRAX filed for protection under the bankruptcy codes in both the United States and Canada. It is contemplated that Onex will have a minimal ownership interest in and will cease to control MAGNATRAX following the restructuring.

Until an agreement is reached with MAGNATRAX' lenders, the company has classified $101 of accounts payable and accrued liabilities, $15 of other long-term liabilities and $394 of long-term debt as liabilities subject to compromise. The remaining $36 of long-term debt is classified as current in Onex' unaudited interim consolidated financial statements. Onex does not guarantee any of the debt or liabilities of MAGNATRAX.

No adjustments, other than those described above, have been made to the carrying amount of the assets or liabilities of MAGNATRAX in the unaudited interim consolidated balance sheets. The net book value of the investment in MAGNATRAX recorded in the unaudited interim consolidated financial statements at June 30, 2003 is a negative $216. Thus, when Onex' equity ownership in MAGNATRAX is disposed of or eliminated in its entirety, a gain would be recorded in the unaudited interim consolidated financial statements.

The following amounts for MAGNATRAX are included in the June 30, 2003 and December 31, 2002 consolidated balance sheets:

	June 30, 2003	December 31, 2002
Cash and short-term investments	**$ 8**	$ 23
Accounts receivable	**132**	140
Inventories	**84**	101
Property, plant and equipment	**100**	122
Goodwill	**53**	60
Intangible assets	**29**	36
Other assets	**33**	47
Accounts payable and accrued liabilities	**(70)**	(172)
Liabilities subject to compromise	**(510)**	–
Current debt, without recourse to Onex	**(36)**	(482)
Other liabilities and non-controlling interests	**(12)**	(29)
Cumulative translation adjustment	**(27)**	(9)
Net liabilities	**$ (216)**	$ (163)

For statements of earnings information regarding MAGNATRAX, see note 14, “Information by Industry Segment” under the segment “Engineered Building Products”.

4. CORPORATE INVESTMENTS

During the first six months of 2003 the following acquisition, which was accounted for as a purchase, was completed through a subsidiary of Onex. Any third-party borrowings in respect of the acquisition are without recourse to Onex.

In March 2003 ONCAP completed the acquisition of Western Inventory Service Ltd. (“WIS”). WIS is a leading North American provider of data collection and inventory counting services headquartered in Ontario, Canada. The total purchase price of $73 was financed with $61 of borrowings, without recourse to Onex, and $12 of equity. ONCAP invested $18 in the debt and $12 in the equity of WIS, of which Onex’ share was $4 and $3, respectively. Onex has indirect voting control of WIS.

The purchase price of the acquisition was allocated to the net assets acquired based on their relative fair values at the date of acquisition. The company is obtaining third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of the purchase price.

Details of the 2003 acquisition, which was accounted for as a purchase, are as follows:

	ONCAP
Cash	$ 6
Current assets	6
Goodwill	63
Property, plant and equipment and other long-term assets	8
	83
Current liabilities	(10)
Acquisition financing	(61)
	12
Non-controlling interests in net assets	(9)
Increase in net assets acquired	$ 3

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

The following describes the significant changes to Onex’ consolidated long-term debt from the information provided in the December 31, 2002 audited annual consolidated financial statements.

In March 2003, Bostrom Holdings, Inc. (“Bostrom”) and CVS Holdings, Inc. (“CVS”) entered into an agreement and plan of merger whereby Bostrom and CVS were merged. The holders of the outstanding shares of CVS received, in exchange, shares of Bostrom on a one-for-one basis.

In connection with this merger, Bostrom entered into an amended and restated credit agreement. The credit agreement is a multi-currency facility that provides for revolving credit facilities of US$35 and total term loan facilities of US$56. As at June 30, 2003, the outstanding borrowings under the revolving credit and term loan facilities were US$19 and US$54, respectively. Borrowings under these credit facilities bear interest at various rates plus a margin based on certain financial ratios of the company. The credit agreement matures in January 2006 and requires quarterly repayments. The credit agreement contains various restrictive financial covenants and is secured by substantially all of the assets of the merged entity.

Performance Logistics Group ("PLG") was in compliance with its debt covenants as at June 30, 2003. Accounting principles necessitate the evaluation of the company's ability to meet the requirements of its existing debt agreements over the next 12 months for the debt to remain classified as long term. Management of PLG is not certain that the company will be able to achieve compliance with its current debt covenant requirements through to June 30, 2004. Accordingly, $80 of PLG's long-term debt has been classified as current on the unaudited interim consolidated balance sheet as at June 30, 2003. The company is in discussions with its lenders and other parties on alternative solutions that would enable the company to achieve compliance with debt covenant requirements in the future. While management of PLG believes that a satisfactory resolution can be achieved, accounting rules require that the debt be classified as current until such time. The debt of PLG is non-recourse to Onex. No adjustment has been made in the unaudited interim consolidated financial statements to the carrying value of PLG. The net book value of the investment in PLG in the unaudited interim consolidated financial statements at June 30, 2003 is $42.

6. GAINS (LOSS) ON SHARES OF OPERATING COMPANIES, NET

The major transactions and the resulting pre-tax gains are summarized and described as follows:

	Three months ended June 30		Six months ended June 30	
	2003	2002	**2003**	2002
Gains (loss) on:				
Vencap sale of operating company[a]	**$ –**	$ –	**$ 16**	$ –
Other, net	**(5)**	5	**(2)**	8
	$ (5)	$ 5	**$ 14**	$ 8

(a) Vencap received proceeds of $20 on the disposition of its remaining interest in an operating company.

7. ACQUISITION, RESTRUCTURING AND OTHER EXPENSES

	Three months ended June 30		Six months ended June 30	
	2003	2002	**2003**	2002
Celestica	**$ 29**	$ 16	**$ 29**	$ 22
Dura Automotive	**2**	3	**3**	3
Loews Cineplex	**4**	–	**5**	–
Other	**4**	4	**6**	5
	$ 39	$ 23	**$ 43**	$ 30

Acquisition costs incurred relate to the implementation of business processes, infrastructure and information systems for operations acquired.

Restructuring charges are typically to provide for the costs of facility consolidations and workforce reductions.

8. EARNINGS PER SHARE

The weighted average number of Subordinate Voting Shares for the purpose of the earnings per share calculations were as follows:

	Three months ended June 30		Six months ended June 30	
	2003	2002	**2003**	2002
Weighted average number of shares outstanding				
Basic	**152,882,000**	160,703,000	**155,230,000**	160,675,000
Diluted	**152,882,000**	160,703,000	**155,230,000**	160,675,000

9. SHARE CAPITAL

As at June 30, 2003, Onex' issued and outstanding share capital consisted of 152,887,331 (2002 – 160,718,230) Subordinate Voting Shares, 100,000 Multiple Voting Shares and 176,078 Series 1 Senior Preferred Shares.

During the first half of 2003, under the Dividend Reinvestment Plan, the Company issued 164,530 (2002 – 101,610) Subordinate Voting Shares at a total value of $2 (2002 – $2). As well, 55,000 Subordinate Voting Shares were issued upon the exercise of stock options of the Company at a value of $1.

The Company repurchased and cancelled under a Normal Course Issuer Bid during the first six months of 2003 6,561,000 (2002 – nil) of its Subordinate Voting Shares at a cost of $91 (2002 – nil).

During the first quarter, 710,000 options to acquire Subordinate Voting Shares were issued under the Company's Stock Option Plan with an exercise price of $14.90, which was the market price of the shares at the time of the issuance of the options.

10. STOCK-BASED COMPENSATION

Included in the unaudited interim consolidated statements of earnings for the three months ended June 30, 2003 is a stock-based compensation expense of $31 compared to a $60 recovery in the three months ended June 30, 2002. For the six months ended June 30, 2003, there was a stock-based compensation recovery of $1 compared to $73 in the first half of 2002. The expense/recovery is as a result of the change in the market value of the shares underlying the options and investment rights.

For the operating companies that do not record the effect of stock options through the statements of earnings, the table below shows pro forma net earnings (loss) and earnings (loss) per share adjusted for the effect of stock option plans at the operating companies.

Pro forma after the effect of subsidiary companies' stock option plans	Three months ended June 30		Six months ended June 30	
	2003	2002	**2003**	2002
Pro forma net earnings (loss)	**$ (165)**	$ 47	**$ (207)**	$ 69
Basic earnings (loss) per share	**$ (1.08)**	$ 0.29	**$ (1.33)**	$ 0.43
Diluted earnings (loss) per share	**$ (1.08)**	$ 0.28	**$ (1.33)**	$ 0.41

11. SUPPLEMENTAL CASH FLOW INFORMATION

Paid during the period:

	Three months ended June 30		Six months ended June 30	
	2003	2002	**2003**	2002
Interest	**$ 92**	$ 126	**$ 159**	$ 196
Taxes	**$ 24**	$ 5	**$ 16**	$ 20

12. COMMITMENTS AND GUARANTEES

Effective January 1, 2003, the Company adopted the new disclosure requirements of Accounting Guideline 14 of the *CICA Handbook* in respect of guarantees. This new disclosure should be read in conjunction with the disclosures provided in the audited annual consolidated financial statements.

Contingent liabilities in the form of letters of credit, letters of guarantee, surety and performance bonds are provided by certain operating companies to various third parties and include certain bank guarantees. At June 30, 2003, the amounts payable in respect of these guarantees amounted to $169. In addition, certain operating companies have also made guarantees with respect to the liabilities of joint ventures, which amounted to $114 at June 30, 2003. These guarantees are without recourse to Onex. The Company has commitments in the total amount of approximately $190 in respect of corporate investments.

The Company and its operating companies have also provided certain indemnifications, including those related to businesses that have been sold. The maximum amounts from many of these indemnifications cannot be reasonably estimated at this time. However, in certain circumstances, the Company and its operating companies have recourse against other parties to mitigate the risk of loss from these guarantees.

The Company and its operating companies continue to have commitments in respect of real estate leases, which are disclosed in the audited annual consolidated financial statements. An operating company has a real estate lease, expiring in 2004, which provides that, in certain circumstances, the operating company may be required to guarantee minimum proceeds of US$32 to the lessor on the sale of the underlying real estate. Onex' operating companies have aggregate capital commitments of $145 as at June 30, 2003.

A subsidiary of Onex may be required to purchase from Oaktree Capital its approximate 40% interest in Loews Cineplex on or about the third or fifth anniversary of the acquisition of Loews Cineplex. Loews Cineplex was acquired in March 2002. The cost of such purchase on the third or fifth anniversary would be based on a defined calculation referenced to operating earnings of Loews Cineplex with no minimum purchase price commitment.

13. SUBSEQUENT EVENTS

Onex and certain operating companies have entered into agreements to acquire or make investments in other businesses. These transactions are subject to a number of conditions, many of which are beyond the control of Onex or the operating companies. The effect of these planned transactions, if completed, may be significant to the consolidated financial position of Onex.

14. INFORMATION BY INDUSTRY SEGMENT

(Unaudited) *(in millions of dollars)* ***Three months ended June 30, 2003***	**Electronics Manufacturing Services**	**Customer Management Services**	**Theatre Exhibition**	**Automotive Products**	**Engineered Building Products**	**Other[a]**	**Consolidated Total**
Revenues	$ 2,219	$ 145	$ 440	$ 1,202	$ 219	$ 154	$ 4,379
Earnings (loss) before the undernoted items	$ 40	$ 6	$ 69	$ 131	$ (13)	$ (67)	$ 166
Amortization of property, plant and equipment	(62)	(11)	(36)	(46)	(2)	(7)	(164)
Amortization of intangible assets and deferred charges	(17)	(4)	(1)	–	(1)	(2)	(25)
Interest expense of operating companies	(2)	(4)	(16)	(59)	(6)	(3)	(90)
Interest and other income	4	–	4	1	(1)	10	18
Stock-based compensation	–	–	–	–	–	(31)	(31)
Loss on shares of operating companies, net	–	–	–	–	–	(5)	(5)
Acquisition, restructuring and other expenses	(29)	–	(4)	(4)	–	(2)	(39)
Debt prepayment costs	–	–	–	1	–	–	1
Writedown of long-lived assets	–	–	2	–	–	(2)	–
Earnings (loss) before income taxes and non-controlling interests	$ (66)	$ (13)	$ 18	$ 24	$ (23)	$ (109)	(169)
Provision for income taxes							(9)
Non-controlling interests of operating companies							19
Loss from continuing operations							(159)
Loss from discontinued operations							(3)
Net loss							$ (162)

(a) Includes Radian, InsLogic, ONCAP, Vencap and parent company.

14. INFORMATION BY INDUSTRY SEGMENT (cont'd)

Three months ended June 30, 2002	Electronics Manufacturing Services	Customer Management Services	Theatre Exhibition	Automotive Products	Engineered Building Products	Other[(a)]	Consolidated Total
Revenues	$ 3,486	$ 148	$ 397	$ 1,439	$ 275	$ 217	$ 5,962
Earnings (loss) before the undernoted items	$ 213	$ 11	$ 68	$ 190	$ 15	$ (29)	$ 468
Amortization of property, plant and equipment	(86)	(12)	(28)	(50)	(8)	(14)	(198)
Amortization of intangible assets and deferred charges	(34)	(4)	–	(2)	(1)	(2)	(43)
Interest expense of operating companies	(9)	(4)	(15)	(61)	(12)	(5)	(106)
Interest and other income	6	–	–	1	–	12	19
Stock-based compensation	–	(1)	–	–	–	61	60
Gains on shares of operating companies, net	–	–	–	–	–	5	5
Acquisition, restructuring and other expenses	(16)	–	–	(3)	(1)	(3)	(23)
Debt prepayment costs	–	–	–	(9)	–	–	(9)
Earnings (loss) before income taxes and non-controlling interests	$ 74	$ (10)	$ 25	$ 66	$ (7)	$ 25	173
Provision for income taxes							(34)
Non-controlling interests of operating companies							(86)
Earnings from continuing operations							53
Loss from discontinued operations							(4)
Net earnings							$ 49

(a) Includes Radian, InsLogic, ONCAP, Vencap and parent company.

14. INFORMATION BY INDUSTRY SEGMENT (cont'd)

(Unaudited) *(in millions of dollars)* ***Six months ended June 30, 2003***	Electronics Manufacturing Services	Customer Management Services	Theatre Exhibition	Automotive Products	Engineered Building Products	Other[a]	Consolidated Total
Revenues	$ 4,615	$ 304	$ 860	$ 2,486	$ 423	$ 292	$ 8,980
Earnings (loss) before the undernoted items	$ 125	$ 15	$ 139	$ 273	$ (23)	$ (108)	$ 421
Amortization of property, plant and equipment	(127)	(23)	(71)	(98)	(10)	(12)	(341)
Amortization of intangible assets and deferred charges	(36)	(9)	(3)	–	(2)	(4)	(54)
Interest expense of operating companies	(4)	(7)	(31)	(134)	(19)	(9)	(204)
Interest and other income	11	–	4	3	(1)	30	47
Stock-based compensation	–	–	–	–	–	1	1
Gains on shares of operating companies, net	–	–	–	–	–	14	14
Acquisition, restructuring and other expenses	(29)	–	(5)	(4)	–	(5)	(43)
Debt prepayment costs	–	–	–	(9)	–	–	(9)
Writedown of long-lived assets	–	–	–	–	–	(6)	(6)
Earnings (loss) before income taxes and non-controlling interests	$ (60)	$ (24)	$ 33	$ 31	$ (55)	$ (99)	(174)
Provision for income taxes							(28)
Non-controlling interests of operating companies							(3)
Loss from continuing operations							(205)
Earnings from discontinued operations							8
Net loss							$ (197)
Total assets[b]	$ 7,172	$ 272	$ 2,110	$ 4,010	$ 439	$ 2,407	$ 16,410
Long-term debt[b][c]	$ –	$ 209	$ 830	$ 2,637	$ 36	$ 438	$ 4,150

(a) Includes Radian, InsLogic, ONCAP, Vencap and parent company.

(b) Other includes $608 in total assets and $244 in long-term debt related to discontinued operations.

(c) Long-term debt includes current portion and excludes capital leases.

14. INFORMATION BY INDUSTRY SEGMENT (cont'd)

(Unaudited) *(in millions of dollars)* ***Six months ended June 30, 2002***	Electronics Manufacturing Services	Customer Management Services	Theatre Exhibition	Automotive Products	Engineered Building Products	Other[a]	Consolidated Total
Revenues	$ 6,920	$ 299	$ 407	$ 2,772	$ 497	$ 427	$ 11,322
Earnings (loss) before the undernoted items	$ 421	$ 21	$ 70	$ 352	$ 22	$ (12)	$ 874
Amortization of property, plant and equipment	(174)	(24)	(28)	(100)	(17)	(28)	(371)
Amortization of intangible assets and deferred charges	(69)	(8)	–	(3)	(2)	–	(82)
Interest expense of operating companies	(18)	(9)	(16)	(127)	(23)	(11)	(204)
Interest and other income	12	–	–	2	–	30	44
Stock-based compensation	–	(1)	–	–	–	74	73
Gains on shares of operating companies, net	–	–	–	–	–	8	8
Acquisition, restructuring and other expenses	(22)	–	–	(3)	(2)	(3)	(30)
Debt prepayment costs	–	–	–	(9)	–	–	(9)
Earnings (loss) before income taxes and non-controlling interests	$ 150	$ (21)	$ 26	$ 112	$ (22)	$ 58	303
Provision for income taxes							(51)
Non-controlling interests of operating companies							(174)
Earnings from continuing operations							78
Loss from discontinued operations							(7)
Net earnings							$ 71
Total assets[b][c]	$ 9,161	$ 338	$ 2,539	$ 4,487	$ 529	$ 2,836	$ 19,890
Long-term debt[b][c][d]	$ –	$ 237	$ 1,048	$ 3,054	$ 482	$ 403	$ 5,224

(a) Includes Radian, InsLogic, ONCAP, Vencap and parent company.

(b) Other includes $628 in total assets and $244 in long-term debt related to discontinued operations. The information on assets and long-term debt for 2002 is at December 31.

(c) Long-term debt includes current portion and excludes capital leases.

(d) The automotive segment as at December 31, 2002 includes $53 in total assets and nil in long-term debt related to discontinued operations.

Shareholder Information

Second Quarter Dividend

A dividend of $0.0275 per Subordinate Voting Share was paid on July 31, 2003 to shareholders of record as of July 10, 2003.

Dividend Reinvestment Plan

Onex has a Dividend Reinvestment Plan that provides a means for resident Canadian holders of Onex' Subordinate Voting Shares to reinvest cash dividends into new Subordinate Voting Shares issued by Onex at a 5 percent discount to a market-related value and without payment of brokerage commissions. To participate, registered shareholders should contact Onex' share registrar, CIBC Mellon Trust Company, at the address below. Non-registered shareholders should contact their investment dealer or broker and indicate their desire to participate.

Stock Listing

Toronto Stock Exchange
Symbol: OCX

Registrar and Transfer Agent

CIBC Mellon Trust Company
P.O. Box 7010
Adelaide Street Postal Station
Toronto, Ontario M5C 2W9
(416) 643-5500
or call toll-free throughout
Canada and the United States
1-800-387-0825
www.cibcmellon.ca
or inquiries@cibcmellon.ca (e-mail)

All questions about accounts, stock certificates or dividend cheques should be directed to the Registrar and Transfer Agent.

Offices

Toronto
Onex Corporation
161 Bay Street, P.O. Box 700
Toronto, Ontario M5J 2S1

New York
Onex Investment Corp.
712 Fifth Avenue, 40th Floor
New York, New York, USA 10019

Website:

www.onex.com

E-mail:

info@onex.com

ONEX