



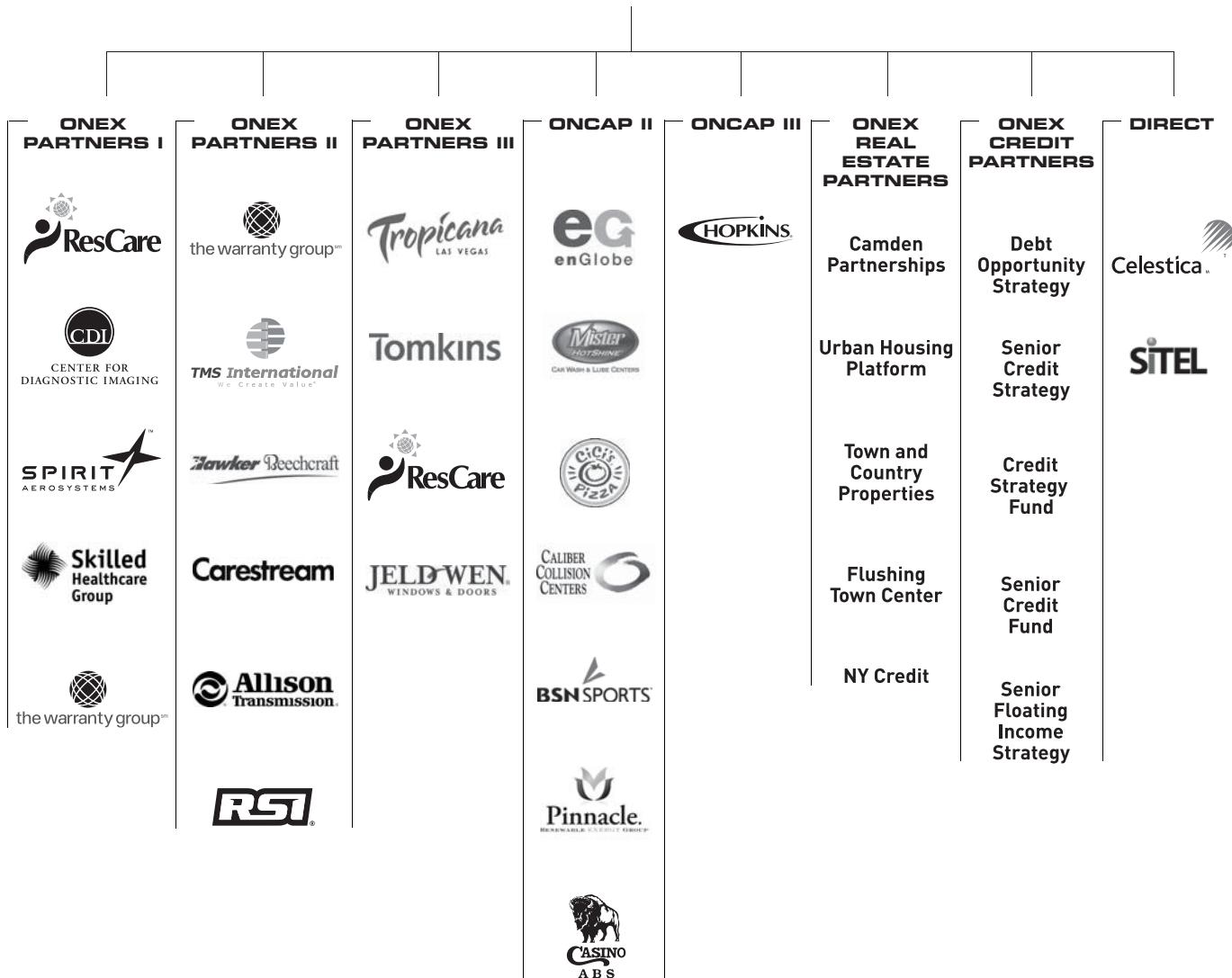
Management's Discussion and Analysis and Financial Statements

Third Quarter Ended September 30, 2011

ONEX AND ITS OPERATING COMPANIES

Onex is a public company whose shares trade on the Toronto Stock Exchange under the symbol OCX. Onex' businesses have assets of \$42 billion, generate annual revenues of \$37 billion and employ approximately 230,000 people worldwide.

ONEX



The investment in The Warranty Group is split almost equally between Onex Partners I and II.

The investment in ResCare is split almost equally between Onex Partners I and III.

The investment in JELD-WEN was completed in early October 2011.

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

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ONEX CORPORATION

Over 27 Years of Successful Investing

Founded in 1984, Onex is one of North America's oldest and most successful investment firms committed to acquiring and building high-quality businesses. As a value-oriented investor employing an active ownership approach, the Company has built more than 70 businesses, completing approximately 320 acquisitions with a total value of approximately \$42 billion. Onex' long-term track record is impressive, having generated a multiple of invested capital of 3.3 times from its core private equity investing since inception, resulting in a 29 percent compound IRR on realized, substantially realized and publicly traded investments. The Company is guided by an ownership culture focused on achieving strong absolute and attractive risk-adjusted returns, with an emphasis on capital preservation. With an experienced management team, significant financial resources and no debt at the parent company, Onex is well-positioned to continue to acquire and build businesses.

Onex invests its proprietary capital as well as capital entrusted to it by institutional investors.

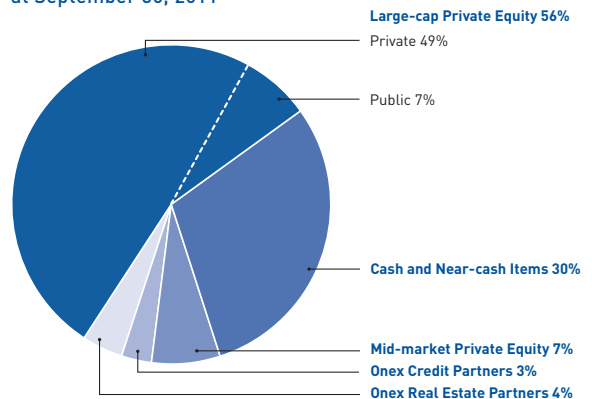
Onex Investor

Onex invests its \$4.4 billion of proprietary capital largely through its two private equity platforms: Onex Partners (for larger transactions) and ONCAP (for mid-market transactions). The Company also invests through Onex Real Estate Partners and Onex Credit Partners. Onex seeks to grow its proprietary capital by at least 15 percent per annum over the long term, and to have that performance reflected in its share price. Onex' proprietary capital per share grew by 4 and 23 percent over the last nine and 12 months, respectively.

Onex Manager

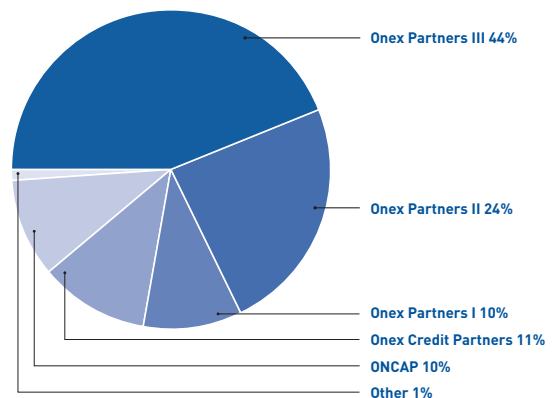
In addition to the management of Onex' proprietary capital, Onex is entrusted with third-party capital from institutional investors around the world. The Company currently manages \$8.9 billion of invested and committed capital on behalf of its investors and partners, of which 89 percent relates to its private equity platform and the balance to Onex Credit Partners. The management of third-party capital provides two significant benefits to Onex. First, Onex receives a committed stream of annual management fees on \$7.8 billion of capital, offsetting ongoing operating expenses. Second, Onex is entitled to a share of the profits on this capital, which is commonly referred to as carried interest. Onex has received meaningful amounts of carried interest to date. Further amounts of carried interest, if realized, could significantly enhance Onex' investment returns.

How Onex' \$4.4 billion of Capital is Deployed at September 30, 2011



Investments are valued at fair value as at September 30, 2011 with the exception of an investment that is valued based on the last third-party investment.

The Components of Onex' \$8.9 billion of Third-Party Assets under Management at September 30, 2011



Assets under management include capital managed on behalf of co-investors and the management of Onex and ONCAP.

HOW WE ARE INVESTED

All dollar amounts, unless otherwise noted, are in millions.

This How We Are Invested schedule, which is prepared quarterly and is included in the Company's earnings releases, details Onex' \$4.4 billion of proprietary capital and provides private company performance and public company ownership information. While it provides a snapshot of Onex' net assets, this schedule does not fully reflect the value of Onex' asset management business as it includes only an estimate of the unrealized carried interest due to Onex based upon the current values of the investments and allocates no value to the management company income.

As at September 30, 2011

Proprietary Capital

Private Equity

Onex Partners	
Private Companies	\$ 1,850 ⁽¹⁾
Public Companies	175 ⁽²⁾
Unrealized Carried Interest on Onex Partners Investments	89 ⁽³⁾
ONCAP	294 ⁽⁴⁾
Direct Investments	
Private Companies	202 ⁽⁵⁾
Public Companies	129 ⁽²⁾
	2,739

Alternative Assets

Onex Real Estate Partners	178 ⁽⁶⁾
Onex Credit Partners	96 ⁽⁷⁾
	274

Other Investments

	88
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Cash and Near-Cash

	1,301 ⁽⁸⁾
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Onex Corporation Debt

	-
	\$ 4,402

- (1) Based on the US\$ fair value of the investments in Onex Partners' financial statements. Includes approximately \$298 million invested by Onex to acquire JELD-WEN in early October 2011.
(2) Based on the September 30, 2011 market values.
(3) Represents Onex' share of the unrealized carried interest on public and private companies in the Onex Partners Funds.
(4) Based on the C\$ fair value of the investments in ONCAP's financial statements and US\$/C\$ exchange rate of 1.0482.
(5) Based on value of last third-party investment.
(6) Based on the carrying value of Onex Real Estate Partners' investments at September 30, 2011.
(7) Based on the September 30, 2011 market values. Excludes approximately \$307 million investment in Onex Credit Partners' unleveraged senior secured loan strategy fund, which is included with cash and near-cash items.
(8) Includes approximately \$307 million invested in Onex Credit Partners' unleveraged senior secured loan strategy fund and excludes approximately \$298 million invested by Onex to acquire JELD-WEN in early October 2011, which is included with Private Companies.

Significant Public Companies

As at September 30, 2011	Shares/Units Subject to Carried Interest (millions)	Shares/Units Held by Onex (millions)	Closing Price per Share ⁽¹⁾	Market Value of Onex' Investment
Onex Partners				
Skilled Healthcare Group	10.7	3.5	\$ 3.61	\$ 12 ⁽³⁾
Spirit AeroSystems	11.9	6.0 ⁽²⁾	\$ 15.95	95 ⁽³⁾
TMS International	13.2	9.3	\$ 7.28	68 ⁽³⁾
				175
Direct Investments - Celestica	-	17.8 ⁽²⁾	\$ 7.25	129
				\$ 304

- (1) Closing price in whole dollars on September 30, 2011.
(2) Excludes shares held in connection with the Management Investment Plan.
(3) Excludes Onex' potential participation in the carried interest.

Significant Private Companies

As at September 30, 2011	Onex and its Limited Partners Ownership	LTM EBITDA ⁽¹⁾	Net Debt	Cumulative Distributions	Onex' Economic Ownership	Cost of Onex' Investment (Net of Returns of Capital)
Onex Partners						
Center for Diagnostic Imaging	81%	\$ 38	\$ 109	\$ 67	19%	\$ 8
The Warranty Group	92%	112 ⁽²⁾	n/a	161	29%	154
Hawker Beechcraft	49%	106	1,998	7 ⁽⁵⁾	19%	212 ⁽⁶⁾
Carestream Health	95%	385	1,698	434	37%	90
Allison Transmission	49%	692	3,099	-	15%	237
RSI Home Products	50%	n/a	n/a	n/a	20%	78
Tropicana Las Vegas	76%	n/a ⁽³⁾	44	-	17%	60
Tomkins	56%	763 ⁽⁴⁾	2,511	-	14%	315
ResCare	98%	125	363	-	20%	41
						1,195
Direct Investments - Sitel Worldwide	68%	\$ 129	\$ 659	\$ -	68%	251
						\$ 1,446

- (1) Includes adjustments that are consistent with private equity industry practice. 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.
(2) Amount presented for The Warranty Group is adjusted net earnings rather than EBITDA and includes a one-time \$6 million valuation allowance release in the first quarter of 2011. Net earnings on a U.S. GAAP basis, including the impacts of purchase accounting, were \$107 million and include a one-time \$6 million valuation allowance release in the first quarter of 2011.
(3) A comprehensive redevelopment underway at Tropicana Las Vegas caused a disruption to its operations, resulting in negative LTM EBITDA that is not reflective of a fully operational hotel and casino.
(4) LTM EBITDA excludes EBITDA from businesses divested as of the end of the third quarter of 2011. Including EBITDA from these divested businesses would result in LTM EBITDA of \$811 million as of September 30, 2011.
(5) Represents interest received on the portion of the Senior Notes held by Onex, Onex Partners II and Onex management.
(6) Onex' investment includes \$31 million in face value of Senior Notes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The interim Management's Discussion and Analysis ("MD&A") provides a review of how Onex Corporation ("Onex") performed in the three and nine months ended September 30, 2011 and assesses future prospects. The financial condition and results of operations are analyzed noting the significant factors that impacted the consolidated statements of earnings, comprehensive earnings, consolidated balance sheets and consolidated statements of cash flows of Onex. As such, this interim MD&A should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto included in this report. The interim MD&A and the Onex consolidated financial statements have been prepared to provide information about Onex on a consolidated basis and should not be considered as providing sufficient information to make an investment or lending decision in regard to any particular Onex operating company.

The following interim MD&A is the responsibility of management and is as of November 9, 2011. Preparation of the MD&A includes the review of the disclosures on each business by senior managers of that business and the review of the entire document by each officer of Onex and by the Onex Disclosure Committee. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit and Corporate Governance Committee, comprised exclusively of independent directors. The Audit and Corporate Governance Committee has reviewed and approved this disclosure.

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

- 4** Our Business, Our Objective and Our Strategies
- 10** Industry Segments
- 13** Financial Review
- 47** Outlook

Onex Corporation's interim financial filings, including the Quarterly 2011 MD&A and Financial Statements, and Annual Reports, Annual Information Form and Management Information Circular, are available on Onex' website, www.onex.com, or on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

References

Throughout this MD&A, references to the Onex Partners Groups represent Onex, the limited partners of the relevant Onex Partners Fund, Onex management and, where applicable, certain other limited partners and ONCAP management. References to the ONCAP Groups represent Onex, the limited partners of the relevant ONCAP Fund and the management of Onex and ONCAP. For example, references to the Onex Partners II Group represent Onex, the limited partners of Onex Partners II, Onex management and, where applicable, certain other limited partners and ONCAP management.

Forward-Looking/Safe Harbour Statements

This interim MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated 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 other factors. These cautionary statements expressly qualify all forward-looking statements in this interim MD&A.

OUR BUSINESS, OUR OBJECTIVE AND OUR STRATEGIES

OUR BUSINESS: For over 27 years, Onex has employed a value-oriented and active ownership investment approach in acquiring and building industry-leading businesses. Onex invests its own capital and manages capital from institutional investors around the world. The Company has generated 3.3 times the capital it has invested and managed on realized, substantially realized and publicly traded investments.

Value-oriented active ownership approach

Throughout our history, we have developed a value-oriented approach to acquiring, transforming and building high-quality businesses. We are disciplined investors with a focus on: (i) carve-outs of subsidiaries and mission-critical supply divisions from multinational corporations; (ii) operational restructurings; and (iii) build-ups in a wide variety of industries.

We acquire high-quality businesses while employing prudent financial leverage and maintaining purchase price discipline. We focus on businesses with considerable cost-saving opportunities to generate EBITDA growth as well as strong free-cash-flow characteristics to pay down debt. Our goal is to build market leaders and ultimately create value for our investors.

Typically, Onex acquires a control position in its businesses, which enables it to exercise the rights of ownership, particularly the ability to make strategic decisions. Onex does not get involved in the daily operating decisions of the businesses.

Experienced team with significant depth

Onex' investment team of professionals is led by nine Managing Directors with an average of 16 years of working at the Company. Onex' stability results from its ownership culture, rigorous recruiting standards and highly collegial environment. The investment team is supported by professionals who are dedicated to the taxation, financial control, audit, legal and reporting matters of Onex, its Funds and their operating businesses.

Substantial financial resources available for future growth

Onex is in excellent financial condition with no debt and approximately \$1.3 billion of cash and near-cash items at September 30, 2011. This excludes \$298 million held in restricted cash, which was used to fund Onex' investment in JELD-WEN Holding, inc. ("JELD-WEN") in early October 2011. In addition, we have \$2.9 billion of uncalled committed third-party capital in the Onex Partners and ONCAP Funds available for investment in Onex-sponsored acquisitions after giving effect to the investment in JELD-WEN.

Strong alignment of interests

We continue to believe that our success in building companies and our record of capital preservation and superior returns are direct results of the strong alignment of interests between Onex' shareholders, our limited partners and the Onex management team. In addition to Onex being the largest limited partner in every fund, Onex' distinctive ownership culture requires each member of the management team to have a significant ownership in Onex stock and to invest meaningfully in each operating company acquired. Onex' management team:

- is the largest shareholder in Onex, with a combined holding of approximately 26 million shares or 23 percent;
- has a total cash investment in Onex' current operating businesses of approximately \$270 million; and
- is required to reinvest 25 percent of all gross carried interest and Management Investment Plan distributions in Onex shares until they individually own at least one million shares and hold these shares until retirement.

OUR OBJECTIVE: Onex' business objective is to create long-term value for shareholders and to have that value reflected in our share price. Our strategies to deliver value to shareholders are concentrated on investing and asset management. We believe that Onex has the operating philosophy, human resources, financial resources, track record and structure to continue to deliver on its objective. A detailed discussion of Onex' strategies is included in Onex Corporation's December 31, 2010 annual MD&A. The summary that follows presents performance highlights for the first nine months of 2011 against those strategies.

FIRST NINE MONTHS OF 2011 PERFORMANCE HIGHLIGHTS

Our Investing Strategy: Acquire, Build and Grow High-Quality Businesses

- ONCAP completed the following three acquisitions in the first nine months of 2011:
 - Pinnacle Pellet, Inc. ("Pinnacle Renewable Energy Group"), a producer of wood pellets for markets around the world. The ONCAP II Group has an approximate 60 percent equity ownership in Pinnacle Renewable Energy Group.
 - Crown Amusements Ltd. ("Casino ABS"), the largest casino operator in the Alberta, Canada market, with four casinos. The ONCAP II Group has close to 100 percent of the equity ownership in Casino ABS.

- Hopkins Manufacturing Corporation (“Hopkins”), a manufacturer, marketer and distributor of automotive aftermarket products for sale to distributors and retailers around the world. The ONCAP III Group has an approximate 90 percent equity ownership in Hopkins.

The equity investment in these transactions totalled \$221 million, of which Onex’ share was \$97 million at September 30, 2011.

- In May 2011, Tropicana Las Vegas, Inc. (“Tropicana Las Vegas”) completed a third rights offering of \$35 million, of which the Onex Partners III Group invested \$29 million (Onex’ share was \$6 million).
- Including realizations and distributions, the value of Onex’ interest in Onex Partners’ private investments grew by 13 percent in the first nine months of 2011. The value of our investments in the ONCAP Funds, including distributions received, increased by 11 percent in the nine months ended September 30, 2011.
- The table below shows the cash distributions made by our operating companies in the first nine months of 2011 in total to all of their shareholders and Onex’ share thereof:

Company	Fund	Transaction	Total Amount (\$ millions)	Onex’ Share (\$ millions)
Carestream Health	Onex Partners II	Dividend/Return of Capital	\$ 200	\$ 78
Center for Diagnostic Imaging	Onex Partners I	Dividend/Return of Capital	\$ 67	\$ 13
Emergency Medical Services Corporation	Onex Partners I	Sale of business	\$ 878 ^(a)	\$ 342
EnGlobe	ONCAP II	Dividend/Return of Capital	C\$ 14	C\$ 7
Hawker Beechcraft Senior Notes	Onex Partners II	Interest Income	\$ 7 ^(b)	\$ 3
Husky International	Onex Partners I & II	Sale of business	\$ 1,844	\$ 601
Spirit AeroSystems	Onex Partners I	Secondary Offering	\$ 252	\$ 74
TMS International	Onex Partners II	Initial Public Offering/Repayment of Promissory Notes	\$ 68 ^(c)	\$ 26
Total			\$ 3,330	\$ 1,144

(a) Represents the Onex Partners I Group only.

(b) Represents interest received on the portion of the Senior Notes held by the Onex Partners II Group.

(c) Represents the sale of a portion of the shares held by existing shareholders and the repayment of the Promissory Notes.

- In February 2011, Carestream Health, Inc. (“Carestream Health”) distributed \$197 million to the Onex Partners II Group following a refinancing of the company’s credit facility. Onex’ share of that distribution was \$78 million.
- Center for Diagnostic Imaging, Inc. (“CDI”) distributed \$54 million to the Onex Partners I Group in the second quarter of 2011. Onex’ share of that distribution was \$13 million.
- In May 2011, the Onex Partners I Group completed the sale of its remaining shares of Emergency Medical Services Corporation (“EMSC”) for \$64.00 in cash per share. The Onex Partners I Group received net proceeds of \$878 million, of which Onex’ share was \$342 million, including carried interest of \$32 million.
- In June 2011, the Onex Partners I Group and Onex Partners II Group along with Husky management completed the sale of Husky International Ltd. (“Husky International”) for \$2.1 billion. Net cash proceeds received from the sale by the Onex Partners I Group and Onex Partners II Group totalled \$1.7 billion, of which Onex’ share was \$583 million, including carried interest of \$17 million. The carried interest received on Husky International was net of a voluntary reduction of \$88 million, at the request of Onex (Onex’ share of the reduction was \$35 million). In addition to the cash proceeds received on the sale, there was approximately \$60 million of additional amounts held in escrow and other items (Onex’ share was \$19 million, excluding carried interest). During the third quarter of 2011, \$38 million of additional amounts were received, of which Onex’ share was \$18 million, including carried interest of \$6 million. At September 30, 2011, \$18 million of escrow amounts and other items is outstanding and is expected to be received in four years, of which Onex’ share is \$6 million, excluding carried interest.
- In April 2011, Spirit AeroSystems, Inc. (“Spirit AeroSystems”) completed a secondary offering of approximately 10 million Class A common stock at a price of \$24.49 per share. The Onex Partners I Group sold shares in this offering for approximately \$245 million. Onex, the parent company, sold 2.7 million of those shares in the offering, receiving net proceeds of \$74 million, including carried interest of \$9 million.
- In April 2011, TMS International Corp. (“TMS International”) completed an initial public offering of approximately 12.9 million Class A common stock (NYSE: TMS) priced at \$13.00 per share. The Onex Partners II Group sold approximately 1.9 million shares in the offering, for net proceeds of \$23 million, of which Onex’ share was \$9 million, including carried interest of less than \$1 million. TMS International used a portion of the proceeds from this offering to redeem in full its Series 2008 Promissory Notes, which were held primarily by the Onex Partners II Group. As a result of this redemption, the Onex Partners II Group received approximately \$43 million for its Series 2008 Promissory Notes, of which Onex’ share was \$17 million, including carried interest of less than \$1 million.

- A number of Onex' operating businesses raised or refinanced a total of \$3.0 billion of debt in the first nine months of 2011.
- Several of our operating businesses paid down debt during the nine months ended September 30, 2011 totalling approximately \$805 million.
- Onex has substantial financial resources available to support its investing strategy. At September 30, 2011, Onex had:
 - i. Approximately \$1.3 billion of cash and near-cash items and no debt. In addition, Onex had \$298 million of restricted cash at September 30, 2011, which was used in early October 2011 to fund Onex' portion of the investment in JELD-WEN. Onex' policy is to maintain a debt-free parent company and not guarantee the debt of our operating businesses.
 - ii. \$2.3 billion of third-party uncalled capital available for future Onex Partners investments.
 - iii. C\$566 million of third-party uncalled capital available for future ONCAP investments.

Our Asset Management Strategy: Manage and Grow Third-Party Capital

- In addition to the \$4.4 billion of Onex proprietary capital at work, Onex manages \$8.9 billion of third-party capital, which provides value for Onex shareholders through the management fees Onex earns and the carried interest opportunity on this capital. The amount of third-party capital under management at September 30, 2011 decreased by approximately \$960 million since December 31, 2010 due primarily to the realizations and distributions in the first nine months of this year, as previously discussed, partially offset by the third-party capital commitments to the new ONCAP fund.

Third-Party Capital Under Management							
<i>(Unaudited) (\$ millions)</i>							
	Total		Change in Total	Fee Generating		Uncalled Commitments	
	September 30, 2011 ^(a)	December 31, 2010 ^(a)		September 30, 2011	December 31, 2010	September 30, 2011 ^(a)	December 31, 2010 ^(a)
Funds							
Onex Partners	\$ 6,913	\$ 8,473	(18)%	\$ 6,041	\$ 7,441	\$ 2,322	\$ 2,978
ONCAP ^(b)	C\$ 950	C\$ 312	204 %	C\$ 818	C\$ 276	C\$ 566	C\$ 90
Onex Credit Partners	\$ 1,004	\$ 995	1 %	\$ 1,004	\$ 995	n/a	n/a

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

(b) Includes third-party capital of ONCAP II and ONCAP III. The December 31, 2010 third-party capital is only that of ONCAP II.

- During the third quarter of 2011, ONCAP completed fundraising for ONCAP III, its third mid-market private equity fund, with capital commitments of C\$800 million, excluding commitments from management of Onex and ONCAP. Third-party capital commitments to the fund total C\$520 million, representing an approximate 80 percent increase in the amount of third-party capital raised relative to ONCAP II, and include commitments from both our long-standing partners and new investors. As with each of our funds, Onex is the largest limited partner in ONCAP III.
- Onex Credit Partners, Onex' credit investing platform, raised approximately \$100 million of third-party capital through a treasury offering of OCP Credit Strategy Fund (TSX: OCS.UN).
- At September 30, 2011, there was approximately \$20 million of unrealized carried interest on the public companies held at market value in the Onex Partners Funds, of which Onex' share was \$8 million. There is a further \$220 million of unrealized carried interest on the private businesses in the Onex Partners and ONCAP Funds based on the fair values determined at September 30, 2011, of which Onex' share was \$81 million. The ultimate amount of carried interest realized by Onex is dependent upon the performance of each Fund.
- During the first nine months of 2011, the realizations of EMSC, Husky International, Spirit AeroSystems and TMS International collectively generated realized carried interest of \$248 million. Onex voluntarily reduced the carried interest by \$88 million, bringing the total to \$160 million, of which Onex' share was \$65 million. The reduction was made after a review of the remaining portfolio companies and reflecting the desire to not distribute or collect carried interest that may be subject to a future claw-back.

Have Value Creation Reflected in Onex' Share Price

We seek to have the value of our investing and asset management activities reflected in our share price. These efforts are supported by a long-standing quarterly dividend and an active stock buyback program. Year-to-date through October 31, Onex has repurchased 2,752,408 Subordinate Voting Shares under its Normal Course Issuer Bid at a total cost of \$92 million, or an average purchase price of C\$33.40 per share. The share repurchases in the third quarter totalled 1,462,036 shares at an average purchase price of C\$33.36 per share, for a total cost of \$49 million. For the 10-month period ended October 31, 2011 \$10 million was returned to shareholders through dividends.

At September 30, 2011, Onex' Subordinate Voting Shares closed at C\$32.66, an 8 percent increase from December 31, 2010. This compares to a 12 percent decrease in the Toronto Stock Exchange and a 6 percent decrease in the Dow Jones Industrial Average.

INDUSTRY SEGMENTS

At September 30, 2011, Onex had seven reportable industry segments. A description of our operating businesses by industry segment, and the economic and voting ownerships of Onex, the parent company, and its Limited Partners in those businesses, is presented below.

Industry Segments	Companies	Onex & Limited Partners Economic Ownership	Onex' Economic/Voting Ownership
Electronics Manufacturing Services	<p>Celestica Inc. (TSX/NYSE: CLS), a global provider of electronics manufacturing services (website: www.celestica.com).</p> <p>Onex shares held: 17.8 million</p>	8% ^(a)	8% ^(a) /71%
Aerostructures	<p>Spirit AeroSystems, Inc. (NYSE: SPR), the world's largest independent designer and manufacturer of aerostructures (website: www.spiritaero.com).</p> <p>Onex shares held: 6.0 million</p> <p>Onex Partners I shares subject to a carried interest: 11.9 million</p>	16%	4% ^(a) /64%
Healthcare	<p>Center for Diagnostic Imaging, Inc., a U.S. provider of diagnostic and therapeutic radiology services (website: www.cd radiology.com).</p> <p>Total Onex, Onex Partners I and Onex management investment at cost: \$35 million, after a \$38 million return of capital</p> <p>Onex portion: \$8 million</p> <p>Onex Partners I portion subject to a carried interest: \$53 million</p> <p>Skilled Healthcare Group, Inc. (NYSE: SKH), an organization of skilled nursing and assisted living facilities operators in the United States (website: www.skilledhealthcaregroup.com).</p> <p>Onex shares held: 3.5 million</p> <p>Onex Partners I shares subject to a carried interest: 10.7 million</p> <p>Carestream Health, Inc., a global provider of medical and dental imaging and healthcare information technology solutions (website: www.carestream.com).</p> <p>Total Onex, Onex Partners II and Onex management investment at cost: \$228 million, after a \$243 million return of capital</p> <p>Onex portion: \$90 million</p> <p>Onex Partners II portion subject to a carried interest: \$266 million</p> <p>Res-Care, Inc., a leading U.S. provider of residential, training, educational and support services for people with disabilities and special needs (website: www.rescare.com).</p> <p>Total Onex, Onex Partners I, Onex Partners III and Onex management investment at cost: \$204 million</p> <p>Onex portion: \$41 million</p> <p>Onex Partners I portion subject to a carried interest: \$61 million</p> <p>Onex Partners III portion subject to a carried interest: \$94 million</p>	81%	19%/100%
		40%	9%/89%
		95%	37%/100%
		98%	20%/100%

(a) Onex' economic ownership percentage excludes shares held in connection with the Management Investment Plan.

Industry Segments	Companies	Onex & Limited Partners Economic Ownership	Onex' Economic/ Voting Ownership
Financial Services	<p>The Warranty Group, Inc., the world's largest provider of extended warranty contracts (website: www.thewarrantygroup.com).</p> <p>Total Onex, Onex Partners I, Onex Partners II and Onex management investment at cost: \$488 million</p> <p>Onex portion: \$154 million</p> <p>Onex Partners I portion subject to a carried interest: \$178 million</p> <p>Onex Partners II portion subject to a carried interest: \$137 million</p>	92%	29%/100%
Customer Care Services	<p>SITEL Worldwide Corporation, a global provider of outsourced customer care services (website: www.sitel.com).</p> <p>Onex investment at cost: \$251 million</p>	68%	68%/88%
Metal Services	<p>TMS International Corp. (NYSE: TMS), a leading provider of outsourced industrial services to steel mills globally (website: www.tmsinternationalcorp.com).</p> <p>Onex shares held: 9.3 million</p> <p>Onex Partners II shares subject to a carried interest: 13.2 million</p>	60%	24%/85%
Other Businesses			
• Aircraft & Aftermarket	<p>Hawker Beechcraft Corporation^(a), the largest privately owned designer and manufacturer of business jet, turboprop and piston aircraft (website: www.hawkerbeechcraft.com).</p> <p>Total Onex, Onex Partners II and Onex management investment at cost: \$537 million</p> <p>Onex portion: \$212 million</p> <p>Onex Partners II portion subject to a carried interest: \$303 million</p>	49%	19%/- ^(a)
• Commercial Vehicles	<p>Allison Transmission, Inc.^(a), the world leader in the design and manufacture of automatic transmissions for on-highway trucks and buses, off-highway equipment and military vehicles (website: www.allisontransmission.com).</p> <p>Total Onex, Onex Partners II, certain limited partners and Onex management investment at cost: \$763 million</p> <p>Onex portion: \$237 million</p> <p>Onex Partners II portion subject to a carried interest: \$339 million</p>	49%	15%/- ^(a)
• Industrial Products	<p>Tomkins Limited^(a), an engineering and manufacturing company that produces a variety of products for the industrial, automotive and building products markets worldwide (website: www.tomkins.co.uk).</p> <p>Total Onex, Onex Partners III, certain limited partners, Onex management and others investment at cost: \$1,219 million</p> <p>Onex portion: \$315 million</p> <p>Onex Partners III and others portion subject to a carried interest: \$688 million</p>	56%	14%/50% ^(a)
• Gaming	<p>Tropicana Las Vegas, Inc., located directly on the Las Vegas Strip, is one of the best-known casinos in Las Vegas (website: www.troplv.com).</p> <p>Total Onex, Onex Partners III and Onex management investment at cost: \$279 million</p> <p>Onex portion: \$60 million</p> <p>Onex Partners III portion subject to a carried interest: \$196 million</p>	76%	17%/76%
• Cabinetry Products	<p>RSI Home Products, Inc.^(a), a leading manufacturer of kitchen, bathroom and home organization cabinetry sold through home centre retailers, independent kitchen and bath dealers and other distributors (website: www.rsiholdingcorp.com).</p> <p>Total Onex, Onex Partners II and Onex management investment at original cost: \$318 million</p> <p>Onex portion: \$78 million</p> <p>Onex Partners II portion subject to a carried interest: \$179 million</p>	50%	20%/50% ^(a)

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

Industry Segments	Companies	Onex & Limited Partners Economic Ownership	Onex' Economic/Voting Ownership
Other Businesses (cont'd)			
• <i>Mid-market Opportunities</i>	<p>ONCAP private equity funds focused on acquiring and building the value of mid-market companies based in North America (website: www.oncap.com).</p> <p>ONCAP II</p> <p>ONCAP II actively manages investments in EnGlobe, Mister Car Wash, CiCi's Pizza, Caliber Collision Centers, BSN SPORTS, Pinnacle Renewable Energy Group and Casino ABS.</p> <p>Total ONCAP II, Onex, Onex management and ONCAP management investment at cost: \$437 million (C\$463 million) Onex portion: \$202 million (C\$213 million) ONCAP II portion: \$196 million (C\$210 million)</p> <p>ONCAP III</p> <p>ONCAP III actively manages the investment in Hopkins.</p> <p>Total ONCAP III, Onex, Onex management and ONCAP management investment at cost: \$44 million (C\$44 million) Onex portion: \$13 million (C\$13 million) ONCAP III portion: \$27 million (C\$27 million)</p>	100%	46%/100%
• <i>Real Estate</i>	<p>Onex Real Estate Partners, a platform dedicated to acquiring and improving real estate assets in North America.</p> <p>Onex investment in Onex Real Estate transactions at cost: \$303 million^(a)</p>	88%	88%/100%
• <i>Credit Strategies</i>	<p>Onex Credit Partners specializes in managing credit-related investments, including event-driven, long/short and market dislocation strategies.</p> <p>Onex investment in Onex Credit Partners' funds at market: \$403 million, of which \$307 million is in an Onex Credit Partners' unleveraged senior secured loan portfolio that purchases assets with greater liquidity.</p>	–	60% ^(b) /50% ^(b)

(a) Investment at cost in Onex Real Estate Partners excludes Onex' investment in Town and Country properties as Town and Country has been substantially realized and has returned all of Onex' invested capital.

(b) This represents Onex' share of the Onex Credit Partners' platform.

FINANCIAL REVIEW

This section discusses the significant changes in Onex' unaudited interim consolidated statements of earnings for the three and nine months ended September 30, 2011 compared to those for the same periods ended September 30, 2010, the unaudited interim consolidated statements of cash flows for the nine months ended September 30, 2011 compared to the same period of 2010, and compares Onex' financial condition at September 30, 2011 to that at December 31, 2010.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with the unaudited interim consolidated statements of earnings for the three and nine months ended September 30, 2011 and 2010 and the corresponding notes thereto, the March 31, 2011 unaudited interim consolidated financial statements and the December 31, 2010 Canadian GAAP audited annual consolidated financial statements.

Basis of presentation

In 2008, the Canadian Accounting Standards Board confirmed that the use of International Financial Reporting Standards ("IFRS") is required for Canadian publicly accountable enterprises for years beginning on or after January 1, 2011. Accordingly, Onex' unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, using accounting policies consistent with IFRS and its interpretations adopted by the International Accounting Standards Board ("IASB").

In completing the transition to IFRS, the Company assessed its functional currency under IFRS. It was determined that the U.S. dollar is the appropriate functional currency for Onex' financial reporting under IFRS. As such, the financial statements under IFRS have been reported on a U.S. dollar basis.

In 2010 and prior periods, Onex' consolidated financial statements were prepared in Canadian dollars and in accordance with generally accepted accounting principles in Canada ("Canadian GAAP"). IFRS differs in a number of areas from Canadian GAAP. In preparing these unaudited interim consolidated financial statements, management has amended certain accounting, valuation and consolidation methods previously applied in order to comply with IFRS, including IFRS 1, *First-time Adoption of IFRS*. The comparative figures for 2010 were restated to comply with IFRS policies and disclosures.

Note 15 to the unaudited interim consolidated financial statements provides reconciliations and descriptions of the effect of the transition from the previous Canadian GAAP to IFRS on earnings and comprehensive earnings for the year ended December 31, 2010 and the three- and nine-month periods ended September 30, 2010. In addition, the change in equity is shown with line-by-line reconciliations of the consolidated balance sheets at January 1, 2010, September 30, 2010 and December 31, 2010.

Critical accounting policies and estimates

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenues and expenses for the periods of the unaudited interim consolidated financial statements. Onex and its operating companies evaluate their estimates and assumptions on an ongoing basis and any revisions are recognized in the affected periods. Included in Onex' unaudited interim consolidated financial statements are estimates used in determining the allowance for doubtful accounts, inventory valuation, income tax liabilities, deferred tax assets, intangible assets and goodwill, the useful lives of property, plant and equipment and intangible assets, recoverability of development costs associated with new product programs, revenue recognition under contract accounting, investments in associates, Limited Partners' Interests, stock-based compensation, pension and post-employment benefits, losses and loss adjustment expenses reserves, warranty provisions, restructuring provisions, legal contingencies and other matters. Actual results could differ materially from those estimates and assumptions. Note 1 to the March 31, 2011 unaudited interim consolidated financial statements describes in more detail those assets, liabilities and statements of earnings balances that involve critical assumptions and estimates.

Significant accounting policies under IFRS

The following summarizes new accounting policies under IFRS that have a significant impact on the preparation of Onex' unaudited interim consolidated financial statements compared to policies previously applied under Canadian GAAP at December 31, 2010. Some of these policies were also discussed in the December 31, 2010 annual MD&A.

Limited Partners' Interests

Onex has two private equity platforms: the Onex Partners and ONCAP Funds. These private equity funds provide a substantial pool of committed capital from third-party limited partners which, in combination with Onex' proprietary capital, allows Onex to be flexible and timely in responding to investment opportunities.

Onex' unaudited interim consolidated balance sheet at September 30, 2011 includes a financial liability line item, Limited Partners' Interests, as required by IAS 32, *Financial Instruments: Presentation*. This liability represents the fair value of the third-party invested capital in the Onex Partners and ONCAP Funds. The Limited Partners' Interests liability is affected by the change in the fair value of the underlying investments in the Onex Partners and ONCAP Funds, the impact of unrealized carried interest, as well as by any contributions from and distributions to the third-party limited partners in those Funds. Previously under Canadian GAAP, third-party limited partners' capital was recognized on the same basis as Onex – a percentage of the accounting earnings/loss of the various investments. The third-party limited partners' capital is now disclosed as a standalone liability line item in Onex' unaudited interim consolidated balance sheet under IFRS compared to previously being a component of non-controlling interests, outside of equity, under Canadian GAAP.

Onex' unaudited interim consolidated statements of earnings are also affected by Limited Partners' Interests under IFRS. First, any adjustments to the fair value of the Limited Partners' Interests liability arising primarily from the change in the underlying values of the investments are recorded in Onex' unaudited interim consolidated statements of earnings. For example, if the fair value of The Warranty Group, Inc. ("The Warranty Group") increases, the Limited Partners' Interests liability on the consolidated balance sheet is increased for their portion of the change in value and there is a corresponding charge to Limited Partners' Interests in the consolidated statement of earnings.

A decrease in the fair value of the underlying investments has the opposite effect. Second, net earnings attributable to Onex, the parent company, under IFRS now include the share of earnings attributable to both Onex, the parent company, as well as to its third-party limited partners in Onex' controlled operating companies. For example, Onex, the parent company, holds a 29 percent economic ownership in The Warranty Group and, when considering the investment made by third-party limited partners, holds a combined 92 percent economic ownership in The Warranty Group. Under IFRS, 92 percent of The Warranty Group's net earnings is attributable to Onex, the parent company. Previously under Canadian GAAP, net earnings attributable to Onex, the parent company, included only 29 percent of The Warranty Group's net earnings, while the third-party limited partners' share of that business' net earnings was recorded in the non-controlling interests line in Onex' consolidated statements of earnings, above net earnings.

The adoption of this new policy resulted in an approximate \$1.1 billion decline in opening equity and a corresponding increase to liabilities on Onex' January 1, 2010 consolidated opening balance sheet to show the liability to third-party limited partners at fair value. During the third quarter of 2011, a recovery of \$184 million was recorded for the decrease in the fair value of the liability to third-party limited partners compared to a charge of \$114 million recorded in the same period of 2010. For the nine months ended September 30, 2011, a charge of \$431 million was recorded compared to a charge of \$421 million in the same period last year. The factors contributing to the recovery and charges recorded in the third quarter and first nine months of 2011, respectively, are discussed in detail under Limited Partners' Interests on page 31 of this report.

Unrealized carried interest

The General Partner of the Onex Partners and ONCAP Funds is entitled to a portion (20 percent) of the realized net gains of third-party limited partners in each Fund. This share of the net gains is referred to as carried interest. Onex is entitled to 40 percent of the carried interest realized in the Onex Partners and ONCAP Funds. The Onex management team is entitled to the remaining 60 percent of the carried interest realized in the Onex Partners Funds and the ONCAP management team is entitled to the remaining 60 percent of the carried interest realized in the ONCAP Funds.

IFRS requires that the unrealized carried interest, which represents the undistributable share of the overall unrealized gains in each of the Onex Partners and ONCAP Funds attributable to the management of Onex or ONCAP, be recognized as a liability on Onex' unaudited interim consolidated balance sheets, which reduces the Limited Partners' Interests liability. The corresponding increase/decrease of this liability is recognized in Onex' unaudited interim consolidated statements of earnings. The amount of unrealized carried interest attributable to the management of Onex or ONCAP is calculated based on the fair values of the underlying investments and the overall unrealized gains in each respective Fund in accordance with the limited partnership agreements. Previously under Canadian GAAP, Onex did not recognize unrealized carried interest attributable to the management of Onex or ONCAP on its consolidated balance sheets. The adoption of this new policy resulted in an approximate \$85 million decline in opening equity and a corresponding increase to liabilities on Onex' January 1, 2010 consolidated opening balance sheet.

During the third quarter of 2011, Onex recorded a charge of \$4 million in the unaudited interim consolidated statement of earnings related to the unrealized carried interest attributable to management compared to a charge of \$5 million in the third quarter of 2010. The charge recorded in the third quarter of 2011 was due to an increase in the fair value of certain of the ONCAP entities, partially offset by the decline in the fair value of certain of the public investments in the Onex Partners Funds. For the nine months ended September 30, 2011, a charge of \$49 million was recorded for the unrealized carried interest attributable to management compared to a charge of \$6 million in the first nine months of 2010.

The unrealized carried interest attributable to Onex, the parent company, is recognized through a reduction in the charge for the Limited Partners' Interests. Previously under Canadian GAAP, Onex did not recognize unrealized carried interest attributable to Onex, the parent company, on its consolidated balance sheets until realized. The adoption of this new policy resulted in an approximate \$56 million increase in opening equity and a corresponding decrease to the Limited Partners' Interests liability on Onex' January 1, 2010 consolidated opening balance sheet. For the third quarter of 2011, a charge of \$6 million (2010 – \$4 million recovery) was recorded in the unaudited interim consolidated statement of

earnings for the decrease (2010 – increase) in the value of the unrealized carried interest attributable to Onex, the parent company, due to a decline in the fair value of certain of the public investments in the Onex Partners Funds. During the first nine months of 2011, Onex' share of the unrealized carried interest recovery recorded in the unaudited consolidated statement of earnings was \$21 million (2010 – \$5 million).

During the nine months ended September 30, 2011, \$248 million of carried interest was generated by Onex and Onex management on the sales of a portion of the shares of TMS International and Spirit AeroSystems, as well as from the sales of EMSC and Husky International. Onex decided to voluntarily reduce the carried interest by \$88 million, bringing the total carried interest received to \$160 million, of which Onex' share was \$65 million. The reduction was made after a review of the remaining portfolio companies and reflecting the desire to not distribute or collect carried interest that may be subject to a future claw-back.

Investments in associates

Associates are defined under IFRS as those investments in operating companies over which Onex has significant influence, but not control. Under IFRS these investments are designated, upon initial recognition, at fair value on the unaudited interim consolidated balance sheets, with changes in fair value recognized in the unaudited interim consolidated statements of earnings. The change in fair value of investments in associates represents the interests of both Onex, the parent company, and its third-party limited partners in those investments. There is a corresponding charge to the Limited Partners' Interests line in the unaudited interim consolidated statements of earnings for the third-party limited partners' share of that fair value change.

During the first nine months of 2011 and 2010, Onex recorded at fair value its investments in associates, which include Allison Transmission, Hawker Beechcraft, RSI Home Products, Tomkins, Cypress and certain Onex Real Estate Partners investments. In addition, ResCare was recorded at fair value in the investments in associates in the first nine months of 2010 and up to mid-November 2010, when Onex began to consolidate that business following Onex' and Onex Partners III's acquisition of the remaining interest in ResCare not previously owned by the Onex Partners I Group. Previously under Canadian GAAP, these investments were accounted for using the equity-accounting method.

The adoption of this new policy resulted in an approximate \$330 million increase in opening equity and a corresponding increase in long-term investments on Onex' January 1, 2010 consolidated opening balance sheet. During the three and nine months ended September 30, 2011, Onex recorded a \$26 million decrease and \$374 million increase, respectively, in the value of investments in associates. This compares to a \$13 million and \$252 million increase, respectively, for the three- and nine-month periods of 2010.

Non-controlling interests

The definition of non-controlling interests in accordance with IFRS has two significant differences from that previously reported under Canadian GAAP.

First, non-controlling interests represent the ownership interests of shareholders, other than Onex and its third-party limited partners in the Onex Partners and ONCAP Funds, in Onex' controlled operating companies. For example, the non-controlling interests under IFRS represent the ownership interests of public shareholders of Spirit AeroSystems. Previously under Canadian GAAP, the non-controlling interests represented the ownership interests of both the public shareholders of Spirit AeroSystems as well as those of the third-party limited partners of Onex Partners.

Second, the non-controlling interests' share of net assets is classified as a component of equity and their share of earnings is recorded as an allocation after arriving at net earnings. Previously under Canadian GAAP, the non-controlling interests' share of net assets was recognized as a separate line item in Onex' consolidated balance sheets, outside of equity, and their share of earnings was recorded as a separate line item in Onex' consolidated statements of earnings, above net earnings.

The adoption of this new standard under IFRS resulted in an approximate \$3.3 billion increase in opening equity on Onex' January 1, 2010 consolidated opening balance sheet due to the reclassification of non-controlling interests to equity.

Cash-settled share-based compensation

Under IFRS, the liability for cash-settled share-based compensation is measured at fair value as determined through the application of an option pricing model. The liability is re-measured each reporting period, with changes in fair value recognized as the awards vest. Changes in the fair

value of vested awards are recognized immediately in the unaudited interim consolidated statement of earnings. Previously under Canadian GAAP, a liability for cash-settled share-based payments was accrued based on the intrinsic value of the award, with changes recognized in the statement of earnings each period.

The new treatment of cash-settled share-based compensation under IFRS has also required Onex to record all of its Management Investment Plan ("MIP") options at fair value. Previously under Canadian GAAP, only those MIP options that had met the MIP performance hurdles and were exercisable were accrued at their intrinsic value.

The adoption of this new policy resulted in an approximate \$55 million decrease in opening equity and a corresponding increase in other non-current liabilities on Onex' January 1, 2010 consolidated opening balance sheet.

Provisions

The balance sheet presentation for provisions in accordance with IFRS is different from that previously reported under Canadian GAAP. Under IFRS, Onex is required to disclose the liability for provisions as two separate line items on its consolidated balance sheets: Current portion of provisions and Non-current portion of provisions. The significant provisions in Onex' consolidated balance sheets consist of self-insurance, legal, warranty and restructuring provisions. Previously under Canadian GAAP, these provisions were recorded in accounts payable and accrued liabilities, other current liabilities and other non-current liabilities.

Note 1 to the March 31, 2011 unaudited interim consolidated financial statements provides a complete discussion of the significant accounting policies under IFRS.

Recent Accounting Pronouncements

Financial Instruments

In November 2009, the IASB issued IFRS 9, *Financial Instruments*, the first phase of a replacement for existing standard IAS 39, *Financial Instruments: Recognition and Measurement*. This standard introduces new requirements for the classification and measurement of financial assets and removes the need to separately account for certain embedded derivatives. This standard is effective in 2013. Onex is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Reporting Entity Standards

In May 2011, the IASB issued a set of new standards that addresses the scope and accounting for the reporting entity. The standards are effective in 2013. Onex is currently evaluating the impact of adopting these standards on its consolidated financial statements. The following is a summary of the new requirements.

- IFRS 10, *Consolidated Financial Statements*, establishes the principles for the preparation and presentation of consolidated financial statements and replaces the current guidance in IAS 27, *Consolidated and Separate Financial Statements*, and SIC 12, *Consolidation – Special Purpose Entities*. IFRS 10 changes the definition of control such that the same criteria are applied to all entities to determine control.
- IFRS 11, *Joint Arrangements*, sets out the principles to identify the type of joint arrangements and the accounting for those arrangements and replaces IAS 31, *Interests in Joint Ventures*. The standard reduces the types of joint arrangements and eliminates the use of proportionate consolidation for joint ventures.
- IFRS 12, *Disclosure of Interests in Other Entities*, provides the disclosure requirements for entities reported under IFRS 10 and IFRS 11 and replaces the disclosure requirements currently in IAS 28, *Investments in Associates*. IFRS 12 requires disclosure of the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.
- IAS 28, *Investments in Associates and Joint Ventures*, prescribes the use of the equity method of accounting for investments in associates and joint ventures and applies to all entities that are investors with joint control of, or significant influence over, an investee. IAS 28 continues to allow entities that meet certain requirements to designate its investments in associates at fair value upon initial recognition.

Fair Value Measurement

In May 2011, the IASB issued IFRS 13, *Fair Value Measurement*, that provides a single framework for measuring fair value and requires enhanced disclosures when fair value is used for measurement. The standard is effective in 2013. Onex is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Employee Future Benefits

In June 2011, the IASB amended IAS 19, *Employee Future Benefits*, to change the recognition, measurement and presentation of defined benefit pension expense and to provide for additional disclosures for all employee benefits. The amendment is effective in 2013. Onex is currently evaluating the impact of the amendment on its consolidated financial statements.

Financial Statement Presentation

In June 2011, the IASB amended IAS 1, *Presentation of Financial Statements*, that will require entities to separately present items in other comprehensive income based on whether they may be recycled to the statement of earnings in future periods. The amendment is effective in 2012. The adoption of this amendment is not expected to have a significant effect on Onex' consolidated financial statements.

Variability of results

Onex' unaudited interim consolidated operating results may vary substantially from quarter to quarter and year to year for a number of reasons, including some of the following: the current economic environment; acquisitions or dispositions of businesses by Onex, the parent company; the change in value of stock-based compensation for both the parent company and its operating companies; changes in the market value of Onex' publicly traded operating companies; changes in the fair value of Onex' privately held operating companies; changes in tax legislation or in the application of tax legislation; and activities at Onex' operating companies. These activities may include the purchase or sale of businesses; fluctuations in customer demand, materials and employee-related costs; changes in the mix of products and services produced or delivered; changes in the financing of the business; impairments of goodwill, intangible assets or long-lived assets; litigation; and charges to restructure operations.

Significant transactions

Sales of EMSC and Husky International

As a result of the sales of EMSC and Husky International during the first half of 2011, Onex, the parent company, recorded an after-tax gain of \$1.6 billion in the first nine months of 2011. Under IFRS, gains realized on the sales of investments no longer controlled are entirely attributable to the equity holders of Onex as the interests of the limited partners were recorded as a financial liability at fair value. During the holding period of the investments, the increase in the fair value of the Limited Partners' Interests related to EMSC and Husky International resulted in an increase in the Limited Partners' Interests liability with a corresponding charge in the consolidated statements of earnings. Upon disposition, current and prior period charges associated with the investments in EMSC and Husky International were effectively recovered by Onex, the parent company, through the gain recognized on the sales. The net impact to Onex, the parent company's, retained earnings after the sales represents its share of the net gain on its investments in EMSC and Husky International.

In May 2011, the Onex Partners I Group completed the sale of its remaining 13.7 million shares of EMSC for \$64.00 per share. The Onex Partners I Group received net proceeds of \$878 million, of which Onex' share was \$342 million, including carried interest. The unaudited interim consolidated results for the first nine months of 2011 include an after-tax gain of \$559 million, which is entirely attributable to the equity holders of Onex. This gain includes the portion attributable to Onex' investment as well as that of the limited partners of Onex Partners I. The effect of this is to recover the charges to earnings for the fair value increases on EMSC allocated to the limited partners in prior periods. As a result of the sale, the operations of EMSC are presented as discontinued in the unaudited interim statements of earnings and cash flows and prior periods have been restated to report the results of EMSC as discontinued on a comparative basis.

In June 2011, the Onex Partners I Group and Onex Partners II Group along with Husky International management completed the sale of Husky International for \$2.1 billion. The Onex Partners I Group and Onex Partners II Group received net cash proceeds of \$1.7 billion, of which Onex'

share was \$583 million, including carried interest. The carried interest realized on Onex Partners II's sale of Husky International was voluntarily reduced by \$88 million, which was made at the request of Onex (Onex' share of the reduction was \$35 million). In addition to the cash proceeds received on the sale, approximately \$60 million of additional amounts held in escrow and other items were expected to be received (Onex' share was \$19 million, excluding carried interest). During the third quarter of 2011, \$38 million of additional amounts were received and the remaining expected escrow amounts were reduced by \$5 million to reflect Husky International's estimate of the taxes owing in respect of taxable periods up to the closing date. At September 30, 2011, \$18 million remains receivable for escrow amounts (Onex' share is \$6 million, excluding carried interest) and is expected to be received in four years. Onex' share of the additional amounts received during the third quarter of 2011 was \$18 million, including carried interest of \$6 million. In accordance with the distribution policy set out in the Agreement of Limited Partnership, and as a result of the voluntary reduction in the amount of carried interest collected at the time of the sale of Husky International, Onex' carried interest entitlement was 80 percent of the additional amounts received by the limited partners of Onex Partners II. This brings total proceeds from Husky International to \$1.8 billion, including those proceeds which remain to be received, compared to the \$622 million equity investment made by the Onex Partners I Group and Onex Partners II Group in 2007. Included in Onex' unaudited interim consolidated results for the nine months ended September 30, 2011 is an after-tax gain of \$1.1 billion, which is entirely attributable to the equity holders of Onex. This gain includes the portion attributable to Onex' investment as well as that of the limited partners of Onex Partners I and Onex Partners II. The effect of this is to recover the charges to earnings for the fair value increases on Husky International allocated to the limited partners in the current and prior periods. The operations of Husky International have been reported as discontinued in the unaudited interim consolidated statements of earnings for the three and nine months ended September 30, 2011 and 2010, as well as in the unaudited interim consolidated statements of cash flows for the first nine months of 2011 and 2010.

Sales of shares of Spirit AeroSystems and TMS International

The Onex Partners I Group participated in the April 2011 secondary offering of Spirit AeroSystems by selling a portion of its shares. The Onex Partners II Group participated in the April 2011 initial public offering of TMS International through the sale of a portion of its shares. The details of these transactions are described in the paragraphs below. After giving effect to the sales, Onex continues to control Spirit AeroSystems and TMS International. Under IFRS, sales of shares that do not result in a loss of control of the investment are recorded as a transfer of equity to non-controlling interests holders in the consolidated statements of equity. The amount transferred to non-controlling interests holders is equivalent to Onex' historical accounting carrying value attributable to the portion of the investment that was sold. The excess of proceeds received over the historical accounting carrying value is recorded directly to retained earnings as an increase in equity and is not reflected in the consolidated statements of earnings.

In April 2011, Spirit AeroSystems completed a secondary offering of approximately 10 million shares of Class A common stock at a price of \$24.49 per share. The Onex Partners I Group sold shares in this offering for total proceeds of \$245 million. Spirit AeroSystems did not issue any new shares as part of this offering. Onex, the parent company, sold 2.7 million of the shares in this offering for net proceeds of \$74 million, including carried interest. The sale price per share was a multiple of seven times Onex' original cost per share in Spirit AeroSystems.

The Onex Partners I Group continues to hold 22.4 million shares of Spirit AeroSystems' common stock, which represents a 16 percent ownership interest, and continues to retain voting control of the company. Since this transaction did not result in a loss of voting control of Spirit AeroSystems, it has been recorded in the unaudited interim consolidated financial statements as a transfer of equity to non-controlling interests holders, with the net cash proceeds received in excess of the historical accounting carrying value of \$109 million being recorded directly to retained earnings. The cash proceeds recorded directly to retained earnings from the sale of shares have been partially offset by a \$9 million deferred tax provision recorded by Onex, the parent company, on the transaction.

In April 2011, TMS International completed an initial public offering of approximately 12.9 million shares of Class A common stock (NYSE: TMS), including the exercise of the over-allotment option. The offering was priced at \$13.00 per share for gross proceeds of \$167 million. As part of the offering, TMS International issued approximately 10.9 million treasury shares while the Onex Partners II Group sold approximately 1.9 million shares. The Onex Partners II Group received total net proceeds of \$23 million for its shares sold. Onex' portion of the net proceeds was \$9 million, including carried interest. TMS International used a portion of the proceeds from this offering to redeem in full its Series 2008 Promissory Notes, which were held primarily by the Onex Partners II Group. The Onex Partners II Group received approximately \$43 million for its Series 2008 Promissory Notes, including accrued interest of \$6 million, for its share of the redemption, of which Onex' share was \$17 million, including carried interest.

The Onex Partners II Group continues to hold 23.4 million shares of TMS International's common stock for a 60 percent ownership interest. Since this transaction did not result in a loss of control of TMS International, the transaction has been recorded as a transfer of equity to non-controlling interests holders in the unaudited interim consolidated financial statements with the cash proceeds received in excess of the historical accounting carrying value of \$19 million recorded directly to retained earnings.

Carestream Health distribution

In February 2011, Carestream Health entered into a new credit facility. This new facility included a \$1.85 billion senior secured term loan that matures in February 2017 and a \$150 million senior revolving facility that matures in February 2016. The proceeds from this new facility were used primarily to repay and terminate the previous credit facility. In conjunction with this transaction, Carestream Health distributed \$197 million to the Onex Partners II Group, of which Onex' share was \$78 million. In August 2011, Carestream Health repurchased \$35 million of its senior secured term loan for a cash cost of \$30 million. As a result, a net pre-tax gain of \$4 million was recognized in other items during the third quarter of 2011.

Tropicana Las Vegas third rights offering

In May 2011, Tropicana Las Vegas completed a third rights offering of \$35 million, of which the Onex Partners III Group invested \$29 million (Onex' share was \$6 million). This was completed through an issue of preferred shares that have similar terms to the 2009 and 2010 rights offerings, that accrue dividends at a rate of 12.5 percent and that are convertible into common shares of Tropicana Las Vegas at a fixed ratio including accrued and unpaid dividends. After giving effect to the offering, the Onex Partners III Group owns, on an as-converted basis, approximately 76 percent of Tropicana Las Vegas, of which Onex' share was 17 percent at September 30, 2011.

CDI distribution

In May 2011, CDI entered into a new credit agreement. The new agreement included a \$95 million term loan as well as a \$25 million revolving credit facility, both of which mature in May 2016. The proceeds from the new term loan were used to repay the amounts outstanding under the former term loan and revolving credit facility and pay a distribution to shareholders. The Onex Partners I Group's share of the \$67 million distribution paid was \$54 million, of which Onex' share was \$13 million.

Acquisitions by ONCAP

ONCAP completed the following three acquisitions in the first nine months of 2011:

- Pinnacle Renewable Energy Group, a producer of wood pellets in British Columbia, Canada for markets around the world, in early May 2011. The ONCAP II Group has an approximate 60 percent equity ownership in Pinnacle Renewable Energy Group.
- Casino ABS, the largest casino operator in the Alberta, Canada market, with four casinos, in May 2011. The ONCAP II Group has close to 100 percent of the equity ownership in Casino ABS.

- Hopkins, a Kansas, United States manufacturer, marketer and distributor of automotive aftermarket products for sale to distributors and retailers around the world, in June 2011. The ONCAP III Group has an approximate 90 percent equity ownership in Hopkins.

The equity investment in these transactions totalled \$221 million, of which Onex' share was \$97 million at September 30, 2011.

Investment in JELD-WEN completed in early October

In early October 2011, the Onex Partners III Group acquired a controlling interest in JELD-WEN. JELD-WEN is one of the world's largest manufacturers of interior and exterior doors, windows and related products for use primarily in the residential and light commercial new construction and remodelling markets. The investment in JELD-WEN totalled \$871 million and was made up of \$689 million from Onex Partners III and \$182 million from Onex and certain other limited partners. The total investment in JELD-WEN consists of \$700 million of convertible preferred stock for a 57 percent equity ownership interest and a \$171 million convertible note. The convertible note may be redeemed within 18 months with proceeds from the sale of certain non-core assets and, if not redeemed, will convert into additional convertible preferred stock. Onex' initial investment in JELD-WEN was \$240 million for convertible preferred stock for a 20 percent equity ownership interest in JELD-WEN and \$58 million of the convertible note. Of Onex' total investment of \$298 million, Onex funded \$124 million through Onex Partners III and \$174 million as a co-investor in JELD-WEN. Onex intends to offer a portion of the co-investment to its third-party limited partners.

In October 2011, JELD-WEN redeemed \$42 million of the convertible note and interest accrued to the redemption date, of which Onex' share was \$14 million.

REVIEW OF SEPTEMBER 30, 2011 UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The discussions that follow identify those material factors that affected Onex' operating segments and Onex' unaudited interim consolidated results for the three and nine months ended September 30, 2011. We will review the major line items to the unaudited interim consolidated financial statements by segment.

Consolidated revenues and cost of sales

Consolidated revenues were up 25 percent, or \$1.2 billion, to \$6.0 billion in the third quarter of 2011 compared to the same quarter of 2010. Consolidated cost of sales was up 28 percent, or \$1.0 billion, to \$4.8 billion for the three months ended September 30, 2011 compared to the same period of 2010.

For the nine months ended September 30, 2011, consolidated revenues were up 25 percent, or \$3.6 billion, to \$17.9 billion compared to the same period of 2010. Consolidated cost of sales was up 28 percent, or \$3.1 billion, to \$14.3 billion for the first nine months of 2011 compared to the same period of 2010.

Table 1 below reports revenues and cost of sales by industry segment for the three and nine months ended September 30, 2011 and 2010. The percentage change in revenues and cost of sales is also shown.

Revenues and Cost of Sales by Industry Segment for the Three-Month Period Ended September 30

TABLE 1	<i>(Unaudited) (\$ millions)</i>			<i>(Unaudited) (\$ millions)</i>		
	Revenues			Cost of Sales		
Three months ended September 30	2011	2010	Change (%)	2011	2010	Change (%)
Electronics Manufacturing Services	\$ 1,830	\$ 1,546	18%	\$ 1,684	\$ 1,418	19%
Aerostructures	1,130	1,014	11%	920	843	9%
Healthcare	1,242	827	50%	857	530	62%
Financial Services	303	295	3%	152	147	3%
Customer Care Services	359	320	12%	231	198	17%
Metal Services	707	478	48%	658	435	51%
Other ^(a)	437	308	42%	264	159	66%
Total	\$ 6,008	\$ 4,788	25%	\$ 4,766	\$ 3,730	28%

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

(a) 2011 other includes Flushing Town Center, Tropicana Las Vegas, ONCAP II, ONCAP III and the parent company. 2010 other includes Flushing Town Center, Tropicana Las Vegas, ONCAP II and the parent company.

Revenues and Cost of Sales by Industry Segment for the Nine-Month Period Ended September 30

	<i>(Unaudited) (\$ millions)</i>			<i>(Unaudited) (\$ millions)</i>		
	Revenues			Cost of Sales		
Nine months ended September 30	2011	2010	Change (%)	2011	2010	Change (%)
Electronics Manufacturing Services	\$ 5,460	\$ 4,650	17%	\$ 5,033	\$ 4,265	18%
Aerostructures	3,645	3,103	17%	3,110	2,559	22%
Healthcare	3,696	2,397	54%	2,553	1,523	68%
Financial Services	900	893	1%	438	432	1%
Customer Care Services	1,052	996	6%	684	631	8%
Metal Services	2,042	1,577	29%	1,894	1,446	31%
Other ^(a)	1,089	716	52%	636	368	73%
Total	\$ 17,884	\$ 14,332	25%	\$ 14,348	\$ 11,224	28%

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

(a) 2011 other includes Flushing Town Center, Tropicana Las Vegas, ONCAP II, ONCAP III and the parent company. 2010 other includes Flushing Town Center, Tropicana Las Vegas, ONCAP II and the parent company.

Electronics Manufacturing Services

Celestica Inc. ("Celestica") delivers innovative supply chain solutions to original equipment manufacturers and service providers in the consumer, communications, enterprise computing, industrial, aerospace and defence, healthcare and green technology markets. These solutions include design, manufacturing, engineering, complex mechanical and systems integration, order fulfillment, logistics and after-market services.

Celestica reported an 18 percent, or \$284 million, increase in revenues in the third quarter of 2011 compared to the same quarter of 2010. Celestica's revenue growth in the quarter was in the following end markets: industrial, aerospace and defence, healthcare and green technology (55 percent); consumer (27 percent); enterprise communications (22 percent); servers (20 percent) and storage (6 percent). These increases were primarily from new program wins with existing and new customers, and acquisitions. Partially offsetting these increases was a 27 percent decline in revenues in Celestica's telecommunications end market.

Cost of sales had a similar increase of 19 percent, or \$266 million, for the three months ended September 30, 2011. Gross profit for the three months ended September 30, 2011 increased 14 percent, or \$18 million, from the same quarter of 2010 due primarily to increased volumes, changes in product mix and operational improvements.

For the nine months ended September 30, 2011, revenues increased 17 percent, or \$810 million, to \$5.5 billion while cost of sales increased 18 percent, or \$768 million, to \$5.0 billion. The same factors that contributed to the increases in revenues and cost of sales for the third quarter of 2011 drove the increases in revenues and cost of sales for the first nine months of 2011.

Aerostructures

Spirit AeroSystems is an aircraft parts designer and manufacturer of commercial aerostructures. Aerostructures are structural components, such as fuselages, propulsion systems and wing systems, for commercial, military and business jet aircraft. The company's revenues are substantially derived from long-term volume-based pricing contracts, primarily with The Boeing Company ("Boeing") and Airbus. The long-term financial health of the commercial airline industry has a direct and significant effect on Spirit AeroSystems' commercial aircraft programs.

Spirit AeroSystems' revenues increased 11 percent, or \$116 million, for the three months ended September 30, 2011 compared to the same quarter last year. The increase in revenues was due primarily to higher production deliveries and aftermarket volume during the third quarter of 2011 compared to the same period in 2010.

Cost of sales was up 9 percent, or \$77 million, for the third quarter of 2011 compared to the same period last year. Included in cost of sales was a pre-tax charge of approximately \$10 million to recognize a forward-loss for a particular program under development, partially offset by favourable cumulative catch-up adjustments of \$4 million on program costs.

During the first nine months of 2011, revenues at Spirit AeroSystems were up 17 percent, or \$542 million, to \$3.6 billion. The increase in revenues during the first nine months of 2011 was due primarily to the recognition of deferred revenue associated with the Boeing 787 contract amendment. Cost of sales was up 22 percent, or \$551 million, to \$3.1 billion for the nine months ended September 30, 2011 from the same period in 2010. Much of the increase related to the settlement with Boeing, which increased revenues, as previously discussed, but at minimal margins. Also included in cost of sales for the first nine months of 2011 were pre-tax charges of approximately \$91 million to recognize forward-losses on certain programs under development, including \$10 million recorded in the third quarter, as noted above. Cost of sales as a percentage of revenues was 85 percent for the first nine months of 2011 compared to 82 percent for the same period last year. The increase was due primarily to the charges recorded by Spirit AeroSystems in the first nine months of 2011 along with increased revenues, as previously discussed, but at minimal margins.

Healthcare

The healthcare segment revenues and cost of sales consist of the operations of Center for Diagnostic Imaging, Skilled Healthcare Group, Inc. ("Skilled Healthcare Group"), Carestream Health and Res-Care, Inc. ("ResCare"). The operations of EMSC are reported as discontinued for the three and nine months ended September 30, 2011 and 2010 as a result of the sale of the business in May 2011.

During the third quarter of 2011, the healthcare segment reported a 50 percent, or \$415 million, increase in consolidated revenues over the same period last year. Cost of sales increased 62 percent, or \$327 million, for the three months ended September 30, 2011 compared to the same quarter last year. ResCare accounted for much of

the increase in the healthcare segment in the three and nine months ended September 30, 2011 compared to last year. Onex began consolidating the results of ResCare on November 16, 2010, the date when Onex, Onex Partners III and Onex management acquired the remaining interest in the business. Prior to that, ResCare was recorded at fair value in investments in associates. Accordingly, there are no comparative results for ResCare for the three and nine months ended September 30, 2010.

For the first nine months of 2011, consolidated revenues and cost of sales in the healthcare segment were up 54 percent, or \$1.3 billion, to \$3.7 billion and up 68 percent, or \$1.0 billion, to \$2.6 billion, respectively.

Table 2 provides revenues and cost of sales by operating company in the healthcare segment for the three and nine months ended September 30, 2011 and 2010. The percentage change in revenues and cost of sales is also shown.

Healthcare Revenues and Cost of Sales for the Three-Month Period Ended September 30

Three months ended September 30	Revenues			Cost of Sales		
	2011	2010	Change (%)	2011	2010	Change (%)
Center for Diagnostic Imaging	\$ 37	\$ 36	3%	\$ 11	\$ 11	-
Skilled Healthcare Group	217	209	4%	178	174	2%
Carestream Health	592	582	2%	372	345	8%
ResCare ^(a)	396	-	-	296	-	-
Total	\$ 1,242	\$ 827	50%	\$ 857	\$ 530	62%

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

(a) There are no reported results for ResCare for the three months ended September 30, 2010 since the business began to be consolidated in November 2010 when Onex, Onex Partners III and Onex management acquired a further interest in the business.

Healthcare Revenues and Cost of Sales for the Nine-Month Period Ended September 30

Nine months ended September 30	Revenues			Cost of Sales		
	2011	2010	Change (%)	2011	2010	Change (%)
Center for Diagnostic Imaging	\$ 109	\$ 105	4%	\$ 33	\$ 33	-
Skilled Healthcare Group	655	599	9%	534	497	7%
Carestream Health	1,746	1,693	3%	1,093	993	10%
ResCare ^(a)	1,186	-	-	893	-	-
Total	\$ 3,696	\$ 2,397	54%	\$ 2,553	\$ 1,523	68%

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

(a) There are no reported results for ResCare for the nine months ended September 30, 2010 since the business began to be consolidated in November 2010 when Onex, Onex Partners III and Onex management acquired a further interest in the business.

Skilled Healthcare Group

Skilled Healthcare Group has three reportable revenue segments: long-term care services, therapy services and hospice and home health services. Long-term care services include the operation of skilled nursing and assisted living facilities. Therapy services include the company's rehabilitation services. Hospice and home health services include hospice and home health businesses.

Skilled Healthcare Group's third-quarter revenues increased 4 percent, or \$8 million, to \$217 million compared to the same quarter of 2010. Revenues from the hospice and home health services segment were up 2 percent, or \$4 million. Revenues from the therapy services segment increased 7 percent, or \$3 million, mainly due to negotiated rate increases and higher Medicare billings. Revenues from the long-term care services segment were unchanged from the prior year period due to the effect of leasing five northern California facilities to a third-party operator. Cost of sales increased 2 percent, or \$4 million, in the third quarter of 2011 from the same period in 2010, much in line with the increase in revenues during the quarter.

For the nine months ended September 30, 2011, revenues were up 9 percent, or \$56 million, to \$655 million while cost of sales was up 7 percent, or \$37 million, to \$534 million from the same period of 2010. The increase in revenues and cost of sales for the nine months ended September 30, 2011 was driven primarily by the same factors that contributed to the increase in the third quarter.

Carestream Health

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

Carestream Health reported a 2 percent, or \$10 million, increase in revenues for the three months ended September 30, 2011 compared to the same quarter of 2010. Included in the revenue increase was \$23 million of favourable foreign exchange rates on Carestream Health's non-U.S. revenues compared to the third quarter of 2010. Excluding the impact of foreign exchange, Carestream Health reported a decline in revenues of \$13 million. The decrease was due primarily to the anticipated revenue decline in the Medical Film segment of \$15 million as well as an \$8 million decrease in the Dental segment due to lower equipment sales in the digital business and the anticipated revenue decline in the film business. Partially offsetting the decline was a \$10 million revenue increase from higher product sales in the Medical Digital segment, which included revenues of the company's September 2010 acquisition of Quantum Medical Imaging.

Cost of sales for the three months ended September 30, 2011 was up 8 percent, or \$27 million, compared to the third quarter of 2010. Cost of sales increased due to higher costs for polyester and silver used in the production of film (\$43 million), which could not immediately be recovered through selling price increases. The increased costs were partially offset by improved efficiencies over the same period of 2010.

For the nine months ended September 30, 2011, revenues at Carestream Health increased 3 percent, or \$53 million, while cost of sales was up 10 percent, or \$100 million. The same factors that contributed to the increase in both revenues and cost of sales in the third quarter affected revenues and cost of sales in the first nine months of 2011. Gross profit for the first nine months of 2011 was \$653 million compared to \$700 million for the same period last year. The reduction was due to the increase in the cost of raw materials used in film production, primarily silver, partially offset by favourable foreign exchange rates, productivity and price.

ResCare

ResCare is a human services company that provides residential, therapeutic, job training and educational support to people with developmental or other disabilities, to elderly people who need in-home care assistance, to youth with special needs and to adults who are experiencing barriers to employment. ResCare offers services to some 60,000 persons daily.

During the three and nine months ended September 30, 2011, ResCare contributed revenues of \$396 million and \$1.2 billion, respectively. ResCare contributed cost of sales of \$296 million and \$893 million, respectively, over those same periods in 2011. There are no comparative results for the third quarter and first nine months of 2010 since Onex began consolidating this business in mid-November 2010, the date when Onex, Onex Partners III and Onex management acquired the remaining interest in the business.

Financial Services

The Warranty Group's revenues consist of warranty revenues, insurance premiums and administrative and marketing fees earned on warranties and service contracts for manufacturers, retailers and distributors of consumer electronics, appliances, homes and autos, as well as credit card enhancements and travel and leisure programs through a global organization. The Warranty Group's cost of sales consists primarily of the change in reserves for future warranty and insurance claims, current claims payments and underwriting profit-sharing payments.

The Warranty Group reported a 3 percent, or \$8 million, increase in revenues for the third quarter of 2011 compared to the same period of 2010. Revenues increased in the third quarter due primarily to higher earned premiums on the consumer products business in Asia and Latin America and higher investment income. Partially offsetting the increase was lower earned premiums on the consumer products and third-party administrator business in North America and the creditor business in Europe. Cost of sales was up 3 percent, or \$5 million, for the third quarter of 2011 compared to the same quarter last year due primarily to higher earned premiums.

For the first nine months of 2011, revenues at The Warranty Group were \$900 million (2010 – \$893 million) while cost of sales was \$438 million (2010 – \$432 million).

Customer Care Services

SITEL Worldwide Corporation ("Sitel Worldwide") is one of the world's largest and most diversified providers of customer care outsourcing services. The company offers its clients a wide array of services, including customer service, technical support and customer acquisition, retention and revenue generation services. The majority of Sitel Worldwide's customer care services are inbound and delivered telephonically. Sitel Worldwide serves a broad range of industry end

markets, including financial services, technology, wireless, retail and consumer products, telecommunications, media and entertainment, energy and utilities, travel and transportation, internet service providers, insurance and health-care. Sitel Worldwide's operating results are affected by the demand for the products of its customers.

Sitel Worldwide reported a 12 percent, or \$39 million, increase in revenues for the third quarter of 2011 compared to the same period of 2010. Third-quarter revenues from new customers contributed \$32 million to the revenue increase in the quarter. In addition, revenue increased by \$12 million due to currency translation of foreign-based revenue with the weakening of the U.S. dollar during the quarter. Partially offsetting the revenue growth was a decrease of \$5 million related to attrition of existing programs. Cost of sales increased 17 percent, or \$33 million, in the third quarter of 2011 compared to the same period in 2010 due to higher revenues, but at slightly lower margins.

For the nine months ended September 30, 2011, revenues increased 6 percent, or \$56 million, to \$1.1 billion while cost of sales increased 8 percent, or \$53 million, to \$684 million, due primarily to the same factors that contributed to the third-quarter growth.

Metal Services

TMS International, formerly Tube City IMS Corporation, has two revenue categories: service revenue and revenue from the sale of materials. Service revenue is generated from scrap management, scrap preparation, raw materials optimization, metal recovery and sales, materials handling or product handling, slag or co-product processing, and metal recovery services and surface conditioning. Revenue from the sale of materials is mainly generated by the company's raw materials procurement business, but also includes revenue from two locations of TMS International's materials handling business.

Third-quarter revenues at TMS International were up 48 percent, or \$229 million, from the third quarter of 2010. Approximately \$212 million of the revenue growth was from the sale of raw materials at TMS International's raw materials procurement business due primarily to higher market prices for those raw materials. The company reported a 16 percent, or \$17 million, increase in service revenues in the quarter due both to \$5 million of revenue growth from new sites and contracts and to increased revenue on its existing contracts.

Cost of sales for the three months ended September 30, 2011 was up 51 percent, or \$223 million, from the third quarter of 2010. The same factors that drove the increase in revenue from the sale of raw materials also contributed to the higher costs. Additionally, site-level cost of sales increased approximately \$5 million due to new sites and contracts for which certain site costs are incurred in advance of generating revenue.

For the nine months ended September 30, 2011, revenues were up 29 percent, or \$465 million, while cost of sales increased 31 percent, or \$448 million. The increases in both revenues and cost of sales were driven by the same factors that affected the third quarter of 2011.

Other Businesses

The other businesses segment primarily consists of the revenues and cost of sales of Tropicana Las Vegas, the ONCAP companies – EnGlobe Corp. (“EnGlobe”), Mister Car Wash, CiCi’s Pizza, Caliber Collision Centers (“Caliber Collision”), BSN SPORTS, Inc. (“BSN SPORTS”), formerly Sport Supply Group, Pinnacle Renewable Energy Group, Casino ABS and Hopkins – and Flushing Town Center. The operations of Husky International are reported as discontinued for the three and nine months ended September 30, 2011 and 2010 as a result of the sale of the business in June 2011.

Table 3 provides revenues and cost of sales by operating company in the other businesses segment for the three and nine months ended September 30, 2011 and 2010. The percentage change in revenues and cost of sales is also shown.

Other Businesses Revenues and Cost of Sales for the Three-Month Period Ended September 30

TABLE 3	<i>(Unaudited) (\$ millions)</i>			Revenues			Cost of Sales		
		2011	2010	Change (%)	2011	2010	Change (%)		
Three months ended September 30									
ONCAP companies ^(a)	\$	399	\$ 266	50 %	\$ 250	\$ 157	59%		
Tropicana Las Vegas		24	14	71 %	2	2	-		
Other ^(b)		14	28	(50)%	12	-	-		
Total	\$	437	\$ 308	42 %	\$ 264	\$ 159	66%		

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

(a) 2011 ONCAP companies include EnGlobe, Mister Car Wash, CiCi’s Pizza, Caliber Collision, BSN SPORTS, Pinnacle Renewable Energy Group, Casino ABS and Hopkins.
2010 ONCAP companies include CSI, EnGlobe, Mister Car Wash, CiCi’s Pizza, Caliber Collision and BSN SPORTS.

(b) 2011 and 2010 other includes Flushing Town Center and the parent company.

Other Businesses Revenues and Cost of Sales for the Nine-Month Period Ended September 30

	<i>(Unaudited) (\$ millions)</i>			Revenues			Cost of Sales		
		2011	2010	Change (%)	2011	2010	Change (%)		
Nine months ended September 30									
ONCAP companies ^(a)	\$	981	\$ 647	52 %	\$ 603	\$ 364	66%		
Tropicana Las Vegas		65	40	63 %	6	4	50%		
Other ^(b)		43	29	48 %	27	-	-		
Total	\$	1,089	\$ 716	52 %	\$ 636	\$ 368	73%		

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

(a) 2011 ONCAP companies include EnGlobe, Mister Car Wash, CiCi’s Pizza, Caliber Collision, BSN SPORTS, Pinnacle Renewable Energy Group, Casino ABS and Hopkins.
2010 ONCAP companies include CSI, EnGlobe, Mister Car Wash, CiCi’s Pizza, Caliber Collision and BSN SPORTS.

(b) 2011 and 2010 other includes Flushing Town Center and the parent company.

Revenues in the other businesses segment were up 42 percent, or \$129 million, to \$437 million for the third quarter of 2011. Cost of sales for the other businesses segment was up 66 percent, or \$105 million, to \$264 million for the three months ended September 30, 2011.

The ONCAP companies reported a 50 percent, or \$133 million, increase in revenues for the third quarter of 2011 compared to the same period of 2010. Cost of sales contributed by the ONCAP companies was up 59 percent, or \$93 million, for the third quarter of 2011. The growth in revenues and cost of sales was due primarily to the inclusion of the results of Pinnacle Renewable Energy Group and Casino ABS, acquired in May 2011, and Hopkins, acquired in June 2011. Partially offsetting the increases were 2010 third-quarter revenues and cost of sales of \$11 million and \$2 million, respectively, of CSI Global Education Inc. ("CSI"), which represents its operations prior to the ONCAP II Group's sale of that business in November 2010.

For the nine months ended September 30, 2011, revenues in the other businesses segment were up 52 percent, or \$373 million, while cost of sales had an increase of 73 percent, or \$268 million. The acquisitions of Pinnacle Renewable Energy Group, Casino ABS and Hopkins, as previously discussed, as well as the August 2010 acquisition of BSN SPORTS, contributed essentially all of the growth in revenues and cost of sales.

Interest expense of operating companies

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

Consolidated interest expense was up \$32 million, or 40 percent, to \$112 million in the third quarter of 2011 from \$80 million in the same quarter of 2010.

Third-quarter interest expense increased by \$13 million due to the inclusion of Pinnacle Renewable Energy Group, Casino ABS and Hopkins, which were acquired by ONCAP during the first half of 2011.

Spirit AeroSystems reported a \$6 million increase in interest expense in the third quarter of 2011 compared to the same period in 2010 due primarily to the interest costs on the \$300 million senior notes issued in November 2010.

ResCare contributed \$10 million in interest expense in the third quarter of 2011. There are no comparative results for the third quarter of 2010 since Onex began consolidating this business on November 16, 2010, the date when Onex, Onex Partners III and Onex management acquired the remaining interest in the business.

For the nine months ended September 30, 2011, consolidated interest expense totalled \$351 million, an increase of \$100 million from the same period last year.

Carestream Health entered into a new credit facility in February 2011. This new facility included a \$1.85 billion senior secured term loan that matures in February 2017 and a \$150 million senior revolving facility that matures in February 2016. As a result of this new debt, Carestream Health recorded a \$52 million increase in interest expense in the first nine months of 2011 compared to the same period of 2010 due to higher principal outstanding under the new facility as well as \$25 million of charges related to the refinancing.

Spirit AeroSystems reported a \$21 million increase in interest expense in the first nine months of 2011 compared to the same period in 2010 due primarily to the interest costs on the senior notes issued in November 2010, as previously discussed.

ResCare contributed \$32 million to interest expense in the nine months ended September 30, 2011. There are no comparative results for the first nine months of 2010 as Onex began consolidating ResCare in mid-November 2010.

Partially offsetting the increase was a \$10 million decline in interest expense recorded by Celestica in the first nine months of 2011 compared to the same period last year due to the company's repurchase of its outstanding 2013 senior subordinated notes in the first quarter of 2010.

Unrealized increase (decrease) in value of investments in associates at fair value, net

Associates are defined under IFRS as those investments in operating companies over which Onex has significant influence, but not control. These investments are designated, upon initial recognition, at fair value in the unaudited interim consolidated balance sheets, with changes in fair value recognized in the unaudited interim consolidated statements of earnings. The investments that Onex determined to be associates and thus recorded at fair value are Allison Transmission, Hawker Beechcraft, RSI Home Products, Tomkins, certain Onex Real Estate Partners investments and Cypress Insurance Group. In addition, ResCare was recorded at fair value in both the third quarter and first nine months of 2010, up to mid-November 2010 when Onex began to consolidate that business following Onex, Onex Partners III and Onex management's acquisition of the remaining interest in ResCare not previously owned by the Onex Partners I Group.

During the third quarter of 2011, Onex recorded a \$26 million unrealized decrease in fair value of investments in associates at fair value compared to a \$13 million unrealized increase in fair value for the third quarter of 2010. A decline in the fair value of a public debt investment in the Onex Partners Funds provided essentially all of the unrealized decrease in the fair value of investments in associates during the third quarter of 2011.

During the first nine months of 2011, Onex recorded a \$374 million unrealized increase in fair value of investments in associates compared to a \$252 million unrealized increase in the same period of 2010. Improved operating performance at most of the investments as well as debt repayment by some of those investments during

the first nine months of 2011 contributed to the unrealized increase in the fair value of investments in associates.

Stock-based compensation expense (recovery)

Onex recorded a consolidated stock-based compensation recovery of \$66 million during the third quarter of 2011 compared to a stock-based compensation expense of \$57 million in the same quarter of 2010. Onex, the parent company, recorded a stock-based compensation recovery of approximately \$81 million in the third quarter of 2011 (2010 – expense of \$45 million) related to its stock options and MIP options. In accordance with IFRS, the expense recorded on these plans is determined based on the fair value of the liability at the end of each reporting period. The fair value of the Onex stock options and MIP options is determined using an option valuation model with the stock options impacted by the change in the market value of Onex' shares and the MIP options affected by the change in the fair value of Onex' investments. The recovery recorded by Onex, the parent company, on its stock options during the third quarter of 2011 was due primarily to the 13 percent decrease in market value of Onex' shares in that period.

During the first nine months of 2011, Onex recorded a consolidated stock-based compensation expense of \$90 million compared to an expense of \$128 million for the same period in 2010. Onex, the parent company, contributed \$35 million (2010 – \$72 million) of the expense related to its stock options and MIP options. The expense recorded by Onex, the parent company, on its stock options during the first nine months of 2011 was due primarily to the 8 percent increase in market value of Onex' shares to C\$32.66 at September 30, 2011 from C\$30.23 at December 31, 2010.

Table 4 details the change in stock-based compensation by Onex operating companies and Onex, the parent company, for the three and nine months ended September 30, 2011 and 2010.

Stock-based Compensation Expense (Recovery)

	Three months ended September 30			Nine months ended September 30		
	2011	2010	Change (\$)	2011	2010	Change (\$)
Onex operating companies	\$ 15	\$ 12	\$ 3	\$ 55	\$ 56	\$ (1)
Onex, the parent company, stock options	(77)	41	(118)	25	61	(36)
Onex, the parent company, MIP options	(4)	4	(8)	10	11	(1)
Total	\$ (66)	\$ 57	\$ (123)	\$ 90	\$ 128	\$ (38)

Other items

Onex recorded a \$42 million charge for other items in the third quarter of 2011 compared to a \$92 million charge for the same period of 2010. For the nine months ended September 30, 2011, consolidated other items expense totalled \$116 million compared to \$110 million for the same period last year. Table 5 provides a breakdown of and the change in other items for the three and nine months ended September 30, 2011 and 2010.

Other Items Expense

	Three months ended September 30			Nine months ended September 30		
	2011	2010	Change (\$)	2011	2010	Change (\$)
Restructuring	\$ 4	\$ 26	\$ (22)	\$ 24	\$ 53	\$ (29)
Transition, integration and other	3	10	(7)	14	30	(16)
Transaction costs	4	-	4	14	-	14
Unrealized carried interest attributable to management	4	5	(1)	49	6	43
Other	27	51	(24)	15	21	(6)
Total	\$ 42	\$ 92	\$ (50)	\$ 116	\$ 110	\$ 6

Restructuring

Restructuring expenses are considered to be costs incurred by the operating companies to realign organizational structures or restructure manufacturing capacity to obtain operating synergies critical to building the long-term value of those businesses. Table 6 provides a breakdown of and the change in restructuring expenses (recovery) by operating company for the three and nine months ended September 30, 2011 and 2010.

Restructuring Expenses (Recovery)

	Three months ended September 30			Nine months ended September 30		
	2011	2010	Change (\$)	2011	2010	Change (\$)
Carestream Health	\$ 2	\$ 1	\$ 1	\$ 4	\$ 5	\$ (1)
Celestica	(1)	15	(16)	7	29	(22)
Sitel Worldwide	3	10	(7)	12	18	(6)
Other	-	-	-	1	1	-
Total	\$ 4	\$ 26	\$ (22)	\$ 24	\$ 53	\$ (29)

Unrealized carried interest attributable to management

The General Partner of the Onex Partners and ONCAP Funds is entitled to a carried interest (20 percent) on the realized gains of third-party limited partners in each Fund. Onex is allocated 40 percent of the carried interest realized in the Onex Partners and ONCAP Funds. The Onex management team is allocated 60 percent of the carried interest realized in the Onex Partners Funds and the ONCAP management team is entitled to the remaining 60 percent of the carried interest realized in the ONCAP Funds. Onex' share of

the unrealized carried interest is an offset in the Limited Partners' Interests amount in the unaudited interim consolidated statements of earnings.

The unrealized carried interest attributable to management represents the share of the overall unrealized gains in each of the Onex Partners and ONCAP Funds attributable to the management of Onex and ONCAP. The unrealized carried interest is calculated based on the current fair values of the underlying investments in the Funds and the overall net unrealized gains in each respective Fund determined in

accordance with the limited partnership agreements. During the third quarter of 2011, a charge of \$4 million (2010 – \$5 million) was recorded in the unaudited interim consolidated statements of earnings due to an increase in the fair value of certain of the ONCAP entities, partially offset by the decline in the fair value of certain of the public investments in the Onex Partners Funds. During the first nine months of 2011, the unrealized carried interest attributable to management increased primarily due to increases in the fair value of certain of the private investments in the Onex Partners Funds. As a result, a charge of \$49 million (2010 – \$6 million) was recorded in the first nine months of the year.

Other

Onex reported consolidated other expense of \$27 million during the third quarter of 2011 compared to consolidated other expense of \$51 million in the same quarter of 2010. In October 2011, Carestream Health received notice of an adverse ruling related to a complaint alleging competition law violations in Brazil by Carestream Health's predecessor. As a result of the notice, Carestream Health recorded a provision of \$27 million during the third quarter of 2011. Carestream Health will appeal the ruling and vigorously pursue reversal of this ruling. Included in consolidated other expense for the third quarter of 2010 was a \$53 million charge by Skilled Healthcare Group for a settlement of a complaint against the company. The settlement contained no admission or concession of wrongdoing by Skilled Healthcare Group.

For the nine months ended September 30, 2011, consolidated other expense totalled \$15 million, of which \$27 million relates to the provision recorded by Carestream Health, as previously discussed, partially offset by income of \$10 million related to the sale of certain tax losses in the second and third quarters of 2011, as discussed below. This compares to \$21 million of other expense for the first nine months of 2010 due primarily to the settlement by Skilled Healthcare Group, as discussed in the quarter. Partially offsetting the charge recorded by Skilled Healthcare Group was other income of \$18 million recorded by The Warranty Group as a result of gains in its investment portfolio as well as the sale of certain tax losses, as discussed below.

In May 2011 and August 2011, Onex sold entities, the sole assets of which were certain tax losses, to a public company controlled by Mr. Gerald W. Schwartz, who is also Onex' controlling shareholder. In the May 2011 transaction, Onex received approximately C\$5 million in cash

and established a receivable for an additional C\$5 million for Canadian tax losses of C\$96 million. The entire C\$10 million was recorded as a gain in other income in the second quarter of 2011. In the August 2011 transaction, Onex received less than C\$1 million in cash and established a receivable for less than C\$1 million for Canadian tax losses of C\$4 million. The entire amount of less than C\$1 million was recorded as a gain in the third quarter of 2011. Onex has significant Canadian non-capital and capital losses available, for which no benefit has been recognized in the unaudited interim consolidated financial statements. As such, Onex does not expect to generate sufficient taxable income to fully utilize these losses in the foreseeable future. In connection with these transactions, Onex obtained tax rulings from the Canada Revenue Agency, and Deloitte & Touche LLP, an independent accounting firm retained by Onex' Audit and Corporate Governance Committee, provided opinions that the values received by Onex for the tax losses were fair. The transactions were unanimously approved by Onex' Audit and Corporate Governance Committee, all the members of which are independent directors. Onex completed a similar transaction in April 2010, receiving approximately C\$8 million in cash for Canadian tax losses of approximately C\$70 million. Included in other income in the second quarter of 2010 is C\$8 million recorded by Onex, the parent company, on the transaction.

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

Net impairment of goodwill, intangible assets and long-lived assets totalled \$126 million for both the three and nine months ended September 30, 2011. There were no impairments of goodwill, intangible assets and long-lived assets recorded in the same periods of 2010.

Skilled Healthcare Group completed an impairment analysis during the third quarter of 2011 as a result of a prescribed reduction in future Medicare recovery rates, the expected future growth rates for Medicare and changes to rehabilitation therapy regulations that will negatively impact Skilled Healthcare Group's revenues and cost of sales. As a result, the company revised its estimates with respect to net revenues and gross margins, which negatively impacted its cash flows forecasted for the long-term care services and therapy services segments and accordingly recorded non-cash goodwill and intangible asset impairments of \$117 million and \$3 million, respectively.

Limited Partners' Interests

The Limited Partners' Interests charge in Onex' unaudited interim consolidated statements of earnings represents the change in the fair value of third-party invested capital in the Onex Partners and ONCAP Funds that is recorded as Limited Partners' Interests liability on Onex' unaudited interim consolidated balance sheets. The value of the third-party capital in the Funds is affected by the change in the fair value of the underlying investments. The Limited Partners' Interests charge includes the fair value changes of both consolidated operating companies and investments in associates.

During the third quarter of 2011, Onex recorded a \$184 million recovery for Limited Partners' Interests compared to a \$114 million charge in the third quarter of 2010. The recovery was due primarily to the decline in market value during the third quarter of the publicly traded investments held in the Onex Partners Funds.

For the nine months ended September 30, 2011, Onex recorded a \$431 million charge for Limited Partners' Interests compared to a \$421 million charge in the first nine months of 2010. The increase in the fair value of the private investments in the Onex Partners Funds was 16 percent, which contributed significantly to the Limited Partners' Interests charge recorded in the first nine months of 2011.

The Limited Partners' Interests is net of a \$2 million decrease (2010 – \$9 million increase) and a \$70 million

increase (2010 – \$11 million) of unrealized carried interest for the three and nine months ended September 30, 2011, respectively. Onex' share of the unrealized carried interest was a decrease of \$6 million (2010 – \$4 million increase) for the third quarter of 2011. The amount of unrealized carried interest that has been netted against the Limited Partners' Interests charge decreased in the third quarter due to the decline in the fair value of certain public investments in the Onex Partners Funds. For the first nine months of 2011, Onex' share of the unrealized carried interest increased by \$21 million compared to an increase of \$5 million in the same period last year. The ultimate amount of carried interest realized will be dependent upon the actual realizations for each Fund in accordance with the partnership agreements.

Earnings (loss) from continuing operations

Onex reported consolidated earnings from continuing operations of \$190 million in the third quarter of 2011 compared to a consolidated loss of \$21 million in the same period of 2010. During the nine months ended September 30, 2011, Onex reported consolidated earnings of \$26 million compared to consolidated earnings of \$87 million for the first nine months of 2010. Table 7 shows the earnings (loss) from continuing operations by industry segment for the three and nine months ended September 30, 2011 and 2010.

Earnings (Loss) from Continuing Operations by Industry Segment

TABLE 7	(Unaudited) (\$ millions)	Three months ended September 30		Nine months ended September 30	
		2011	2010	2011	2010
Earnings (loss) from continuing operations:					
	Electronics Manufacturing Services	\$ 51	\$ 21	\$ 126	\$ 63
	Aerostructures	76	53	165	180
	Healthcare	(119)	24	(128)	53
	Financial Services	24	25	80	80
	Customer Care Services	(20)	9	(37)	(33)
	Metal Services	10	(2)	21	2
	Other ^(a)	168	(151)	(201)	(258)
Consolidated Earnings (Loss) from Continuing Operations		\$ 190	\$ (21)	\$ 26	\$ 87

(a) 2011 other includes the consolidated earnings of Tropicana Las Vegas, ONCAP II, ONCAP III, Flushing Town Center and the parent company. In addition, consolidated earnings include the changes in fair value of Allison Transmission, Hawker Beechcraft, Tomkins, RSI and certain Onex Real Estate Partners investments. 2010 other includes the consolidated earnings of Tropicana Las Vegas, ONCAP II, Flushing Town Center and the parent company. In addition, consolidated earnings include the changes in fair value of Allison Transmission, Hawker Beechcraft, RSI, Tomkins and certain Onex Real Estate Partners investments.

Earnings from continuing operations in the other segment totalled \$168 million during the third quarter of 2011 (2010 – loss of \$151 million) primarily due to the recovery for Limited Partners' Interests of \$184 million (2010 – charge of \$114 million).

The loss from continuing operations in the other segment for the nine months ended September 30, 2011

totalled \$201 million (2010 – \$258 million). The loss was primarily due to (i) the Limited Partners' Interests charge of \$431 million (2010 – \$421 million), and (ii) the charge for unrealized carried interest attributable to management of \$49 million (2010 – \$6 million), partially offset by the increase in the fair value of investments in associates of \$374 million (2010 – \$235 million).

Table 8 presents the earnings (loss) from continuing operations attributable to equity holders of Onex Corporation and non-controlling interests for the three and nine months ended September 30, 2011 and 2010.

Earnings (Loss) from Continuing Operations

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Earnings (loss) from continuing operations attributable to:				
Equity holders of Onex Corporation	\$ 152	\$ (71)	\$ (169)	\$ (97)
Non-controlling interests	38	50	195	184
Earnings (Loss) from Continuing Operations	\$ 190	\$ [21]	\$ 26	\$ 87

The non-controlling interests' share of the earnings (loss) from continuing operations represents the share of earnings of shareholders, other than Onex and its third-party limited partners, in its Funds. For example, Spirit AeroSystems' public shareholders' share of the net earnings in that business would be reported in the non-controlling interests line.

Income taxes

Onex reported a consolidated income tax provision of \$157 million during the first nine months of 2011 compared to a \$178 million tax provision during the same period last year. During the first nine months of 2011, Onex, the parent company, utilized \$50 million of previously unbenefited losses, resulting in a recovery of income tax. The recovery was offset by a non-cash tax provision recorded by Onex, the parent company, on the sale of Husky International, which is included in discontinued operations.

Earnings (loss) from discontinued operations

Earnings from discontinued operations for the three and nine months ended September 30, 2011 and 2010 represent the operations of EMSC and Husky International and the net gain recorded on the disposition of these companies. Onex recorded a loss from discontinued operations of \$6 million (\$0.04 per share) during the third quarter of 2011 compared to earnings from discontinued operations of \$56 million (\$0.26 per share) in the same quarter of 2010. Earnings from discontinued operations in the first nine months of 2011 were \$1.7 billion (\$14.25 per share) compared to \$114 million (\$0.42 per share) in the same period of 2010.

Table 9 presents the after-tax earnings, gain (loss) on sale, net of tax, and earnings (loss) from discontinued operations for the three and nine months ended September 30, 2011 and 2010.

Discontinued Operations for the Three-Month Period Ended September 30

	After-tax Earnings		Loss on Sale, Net of Tax		Earnings (Loss) from Discontinued Operations	
	2011	2010	2011	2010	2011	2010
EMSC	-	\$ 36	-	-	-	\$ 36
Husky International	-	20	(6)	-	(6)	20
Total	-	\$ 56	(6)	-	(6)	\$ 56

Discontinued Operations for the Nine-Month Period Ended September 30

	After-tax Earnings		Gain on Sale, Net of Tax		Earnings from Discontinued Operations	
	2011	2010	2011	2010	2011	2010
EMSC	\$ 47	\$ 92	\$ 559	-	\$ 606	\$ 92
Husky International	22	22	1,087	-	1,109	22
Total	\$ 69	\$ 114	\$ 1,646	-	\$ 1,715	\$ 114

EMSC

In May 2011, the Onex Partners I Group completed the sale of its remaining 13.7 million shares of EMSC for net proceeds of \$878 million, of which Onex' share was \$342 million, including carried interest and excluding distributions paid on account of the MIP. Included in Onex' unaudited interim consolidated results for the nine months ended September 30, 2011 is a pre-tax gain of \$600 million, which is entirely attributable to the equity holders of Onex. This gain includes the portion attributable to Onex' investment as well as that of the limited partners of Onex Partners I. The effect of this is to recover the charges to earnings for the fair value increases on EMSC allocated to the limited partners in prior periods. Onex, the parent company, has recorded a deferred tax provision of \$41 million on the gain.

Husky International

In June 2011, the Onex Partners I Group and Onex Partners II Group completed the sale of Husky International, receiving net proceeds of \$1.7 billion, of which Onex' share was \$583 million, including carried interest and excluding distributions paid on account of the MIP. The carried interest realized on Onex Partners II's sale of Husky International was voluntarily reduced by \$88 million (Onex' share of the reduction was \$35 million) at the request of Onex. In addition to the cash proceeds received on the sale, there was

approximately \$60 million of additional amounts held in escrow and other items (Onex' share was \$19 million, excluding carried interest). During the third quarter of 2011, \$38 million of additional amounts were received, of which Onex' share was \$18 million, including carried interest of \$6 million and excluding distributions paid on account of the MIP. The escrow amount was also reduced by \$5 million for taxes owing in respect of taxable periods up to the closing date. At September 30, 2011, \$18 million remains receivable for escrow amounts and other items and is expected to be received in four years, of which Onex' share is \$6 million, excluding carried interest. Onex' unaudited interim consolidated results include a pre-tax gain of \$1.1 billion, which is entirely attributable to the equity holders of Onex. This gain includes the portion attributable to Onex' investment as well as that of the limited partners of Onex Partners I and Onex Partners II. The effect of this is to recover the charges to earnings for the fair value increases on Husky International allocated to the limited partners in the current and prior periods. Onex, the parent company, has recorded a non-cash tax provision of \$50 million on the gain.

Note 3 to the unaudited interim consolidated financial statements provides additional information on the earnings (loss) from discontinued operations.

Consolidated net earnings

Onex recorded consolidated net earnings of \$184 million in the third quarter of 2011 compared to consolidated net earnings of \$35 million in the same quarter of 2010. Consolidated net earnings of \$1.7 billion were reported for the nine months ended September 30, 2011 compared to \$201 million of net earnings for the first nine months of 2010. Table 10 shows the net earnings (loss) by industry segment for the three and nine months ended September 30, 2011 and 2010.

Consolidated Net Earnings (Loss) by Industry Segment

TABLE 10 (Unaudited) (\$ millions)	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Net earnings (loss) from continuing operations:				
Electronics Manufacturing Services	\$ 51	\$ 21	\$ 126	\$ 63
Aerostructures	76	53	165	180
Healthcare	(119)	24	(128)	53
Financial Services	24	25	80	80
Customer Care Services	(20)	9	(37)	(33)
Metal Services	10	(2)	21	2
Other ^(a)	168	(151)	(201)	(258)
Earnings (loss) from discontinued operations	(6)	56	1,715	114
Consolidated Net Earnings	\$ 184	\$ 35	\$ 1,741	\$ 201

(a) 2011 other includes the consolidated earnings of Tropicana Las Vegas, ONCAP II, ONCAP III, Flushing Town Center and the parent company. In addition, consolidated earnings include the changes in fair value of Allison Transmission, Hawker Beechcraft, Tomkins, RSI and certain Onex Real Estate Partners investments. 2010 other includes the consolidated earnings of Tropicana Las Vegas, ONCAP II, Flushing Town Center and the parent company. In addition, consolidated earnings include the changes in fair value of Allison Transmission, Hawker Beechcraft, Tomkins, RSI and certain Onex Real Estate Partners investments.

Table 11 presents the net earnings (loss) attributable to equity holders of Onex Corporation and non-controlling interests.

Net Earnings

TABLE 11 (Unaudited) (\$ millions)	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Net earnings (loss) attributable to:				
Equity holders of Onex Corporation	\$ 146	\$ (40)	\$ 1,513	\$ (47)
Non-controlling interests	38	75	228	248
Net Earnings	\$ 184	\$ 35	\$ 1,741	\$ 201

Onex' reported net earnings (loss) attributable to equity holders of Onex Corporation includes the share of earnings (loss) of Onex, the parent company, and its limited partners in its controlled operating companies. For example, Onex' consolidated 2011 third-quarter net earnings include 92 percent of the net earnings of The Warranty Group, which represents Onex' and its limited partners' ownership interest in that business. Previously under Canadian GAAP, Onex' net earnings would have included 29 percent of The Warranty Group's net earnings, which represents only Onex', the parent company's, ownership interest in The Warranty Group.

The net earnings attributable to the equity holders of Onex Corporation for the nine months ended September 30, 2011 include an after-tax gain of \$1.6 billion on the sales of EMSC and Husky International. Under IFRS, gains

realized on the sales of investments no longer controlled are entirely attributable to the equity holders of Onex as the interests of the limited partners were recorded as a financial liability at fair value. During the holding period of the investments, the increase in the fair value of Limited Partners' Interests related to EMSC and Husky International resulted in an increase in the Limited Partners' Interests liability with a corresponding charge in the consolidated statements of earnings. Upon disposition, current and prior period charges associated with the investments in EMSC and Husky International were effectively recovered by Onex, the parent company, through the gain recognized on the sales. The net impact to Onex', the parent company's, retained earnings after the sales represents its share of the net gains on its investments in EMSC and Husky International.

Table 12 presents the net earnings (loss) per subordinate voting share of Onex Corporation.

Earnings (Loss) per Subordinate Voting Share

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Basic and Diluted:				
Continuing operations	\$ 1.29	\$ (0.60)	\$ (1.43)	\$ (0.81)
Discontinued operations	(0.04)	0.26	14.25	0.42
Net Earnings (Loss)	\$ 1.25	\$ (0.34)	\$ 12.82	\$ (0.39)

Other comprehensive earnings (loss)

Other comprehensive earnings (loss) represents the accumulated unrealized gains or losses, all net of income taxes, related to certain available-for-sale securities, cash flow hedges and foreign exchange gains or losses on foreign self-sustaining operations. During the three months ended September 30, 2011, Onex reported an other comprehensive loss of \$98 million, primarily from unfavourable currency translation adjustments on foreign operations. This compares to other comprehensive earnings of \$130 million in the same period of 2010, primarily from \$84 million of favourable

currency translation adjustments on foreign operations and the recognition of \$23 million of accumulated other comprehensive income from discontinued operations.

During the first nine months of 2011, other comprehensive loss was \$54 million compared to earnings of \$16 million in the same period of 2010 largely due to unfavourable currency translation adjustments on foreign operations of \$34 million in the first nine months of 2011 compared to unfavourable currency translation adjustments on foreign operations of \$5 million in the same period last year.

SUMMARY QUARTERLY INFORMATION

Table 13 summarizes Onex' key consolidated financial information for the last eight quarters.

TABLE 13	(Unaudited) (\$ millions except per share amounts)			2011				2010				2009 ⁽¹⁾
				Sept.	June	March	Dec.	Sept.	June	March	Dec.	Dec. ⁽¹⁾
Revenues	\$ 6,008	\$ 6,229	\$ 5,647	\$ 5,402	\$ 4,788	\$ 4,894	\$ 4,650	\$ 5,175				
Earnings (loss) from continuing operations	\$ 190	\$ 105	\$ (269)	\$ (98)	\$ (21)	\$ 143	\$ (35)	\$ 33				
Net earnings (loss)	\$ 184	\$ 1,761	\$ (204)	\$ (4)	\$ 35	\$ 174	\$ (8)	\$ 40				
Net earnings (loss) attributable to												
Equity holders of Onex Corporation	\$ 146	\$ 1,666	\$ (299)	\$ (120)	\$ (40)	\$ 100	\$ (107)					
Non-controlling Interests	38	95	95	116	75	74	99					
Net earnings (loss)	\$ 184	\$ 1,761	\$ (204)	\$ (4)	\$ 35	\$ 174	\$ (8)					
Earnings (loss) per Subordinate Voting Share of Onex Corporation												
Earnings (loss) from continuing operations	\$ 1.29	\$ 0.15	\$ (2.87)	\$ (1.56)	\$ (0.60)	\$ 0.71	\$ (0.93)	\$ 0.27				
Earnings (loss) from discontinued operations	(0.04)	13.94	0.34	0.55	0.26	0.12	0.04	0.06				
Net earnings (loss)	\$ 1.25	\$ 14.09	\$ (2.53)	\$ (1.01)	\$ (0.34)	\$ 0.83	\$ (0.89)	\$ 0.33				

(1) 2009 results are reported in Canadian dollars and in accordance with Canadian GAAP.

Onex' quarterly consolidated financial results do not follow any specific trends due to the acquisitions or dispositions of businesses by Onex, the parent company, and varying business activities and cycles at Onex' operating companies.

CONSOLIDATED FINANCIAL POSITION

Consolidated assets

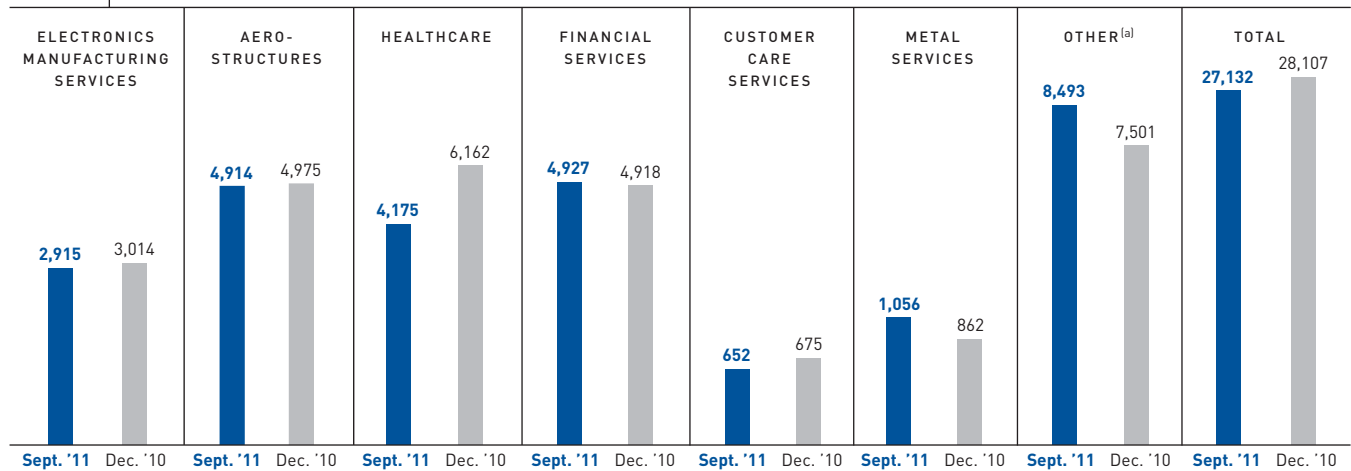
Consolidated assets totalled \$27.1 billion at September 30, 2011 compared to \$28.1 billion at December 31, 2010. Onex' consolidated assets at September 30, 2011 decreased from December 31, 2010 due to:

- the May 2011 sale by the Onex Partners I Group of its remaining shares in EMSC, which decreased assets by \$1.5 billion, net of the \$342 million of cash received by Onex; and
- the June 2011 sale of Husky International by the Onex Partners I Group and Onex Partners II Group, which contributed approximately \$795 million of the decline in assets, net of the \$601 million of cash received by Onex.

Partially offsetting the decrease was an increase in assets of \$628 million from ONCAP's acquisitions of Pinnacle Renewable Energy Group, Casino ABS and Hopkins during the first nine months of 2011. In addition, there was an increase in restricted cash of \$562 million for the contributions received from the limited partners of Onex Partners III for the investment in JELD-WEN, which was completed in early October 2011.

Asset Diversification by Industry Segment

CHART 1 | (Unaudited) (\$ millions)



(a) September 30, 2011 other includes the consolidated operations of Flushing Town Center, ONCAP II, ONCAP III, Tropicana Las Vegas and the parent company. In addition, the consolidated assets include the investments in Allison Transmission, Hawker Beechcraft, RSI, certain Onex Real Estate Partners investments and Tomkins at fair value. December 31, 2010 includes the consolidated operations of Flushing Town Center, Husky International, ONCAP II, Tropicana Las Vegas and the parent company. In addition, the consolidated assets include the investments in Allison Transmission, Hawker Beechcraft, RSI, certain Onex Real Estate Partners investments and Tomkins at fair value.

Consolidated long-term debt, without recourse to Onex

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

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

Total long-term debt (consisting of the current and long-term portions of long-term debt, net of financing charges) was \$6.4 billion at September 30, 2011 compared to \$6.6 billion at December 31, 2010.

In February 2011, Carestream Health entered into a new credit facility. This new facility included a \$1.85 billion senior secured term loan that matures in February 2017 and a \$150 million senior revolving facility that matures in February 2016. Substantially all of Carestream Health's assets are pledged as collateral under the term loan. The proceeds of the new facility were used primarily to repay and terminate the previous credit facilities and pay a \$200 million distribution to shareholders. The Onex Partners II Group's share of the \$200 million distribution was \$197 million, of which Onex' share was \$78 million. In August 2011, Carestream Health repurchased \$35 million of its senior secured term loan for a cash cost of \$30 million. As a result, a net pre-tax gain of \$4 million was recognized in other items during the third quarter of 2011. At September 30, 2011, \$1.8 billion and nil were outstanding under the senior secured term loan and senior revolving facility, respectively.

In May 2011, CDI entered into a new credit agreement. The new agreement included a \$95 million term loan as well as a \$25 million revolving credit facility, both maturing in May 2016. The proceeds from the new term loan were used to repay the amounts outstanding under the former term loan and revolving credit facility and to pay a distribution to shareholders. The Onex Partners I Group's share of the \$67 million CDI distribution was \$54 million, of which

Onex' share was \$13 million. At September 30, 2011, \$95 million and nil were outstanding under the term loan and revolving credit facility, respectively.

During the second quarter of 2011, Sitel Worldwide amended its credit facility that governs its term loan and revolving credit facility. The amendments included extending the maturity date on \$228 million, or 64 percent, of its term loan from January 2014 to January 2017 and extending the maturity date on \$31 million, or 36 percent, of commitments on its revolving credit facility from January 2013 to January 2016. The credit agreement also

included amendments to lessen restrictions on certain covenant levels. At September 30, 2011, \$355 million and \$26 million were outstanding under the term loan and revolving credit facility, respectively.

Table 14 details the aggregate debt maturities for Onex' consolidated operating companies and investments in associates for each of the years up to 2017 and in total thereafter. As investments in associates are included in the table, the total amount is in excess of the reported consolidated debt. As the following table illustrates, most of the maturities occur in 2014 and thereafter.

Debt Maturity Amounts by Year

	2011	2012	2013	2014	2015	2016	2017	Thereafter	Total
Consolidated operating companies ^(a)	\$ 75	\$ 371	\$ 920	\$ 600	\$ 370	\$ 1,332	\$ 2,337	\$ 842	\$ 6,847
Investments in associates	111	118	93	4,006	1,244	1,475	145	1,506	8,698
Total	\$ 186	\$ 489	\$ 1,013	\$ 4,606	\$ 1,614	\$ 2,807	\$ 2,482	\$ 2,348	\$ 15,545

(a) Includes debt amounts of subsidiaries held by Onex, the parent company, and are gross of financing fees.

Limited Partners' Interests

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

At September 30, 2011, Limited Partners' Interests liability totalled \$4.7 billion compared to \$5.7 billion at December 31, 2010. Table 15 shows the change in Limited Partners' Interests from January 1, 2010 to September 30, 2011.

Limited Partners' Interests

Balance – January 1, 2010	\$ 3,708
Limited Partners' Interests charge	831
Contributions by Limited Partners	1,451
Distributions to Limited Partners	(340)
Balance – December 31, 2010	5,650
Limited Partners' Interests charge	431
Contributions by Limited Partners	788
Distributions to Limited Partners	(2,139)
Balance – September 30, 2011	\$ 4,730

The Limited Partners' Interests liability increased by \$788 million for contributions made in the nine months ending September 30, 2011, which consisted primarily of amounts received from (i) the limited partners of ONCAP II for their investments in Pinnacle Renewable Energy Group and Casino ABS, (ii) the limited partners of ONCAP III for their investment in Hopkins, (iii) the limited partners of Onex Partners III for their investment in Tropicana Las Vegas, (iv) the limited partners of Onex Partners III to fund the investment in JELD-WEN, which was completed in early October 2011, and (v) the limited partners of the Onex Partners and ONCAP Funds for management fees and partnership expenses. Included in the contributions for the year ended December 31, 2010 was \$1.5 billion primarily from the limited partners of Onex Partners III for their investments in Tomkins and ResCare.

During the first nine months of 2011, the Limited Partners' Interests liability was reduced for \$2.1 billion of distributions primarily to the limited partners of the Onex Partners Funds.

Onex Partners I distributed \$904 million to its limited partners for their portion of the proceeds from (i) the EMSC sale, (ii) the secondary offering of Spirit AeroSystems, (iii) the distribution from CDI, and (iv) the sale of Husky International.

Onex Partners II distributed \$1.0 billion to its limited partners for their portion of (i) the proceeds on the sale of a portion of the shares in the TMS International initial public offering and the repayment of the Series 2008 Promissory Notes, (ii) the proceeds from the sale of Husky International, (iii) the \$197 million distribution received by the Fund from Carestream Health in the first quarter of 2011, and (iv) the dividends and return of capital received from certain operating companies in late 2010 as discussed in Onex' December 31, 2010 annual MD&A.

Onex Partners III distributed \$190 million to its limited partners for their portion of a return of capital received from ResCare.

The \$340 million of distributions that reduced the Limited Partners' Interests liability for the year ended December 31, 2010 were comprised primarily of the dividend paid by Husky International, proceeds received on the sale of a portion of Tomkins to co-investors, and proceeds received on ONCAP II's sale of CSI Global Education.

At September 30, 2011, the total unrealized carried interest netted against the Limited Partners' Interests on Onex' unaudited interim consolidated balance sheet was \$240 million, of which Onex' share was \$89 million.

The Limited Partners' Interests charge of \$431 million recorded for the first nine months of 2011 is discussed in detail on page 31 of this interim MD&A.

Equity

Total equity was \$5.6 billion at September 30, 2011 compared to \$4.1 billion at December 31, 2010. Table 16 provides a reconciliation of the change in equity from December 31, 2010 to September 30, 2011.

Change in Equity

TABLE 16 | (Unaudited) (\$ millions)

Balance – December 31, 2010	\$ 4,142
Regular dividends declared	(10)
Shares repurchased and cancelled	(61)
Investments by shareholders other than Onex	309
Distributions to non-controlling interests	(16)
Repurchase of shares of operating companies	(52)
Sale of investments in operating companies under continuing control	259
Non-controlling interests on sale of investments in operating companies	(666)
Net earnings for the period	1,741
Other comprehensive loss for 2011	(54)
Equity as at September 30, 2011	\$ 5,592

Investments by shareholders other than Onex

Onex recorded an increase in equity of \$309 million during the nine months ended September 30, 2011 due to an increase in investments by shareholders other than Onex. The increase was due primarily to the investment by public shareholders in TMS International on the issuance of new common shares in the initial public offering. Also contributing to the increase in investments by shareholders other than Onex was the acquisition of Pinnacle Renewable Energy Group, of which there are existing investors other than the ONCAP II Group that have an approximate 40 percent equity ownership.

Sale of investments in operating companies under continuing control

During the nine months ended September 30, 2011, Onex recorded an equity increase of \$259 million as a result of the sale of investments in operating companies under continuing control. Under IFRS, dispositions of investments that do not result in a loss of control of the investment are recorded as a transfer of equity to non-controlling interests holders. The amount transferred to non-controlling interests holders is equivalent to Onex' historical accounting carrying value attributable to the portion of the investment that was sold. The excess of proceeds received over the value of the transfer of equity to the non-controlling interests holders is recorded directly to retained earnings as an increase in equity.

During the second quarter of 2011, the Onex Partners I Group sold a portion of its ownership interest in Spirit AeroSystems' secondary offering. This sale did not result in a loss of control of Spirit AeroSystems by Onex. Therefore, of the \$245 million net proceeds received in this offering, \$136 million was transferred to non-controlling interests, representing the historical accounting carrying value attributable to the portion of the investment sold, with the remaining \$109 million of proceeds in excess of the historical accounting carrying value recorded directly in retained earnings. The excess proceeds recorded directly to retained earnings from the sale of shares have been partially offset by a \$9 million deferred tax provision recorded by Onex, the parent company, on the transaction.

In April 2011, the Onex Partners II Group participated in the initial public offering of TMS International by selling approximately 1.9 million shares. After giving effect to the offering, Onex continues to control TMS International. Net proceeds received by the Onex Partners II Group totalled \$23 million, of which \$4 million was transferred to non-controlling interests representing the historical accounting carrying value sold, with the difference of \$19 million being recorded directly to retained earnings.

Non-controlling interests on sale of investments in operating companies

Onex recorded a decrease in equity of \$666 million during the first nine months of 2011 related primarily to non-controlling interests in EMSC. Under IFRS, non-controlling interests represent the ownership interests of shareholders, other than Onex and its third-party limited partners, in the Onex Partners and ONCAP Funds, in Onex' controlled operating companies. Prior to the sale of EMSC, Onex' equity balance included the ownership interests of EMSC's public shareholders as non-controlling interests. Due to the May 2011 sale by the Onex Partners I Group of its remaining shares in EMSC, the non-controlling interests attributable to EMSC have been removed from equity since the sale resulted in a loss of control of the investment.

Onex' unaudited interim consolidated statements of equity and unaudited interim consolidated statements of comprehensive earnings also show the changes to the components of equity for the nine months ended September 30, 2011 and 2010.

Shares outstanding

At October 31, 2011, Onex had 115,530,204 Subordinate Voting Shares issued and outstanding. Table 17 shows the change in the number of Subordinate Voting Shares outstanding from December 31, 2010 to October 31, 2011.

Change in Subordinate Voting Shares Outstanding

TABLE 17 (Unaudited)	
Subordinate Voting Shares outstanding	
at December 31, 2010	118,279,783
Shares repurchased under Onex'	
Normal Course Issuer Bid	(2,752,408)
Issue of shares – Dividend Reinvestment Plan	2,829
Subordinate Voting Shares outstanding	
at October 31, 2011	115,530,204

Onex also has 100,000 Multiple Voting Shares outstanding, which have a nominal paid-in value reflected in Onex' unaudited interim consolidated financial statements. Note 7 to the unaudited interim consolidated financial statements provides additional information on Onex' share capital. There was no change in the Multiple Voting Shares outstanding during the first nine months of 2011.

Dividend Reinvestment Plan

Onex' Dividend Reinvestment Plan enables Canadian shareholders to reinvest cash dividends to acquire new Subordinate Voting Shares of Onex at a market-related price at the time of reinvestment. During the period from January 1, 2011 to October 31, 2011, Onex issued 2,829 Subordinate Voting Shares at an average cost of C\$34.13 per Subordinate Voting Share, creating a cash savings of less than C\$1 million.

Stock Option Plan

At September 30, 2011, Onex had 13,699,148 options outstanding to acquire Subordinate Voting Shares, of which 11,589,198 options were vested and 10,967,615 of those vested options were exercisable. During the third quarter of 2011, 12,810 options were surrendered for aggregate cash consideration of less than C\$1 million and 417 options expired. During the first nine months of 2011, 225,585 options were surrendered at a weighted average exercise price of C\$19.39 for aggregate cash consideration of C\$4 million and 34,867 options expired. In addition, during the first nine months of 2011, 70,000 options were issued, of which 10,000 were issued in the second quarter at an exercise price of C\$37.31 and 60,000 were issued during the third quarter at an exercise price of C\$37.37.

Normal Course Issuer Bids

Onex had Normal Course Issuer Bids (the "Bids") in place during 2011 that enable it to repurchase up to 10 percent of its public float of Subordinate Voting Shares during the period of the relevant Bid. Onex believes that it is advantageous to Onex and its shareholders to continue to repurchase Onex' Subordinate Voting Shares from time to time when the Subordinate Voting Shares are trading at prices that reflect a significant discount to their intrinsic value.

On April 14, 2011, Onex renewed its Normal Course Issuer Bid ("NCIB") following the expiry of its previous NCIB on April 13, 2011. Under the new NCIB, Onex is permitted to purchase up to 10 percent of its public float in

its Subordinate Voting Shares, or 9,114,853 Subordinate Voting Shares. Onex may purchase up to 37,196 Subordinate Voting Shares during any trading day, being 25 percent of its average daily trading volume for the six-month period ended March 31, 2011. Onex may also purchase Subordinate Voting Shares from time to time under the Toronto Stock Exchange's block purchase exemption, if available, under the new NCIB. The new NCIB commenced on April 14, 2011 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 13, 2012. A copy of the Notice of Intention to make the Normal Course Issuer Bid filed with the Toronto Stock Exchange is available at no charge to shareholders by contacting Onex.

Under the previous NCIB that expired on April 13, 2011, Onex repurchased 1,941,450 Subordinate Voting Shares at a total cost of C\$50 million, or an average purchase price of C\$25.50 per share. The share repurchases in the third quarter of 2011 totalled 1,462,036 shares at an average purchase price of C\$33.36 per share, for a total cost of \$49 million (C\$49 million). For the 10-month period ended October 31, 2011, Onex repurchased 2,752,408 Subordinate Voting Shares under its Normal Course Issuer Bid for a total cost of \$92 million (C\$92 million), or at an average cost per share of C\$33.40.

Deferred Share Unit Plans

During the second quarter of 2011, 40,000 Deferred Share Units ("DSUs") were issued to directors having an aggregate value, at the date of grant, of \$1 million in lieu of that amount of cash compensation for directors' fees. At September 30, 2011, there were 441,976 Director DSUs outstanding.

In January 2011, Onex issued 47,477 Management Deferred Share Units ("MDSUs") to management having an aggregate value, at the date of grant, of \$2 million in lieu of that amount of cash compensation for the Company's 2010 fiscal year. At September 30, 2011, there were 442,770 MDSUs outstanding. Forward agreements were entered into to hedge Onex' exposure to changes in the value of the MDSUs.

Management of capital

Onex considers the capital it manages to be the amounts it has in cash and cash equivalents and near-cash investments, and the investments made by it in the operating businesses, Onex Real Estate Partners and Onex Credit Partners. Onex also manages the third-party capital invested in the Onex Partners and ONCAP Funds. Onex' objectives in managing capital are to:

- preserve a financially strong parent company with appropriate liquidity and no, or a limited amount of, debt so that it has funds available to pursue new acquisitions and growth opportunities, as well as support the building of its existing businesses. Onex does not generally have the ability to draw cash from its operating businesses. Accordingly, maintaining adequate liquidity at the parent company is important;
- achieve an appropriate return on capital invested commensurate with the level of risk taken on;
- build the long-term value of its operating businesses;
- control the risk associated with capital invested in any particular business or activity. All debt financing is within the operating businesses and each company is required to support its own debt. Onex does not guarantee the debt of the operating businesses and there are no cross-guarantees of debt between the operating businesses; and
- have appropriate levels of committed third-party capital available to invest along with Onex' capital. This enables Onex to respond quickly to opportunities and pursue acquisitions of businesses of a size it could not achieve using only its own capital. The management of third-party capital also provides management fees to Onex and the ability to enhance Onex' returns by earning a carried interest on the profits of third-party participants.

At September 30, 2011, Onex, the parent company, had approximately \$1.0 billion of cash on hand and \$307 million of near-cash items at market value. In addition, Onex had \$298 million of restricted cash, which was used to fund its share of the investment in JELD-WEN in early October 2011.

Onex, the parent company, has a conservative cash management policy that limits its cash investments to short-term high-rated money market instruments. This policy is driven toward maintaining liquidity and preserving principal in all money market investments.

At September 30, 2011, Onex had access to \$2.9 billion of uncalled committed third-party capital for acquisitions through the Onex Partners and ONCAP Funds after giving effect to the investment in JELD-WEN. This includes approximately \$2.0 billion of committed third-party capital for Onex Partners III and C\$562 million for ONCAP III. The strategy for risk management of capital did not change in the first nine months of 2011.

Non-controlling interests

Non-controlling interests in equity in Onex' unaudited interim consolidated balance sheet as at September 30, 2011 primarily represent the ownership interests of shareholders, other than Onex and its third-party limited partners in its Funds, in Onex' controlled operating companies. At September 30, 2011, the non-controlling interests balance decreased to \$3.5 billion from \$3.6 billion at December 31, 2010. The decrease was primarily due to the sale of EMSC, which resulted in a decrease of \$642 million to the non-controlling interests balance. The decrease was partially offset by:

- \$136 million related to the sale of a portion of the shares of Spirit AeroSystems held by the Onex Partners I Group, which resulted in the transfer of a portion of the ownership interests in the company to public shareholders;
- \$157 million from the initial public offering of TMS International due to the issuance of new common shares by TMS International to public shareholders;
- \$62 million due to the acquisition of Pinnacle Renewable Energy Group during the second quarter of 2011; and
- \$206 million of comprehensive earnings attributable to non-controlling interests for the first nine months of 2011.

LIQUIDITY AND CAPITAL RESOURCES

This section should be read in conjunction with the unaudited interim consolidated statements of cash flows and the corresponding notes thereto. Table 18 summarizes the major consolidated cash flow components for the first nine months of 2011 and 2010.

Major Cash Flow Components

TABLE 18	<i>(Unaudited) (\$ millions)</i>	
	Nine months ended September 30	
	2011	2010
Cash from operating activities	\$ 481	\$ 664
Cash from (used in) financing activities	\$ (957)	\$ 178
Cash from (used in) investing activities	\$ 128	\$(1,870)
Consolidated cash and cash equivalents held by continuing operations	\$ 2,179	\$ 1,546

Cash from operating activities

Table 19 provides a breakdown of cash from operating activities by cash generated from operations and changes in non-cash working capital items, other operating activities, warranty reserves and premiums and cash flows from operating activities of discontinued operations for the nine months ended September 30, 2011 and 2010.

Components of Cash from (used in) Operating Activities

TABLE 19	(Unaudited) (\$ millions)	
	Nine months ended September 30	
	2011	2010
Cash generated from operations	\$ 1,239	\$ 1,283
Changes in non-cash working capital items:		
Accounts receivable	(129)	(149)
Inventories	(243)	(480)
Other current assets	7	(45)
Accounts payable, accrued liabilities and other current liabilities	(501)	(252)
Decrease in cash due to changes in non-cash working capital items	(866)	(926)
Increase (decrease) in other operating activities, warranty reserves and premiums	8	(37)
Cash flows from operating activities of discontinued operations	100	344
Cash from Operating Activities	\$ 481	\$ 664

Cash generated from operations includes net earnings before interest and provisions for income taxes adjusted for items not affecting cash and cash equivalents.

The significant changes in non-cash working capital items in the nine months ended September 30, 2011 were:

- a \$129 million overall increase in accounts receivable due in part to higher revenues at Spirit AeroSystems and TMS International, partially offset by a sale of accounts receivable at Celestica;
- a \$243 million increase in inventory driven primarily by higher inventory balances at Spirit AeroSystems and Celestica to support new programs; and
- a \$501 million decrease in accounts payable, accrued liabilities and other current liabilities due in part to a settlement with Boeing, which allowed for the recognition of deferred revenue and customer advances at Spirit AeroSystems. Payments for inventory and variable compensation at Celestica were also factors that reduced accounts payable.

Cash from operating activities also included \$100 million of cash flows from operating activities of discontinued operations, which represents the cash from operating activities of EMSC and Husky International.

Cash from (used in) financing activities

Cash used in financing activities was \$957 million for the first nine months of 2011 compared to cash from financing activities of \$178 million for the same period of 2010. The cash used in financing activities in the nine months ended September 30, 2011 included \$2.2 billion of distributions primarily to the limited partners of the Onex Partners Funds (as discussed under Limited Partners' Interests on page 31 of this report) and \$295 million of cash interest paid.

Partially offsetting these were:

- \$788 million of contributions provided primarily by the limited partners of Onex Partners III, Onex management and certain other limited partners for the investment in JELD-WEN;
- a \$272 million change in restricted cash that was distributed to the limited partners;
- \$268 million of proceeds from the sales of a portion of the shares of Spirit AeroSystems and TMS International; and
- net new debt of \$229 million primarily at CDI, EnGlobe, Tropicana Las Vegas, Sitel Worldwide and Flushing Town Center.

For the nine months ended September 30, 2010, cash from financing activities was \$178 million. Included in cash from financing activities for the nine months ended September 30, 2010 was:

- \$849 million of cash received primarily from the limited partners of Onex Partners III, Onex management and certain other limited partners for the investment in Tomkins completed in the third quarter of 2010 and the second Tropicana Las Vegas rights offering completed in the second quarter of 2010.

Substantially offsetting this were:

- \$232 million of cash used by Celestica to repurchase its remaining 2013 senior subordinated notes; and
- \$127 million of distributions primarily to the limited partners of the Onex Partners Funds for the distributions made by TMS International, Carestream Health and Husky International.

Cash from (used in) investing activities

Cash from investing activities totalled \$128 million for the nine months ended September 30, 2011 compared to cash used in investing activities of \$1.9 billion for the same period of 2010. Cash from investing activities was primarily due to cash flows from discontinued operations of \$2.0 billion related to the sales of EMSC and Husky International. This was partially offset by (i) \$298 million used to fund acquisitions primarily completed by ONCAP and Celestica, (ii) \$439 million for purchases of property, plant and equipment at Onex' operating companies, (iii) \$860 million of restricted cash for the investment in JELD-WEN, and (iv) \$316 million of other investing activities consisting primarily of an additional investment in Onex Credit Partners of \$150 million and a \$111 million net change in securities and short-term investments at The Warranty Group.

Cash used in investing activities totalled \$1.9 billion for the nine months ended September 30, 2010 and consisted primarily of (i) \$203 million on acquisitions by Carestream Health, EMSC, Skilled Healthcare Group, Celestica and the ONCAP II Group's acquisition of BSN SPORTS, (ii) cash expenditures of \$460 million for property, plant and equipment by Onex' operating companies, and (iii) a cash investment of \$1.1 billion by the Onex Partners III Group in Tomkins.

Consolidated cash resources

At September 30, 2011, consolidated cash held by continuing operations was \$2.2 billion compared to \$2.1 billion at December 31, 2010. The major components of consolidated cash at September 30, 2011 were:

- approximately \$1.0 billion of cash on hand at Onex, the parent company, excluding \$298 million held in restricted cash, which was used to fund Onex' investment in JELD-WEN in early October 2011; and
- approximately \$585 million of cash at Celestica.

Onex believes that maintaining a strong financial position at the parent company with appropriate liquidity enables the Company to pursue new opportunities to create long-term value and support Onex' existing operating companies. In addition to the approximate \$1.0 billion of cash at the parent company at September 30, 2011, there was approximately \$307 million of near-cash items that are investments in a segregated unleveraged fund managed

by Onex Credit Partners. Onex increased its investment in the fund by \$150 million during the third quarter of 2011. The investments are focused on liquid senior debt securities. Table 20 provides a reconciliation of the change in cash at Onex, the parent company, from June 30, 2011 to September 30, 2011.

Change in Cash at Onex, the Parent Company

TABLE 20 | (Unaudited) (\$ millions)

Cash on hand at June 30, 2011	\$ 1,460
Management fees received	38
Proceeds from Limited Partners' share of Hopkins investment	31
Proceeds on Husky International sale	18
Investment in JELD-WEN ^(a)	(298)
Additional investment in Onex Credit Partners	(150)
Onex share repurchases	(45)
Investments in Onex Real Estate Partners	(32)
Other, net, including dividends	(28)
<hr/>	
Cash on hand at September 30, 2011	\$ 994

(a) Included in restricted cash at September 30, 2011 for funding of Onex' share of the investment in JELD-WEN in early October 2011.

RECENT OR PENDING TRANSACTIONS

Investment in JELD-WEN

In early October 2011, the Onex Partners III Group acquired a controlling interest in JELD-WEN. JELD-WEN is one of the world's largest manufacturers of interior and exterior doors, windows and related products for use primarily in the residential and light commercial new construction and remodelling markets. The investment in JELD-WEN totalled \$871 million and was made up of \$689 million from Onex Partners III and \$182 million from Onex and certain other limited partners. The total investment in JELD-WEN consists of \$700 million of convertible preferred stock for a 57 percent equity ownership interest and a \$171 million convertible note. The convertible note may be redeemed within 18 months with proceeds from the sale of certain non-core assets and, if not redeemed, will convert into additional convertible preferred stock. Onex' initial investment in JELD-WEN was made up of \$240 million for convertible preferred stock for a 20 percent equity ownership interest in

JELD-WEN and \$58 million of the convertible note. Of Onex' total investment of \$298 million, Onex funded \$124 million through Onex Partners III and \$174 million as a co-investor in JELD-WEN. Onex intends to offer a portion of the co-investment to its third-party limited partners.

In October 2011, JELD-WEN redeemed \$42 million of the convertible note and interest accrued to the redemption date, of which Onex' share was \$14 million.

Private equity funds

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

Table 21 provides a summary of the remaining commitments available from third-party limited partners for future Onex-sponsored acquisitions in the Onex Partners and ONCAP Funds as of September 30, 2011.

Private Equity Funds Uncalled Third-party Committed Capital

TABLE 21	(Unaudited) (\$ millions)	Available Uncalled Committed Capital (excluding Onex) ^(a)
Onex Partners I		\$ 75
Onex Partners II		\$ 248
Onex Partners III ^(b)		\$ 1,999
ONCAP II		C\$ 4
ONCAP III		C\$ 562

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

(b) Onex Partners III committed capital is shown net of amounts called for the early October 2011 investment in JELD-WEN.

The committed amounts by the third-party limited partners are not included in Onex' consolidated cash and will be funded as acquisitions are made.

Onex' commitment to the Funds

Onex, the parent company, is the largest limited partner in the Onex Partners and ONCAP Funds. Table 22 presents the commitment and uncalled committed capital of Onex, the parent company, in these Funds at September 30, 2011:

TABLE 22	(Unaudited) (\$ millions)	Fund Size	Onex' Commit- ment	Uncalled Committed Capital
Onex Partners I		\$ 1,655	\$ 400	\$ 23
Onex Partners II		\$ 3,450	\$ 1,407	\$ 163
Onex Partners III ^(a)		\$ 4,300	\$ 800	\$ 437
ONCAP II		C\$ 574	C\$ 252	C\$ 4
ONCAP III ^(b)		C\$ 800	C\$ 252	C\$ 237

(a) Onex Partners III committed capital is shown net of amounts called for the early October 2011 investment in JELD-WEN.

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

Carried interest

The General Partners of the Onex Partners Funds, which are controlled by Onex, are entitled to a carried interest (20 percent) on the realized gains of third-party limited partners in each Fund, subject to an 8 percent compound annual preferred return to those limited partners on all amounts contributed in each particular Fund. Onex, as sponsor of the Onex Partners Funds, is entitled to 40 percent of the carried interest and the Onex management team is entitled to 60 percent. Under the terms of the partnership agreements, Onex may receive carried interest as realizations occur. The ultimate amount of carried interest earned will be based on the overall performance of each of Onex Partners I, II and III, independently, and includes typical catch-up and claw-back provisions within each Fund, but not between Funds.

Table 23 shows the amount of carried interest received by Onex, the parent company, by year.

Carried Interest

TABLE 23	(Unaudited) (US\$ millions)	Carried Interest Received
Carried interest – 2003		\$ 1
Carried interest – 2004		4
Carried interest – 2005		16
Carried interest – 2006		55
Carried interest – 2007		77
Carried interest – 2008		–
Carried interest – 2009		19
Carried interest – 2010		–
Carried interest – 2011		65
Total		\$ 237

During the nine months ended September 30, 2011, Onex, the parent company, realized carried interest as follows:

- \$9 million on the sale of a portion of the shares of Spirit AeroSystems by Onex Partners I in the secondary offering completed by the company during the second quarter;
- \$32 million on the sale of the remaining shares of EMSC by Onex Partners I;
- \$1 million from Onex Partners II as a result of the initial public offering of TMS International and the redemption of TMS International's Series 2008 Promissory Notes in April 2011;
- \$17 million during the second quarter of 2011, from the sale of Husky International by the limited partners of Onex Partners I (\$14 million) and Onex Partners II (\$3 million). The amount of carried interest earned by Onex, the parent company, and the Onex management team on the sale of Husky International by the limited partners of Onex Partners II was voluntarily reduced by \$88 million (Onex' share of the reduction was \$35 million) at the request of Onex. The reduction was made after a review of the remaining portfolio companies and reflecting the desire to not distribute or collect carried interest that may be subject to a future claw-back; and
- \$6 million during the third quarter of 2011 from the limited partners of Onex Partners I (\$1 million) and Onex Partners II (\$5 million) related to their receipt of a portion of the amounts held in escrow at the time of the sale of Husky International. In accordance with the distribution policy set out in the Agreement of Limited Partnership, and as a result of the voluntary reduction in the

amount of carried interest collected at the time of the sale of Husky International, Onex' carried interest entitlement was 80 percent of the escrow amounts received by the limited partners of Onex Partners II.

During 2010, there was no carried interest received by Onex, the parent company.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

As discussed in the December 31, 2010 annual MD&A, during 2010, Onex, the parent company, implemented an information technology solution that accommodates accounting under IFRS for 2010 and going forward. In addition, Onex documented its internal control processes surrounding IFRS reporting concurrently with the implementation in 2010. There were no significant changes in internal controls over financial reporting for the nine months ended September 30, 2011 that have materially affected, or are reasonably likely to materially affect, the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

OUTLOOK

Since we last wrote, the equity and credit markets have continued to experience considerable turbulence. The widespread uncertainty regarding the European sovereign debt crisis has weighed heavily on global markets and there is still considerable anxiety surrounding the likelihood of a medium-term recovery.

Fortunately, earlier this year we completed a number of transactions when the credit markets were strong and the equity and IPO markets were open. In total, Onex and its partners realized approximately \$3.3 billion over the course of the year primarily through the sale of several businesses, most of which occurred in the first six months. And while it may appear that we timed the market perfectly, that was not the case. As owners of illiquid investments, we are inherently opportunistic in realizing on such investments in order to capture maximum value. Selling large blocks of public companies and outright sales of private companies at fair prices are difficult without strong markets. Consequently, shareholders should expect that when the credit or equity markets are strong, we are more likely to realize on some of the value created in our operating companies.

As a result of our recent selling activity, we find ourselves with considerable cash to invest – a desirable position to be in given the current environment. While corporate mergers and acquisitions activity has been tepid and credit markets have softened, we remain committed to finding great businesses to own and build for our investors.

Our most recent investment in JELD-WEN is a perfect example of the persistence needed to find attractive investments. Following an introduction to the CEO, we fostered our relationship with the company and its shareholders for over two years. Ultimately, the macroeconomic environment and a challenging financing market left the business with reduced alternatives to raise needed capital. We were uniquely positioned to acquire a meaningful position in this iconic American manufacturer. Opportunities like this are created through our daily interactions with entrepreneurs, executives, advisors, bankers and other relationships, with the intent of uncovering a limited number of attractive acquisitions each year.

For the most part, we are pleased with the performance of our businesses this year, particularly given the ongoing global economic challenges. Our companies are working hard to preserve the cost savings initiated during the last few years – and to reduce debt levels. The results are reflected in the value of our private investments, which have year-to-date increased 13 percent and 11 percent for the Onex Partners and ONCAP portfolios, respectively, including distributions.

There are of course areas of concern. While an economic recovery would certainly be a welcome relief, our company management teams are focused on the things they can control – finding innovative ways to solve problems, improving operations and increasing our businesses' competitive positions. As well, as we have done over the last few years, we continue to work with our businesses to opportunistically refinance credit facilities and extend maturities.

We were pleased with the strong interest in ONCAP III, our C\$800 million mid-market private equity fund raised this year. We expanded ONCAP's investor base and raised C\$520 million of third-party capital, which we believe is a testament to the ONCAP team, its impressive track record and the strength of the Onex brand. ONCAP III has completed one acquisition to date and is currently pursuing a number of interesting investment opportunities.

We now have \$1.3 billion in cash and near-cash items after the JELD-WEN acquisition, no debt at the parent company and approximately \$2.9 billion of uncalled third-party capital for acquisitions through the Onex Partners and ONCAP Funds.

In addition to investing its capital, Onex uses its cash to repurchase shares under the Normal Course Issuer Bid when we believe the shares are trading at prices that reflect a meaningful discount to our view of their value. We believe this provides good value for our shareholders. This year, Onex has repurchased approximately 1.8 million shares for C\$61 million at an average price of C\$33.76 per share.

We continue to believe that our success in building companies and our record of capital preservation and superior returns – a 3.3 multiple on invested capital and a 29 percent gross IRR – are direct results of the strong alignment of interests between Onex' shareholders, our limited partners and the Onex management team. In addition to Onex being the largest limited partner in every fund, Onex' distinctive ownership culture requires each member of the management team to have a significant ownership in Onex stock and to invest meaningfully in each operating company acquired. At September 30, 2011, the team had approximately \$1.3 billion invested in Onex' shares and its businesses.

For over 27 years, we have employed a value-oriented and active ownership investment approach in acquiring and building industry-leading businesses. We are excited about the potential of our current portfolio of companies and remain focused on helping them to enhance their productivity and profitability with the goal of creating long-term value for Onex and its investors.

CONSOLIDATED BALANCE SHEETS

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i>	As at September 30, 2011	As at December 31, 2010	As at January 1, 2010
Assets			
Current assets			
Cash and cash equivalents	\$ 2,179	\$ 2,532	\$ 3,018
Short-term investments	736	715	605
Accounts receivable	2,955	3,430	2,928
Inventories	4,100	4,004	3,204
Other current assets	1,954	1,495	1,101
	11,924	12,176	10,856
Property, plant and equipment	3,823	4,056	3,366
Long-term investments (note 4)	5,330	4,864	3,448
Other non-current assets	1,712	1,872	1,915
Intangible assets	2,164	2,505	2,241
Goodwill	2,179	2,634	2,198
	\$ 27,132	\$ 28,107	\$ 24,024
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities	\$ 3,490	\$ 3,964	\$ 3,268
Current portion of provisions	152	257	255
Other current liabilities	669	1,211	974
Current portion of long-term debt of operating companies, without recourse to Onex (note 5)	136	243	404
Current portion of obligations under finance leases, without recourse to Onex	18	14	20
Current portion of warranty reserves and unearned premiums	1,350	1,314	1,342
	5,815	7,003	6,263
Non-current portion of provisions	165	284	231
Long-term debt of operating companies, without recourse to Onex (note 5)	6,280	6,346	5,284
Non-current portion of obligations under finance leases, without recourse to Onex	48	43	39
Non-current portion of warranty reserves and unearned premiums	1,772	1,780	1,935
Other non-current liabilities	1,851	1,921	1,670
Deferred income taxes	879	938	810
Limited Partners' Interests (note 6)	4,730	5,650	3,708
	21,540	23,965	19,940
Equity			
Share capital (note 7)	365	373	381
Non-controlling interests	3,510	3,638	3,329
Retained earnings and accumulated other comprehensive earnings	1,717	131	374
	5,592	4,142	4,084
	\$ 27,132	\$ 28,107	\$ 24,024

See accompanying notes to unaudited interim consolidated financial statements.

These unaudited interim consolidated financial statements should be read in conjunction with the 2010 Canadian GAAP audited annual consolidated financial statements and the March 31, 2011 unaudited interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS

<i>(Unaudited)</i> <i>(in millions of U.S. dollars except per share data)</i>	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Revenues	\$ 6,008	\$ 4,788	\$ 17,884	\$ 14,332
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(4,766)	(3,730)	(14,348)	(11,224)
Operating expenses	(710)	(572)	(2,080)	(1,688)
Interest income	1	12	18	20
Amortization of property, plant and equipment	(108)	(100)	(320)	(299)
Earnings Before the Undernoted Items	425	398	1,154	1,141
Amortization of intangible assets and deferred charges	(77)	(65)	(222)	(208)
Interest expense of operating companies	(112)	(80)	(351)	(251)
Unrealized increase (decrease) in value of investments in associates at fair value, net (note 4)	(26)	13	374	252
Foreign exchange gains (loss)	(18)	11	(9)	(10)
Stock-based compensation recovery (expense)	66	(57)	(90)	(128)
Other items (note 8)	(42)	(92)	(116)	(110)
Impairment of goodwill, intangible assets and long-lived assets, net (note 9)	(126)	-	(126)	-
Limited Partners' Interests recovery (charge) (note 6)	184	(114)	(431)	(421)
Earnings before income taxes and discontinued operations	274	14	183	265
Provision for income taxes	(84)	(35)	(157)	(178)
Earnings (loss) from continuing operations	190	(21)	26	87
Earnings (loss) from discontinued operations (note 3)	(6)	56	1,715	114
Net Earnings for the Period	\$ 184	\$ 35	\$ 1,741	\$ 201
Earnings (Loss) from Continuing Operations attributable to:				
Equity holders of Onex Corporation	\$ 152	\$ (71)	\$ (169)	\$ (97)
Non-controlling Interests	38	50	195	184
Earnings (Loss) from Continuing Operations for the Period	\$ 190	\$ (21)	\$ 26	\$ 87
Net Earnings (Loss) attributable to:				
Equity holders of Onex Corporation	\$ 146	\$ (40)	\$ 1,513	\$ (47)
Non-controlling Interests	38	75	228	248
Net Earnings for the Period	\$ 184	\$ 35	\$ 1,741	\$ 201
Net Earnings (Loss) per Subordinate Voting Share of Onex Corporation (note 10)				
Basic and Diluted:				
Continuing operations	\$ 1.29	\$ (0.60)	\$ (1.43)	\$ (0.81)
Discontinued operations	(0.04)	0.26	14.25	0.42
Net Earnings (Loss) for the Period	\$ 1.25	\$ (0.34)	\$ 12.82	\$ (0.39)

See accompanying notes to unaudited interim consolidated financial statements.

These unaudited interim consolidated financial statements should be read in conjunction with the 2010 Canadian GAAP audited annual consolidated financial statements and the March 31, 2011 unaudited interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i>	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Net earnings for the period	\$ 184	\$ 35	\$ 1,741	\$ 201
Other comprehensive earnings (loss), net of tax				
Currency translation adjustments	(83)	84	(34)	(5)
Change in fair value of derivatives designated as hedges	(19)	8	(14)	(2)
Unrealized gains on available-for-sale financial assets	5	13	7	21
Other	(1)	2	1	-
Other comprehensive earnings (loss) from discontinued operations, net of tax (note 3)	-	23	(14)	2
Total Comprehensive Earnings for the Period	\$ 86	\$ 165	\$ 1,687	\$ 217
Total Comprehensive Earnings (Loss) attributable to:				
Equity holders of Onex Corporation	\$ 85	\$ 62	\$ 1,481	\$ (40)
Non-controlling Interests	1	103	206	257
Total Comprehensive Earnings for the Period	\$ 86	\$ 165	\$ 1,687	\$ 217

See accompanying notes to unaudited interim consolidated financial statements.

These unaudited interim consolidated financial statements should be read in conjunction with the 2010 Canadian GAAP audited annual consolidated financial statements and the March 31, 2011 unaudited interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF EQUITY

<i>(Unaudited)</i> <i>(in millions of U.S. dollars</i> <i>except per share data)</i>	Share Capital (note 7)	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Total Equity Attributable to Equity Holders of Onex Corporation	Non- controlling Interests	Total Equity
Balance – January 1, 2010	\$ 381	\$ 338	\$ 36 ^(b)	\$ 755	\$ 3,329	\$ 4,084
Dividends declared ^(a)	-	(9)	-	(9)	-	(9)
Purchase and cancellation of shares (note 7)	(8)	(42)	-	(50)	-	(50)
Investments by shareholders other than Onex	-	-	-	-	123	123
Distributions to non-controlling interests	-	-	-	-	(4)	(4)
Repurchase of shares of operating companies	-	-	-	-	(64)	(64)
Comprehensive Earnings (Loss)						
Net earnings (loss) for the period	-	(47)	-	(47)	248	201
Other comprehensive earnings (loss) for the period, net of tax:						
Currency translation adjustments	-	-	(10)	(10)	1	(9)
Change in fair value of derivatives designated as hedges	-	-	(4)	(4)	6	2
Unrealized gains on available-for-sale financial assets	-	-	20	20	3	23
Other	-	-	1	1	(1)	-
Balance – September 30, 2010	\$ 373	\$ 240	\$ 43^(c)	\$ 656	\$ 3,641	\$ 4,297
Balance – December 31, 2010	\$ 373	\$ 106	\$ 25^(d)	\$ 504	\$ 3,638	\$ 4,142
Dividends declared ^(a)	-	(10)	-	(10)	-	(10)
Purchase and cancellation of shares (note 7)	(8)	(53)	-	(61)	-	(61)
Investments by shareholders other than Onex	-	24	-	24	285	309
Distributions to non-controlling interests	-	-	-	-	(16)	(16)
Repurchase of shares of operating companies	-	(7)	-	(7)	(45)	(52)
Sale of investments in operating companies under continuing control (note 11)	-	151	-	151	108	259
Non-controlling interests on sale of investments in operating companies (note 3)	-	-	-	-	(666)	(666)
Comprehensive Earnings (Loss)						
Net earnings for the period	-	1,513	-	1,513	228	1,741
Other comprehensive earnings (loss) for the period, net of tax:						
Currency translation adjustments	-	-	(22)	(22)	(5)	(27)
Change in fair value of derivatives designated as hedges	-	-	(14)	(14)	(21)	(35)
Unrealized gains on available- for-sale financial assets	-	-	4	4	3	7
Other	-	-	-	-	1	1
Balance – September 30, 2011	\$ 365	\$ 1,724	\$ (7)^(e)	\$ 2,082	\$ 3,510	\$ 5,592

(a) Dividends declared per Subordinate Voting Share were C\$0.0825 for the nine months ended September 30, 2011 and 2010. In 2011, shares issued under the dividend reinvestment plan amounted to less than \$1 (2010 – less than \$1). There are no tax effects for Onex on the declaration or payment of dividends.

(b) Accumulated Other Comprehensive Earnings (Loss) as at January 1, 2010 consisted of unrealized gains on the effective portion of cash flow hedges of \$4, unrealized gains on available-for-sale financial assets of \$35 and other of negative \$3. Accumulated Other Comprehensive Earnings (Loss) as at January 1, 2010 included \$8 of net earnings related to discontinued operations. Income taxes did not have a significant effect on these items.

(c) Accumulated Other Comprehensive Earnings (Loss) as at September 30, 2010 consisted of currency translation adjustments of negative \$10, unrealized losses on the effective portion of cash flow hedges of nil, unrealized gains on available-for-sale financial assets of \$55 and other of negative \$2. Accumulated Other Comprehensive Earnings (Loss) as at September 30, 2010 included \$9 of net earnings related to discontinued operations. Income taxes did not have a significant effect on these items.

(d) Accumulated Other Comprehensive Earnings (Loss) as at December 31, 2010 consisted of currency translation adjustments of negative \$23, unrealized gains on the effective portion of cash flow hedges of \$7 and unrealized gains on available-for-sale financial assets of \$41. Accumulated Other Comprehensive Earnings (Loss) as at December 31, 2010 included \$13 of net earnings related to discontinued operations. Income taxes did not have a significant effect on these items.

(e) Accumulated Other Comprehensive Earnings (Loss) as at September 30, 2011 consisted of currency translation adjustments of negative \$45, unrealized losses on the effective portion of cash flow hedges of \$7 and unrealized gains on available-for-sale financial assets of \$45. Income taxes did not have a significant effect on these items.

See accompanying notes to unaudited interim consolidated financial statements.

These unaudited interim consolidated financial statements should be read in conjunction with the 2010 Canadian GAAP audited annual consolidated financial statements and the March 31, 2011 unaudited interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(Unaudited)</i>	Nine months ended September 30	
<i>(in millions of U.S. dollars)</i>	2011	2010
Operating Activities		
Earnings for the period from continuing operations	\$ 26	\$ 87
Adjustments to earnings from continuing operations:		
Provision for income taxes	157	178
Interest income	(18)	(20)
Interest expense of operating companies	351	251
Net earnings before interest and provision for income taxes	516	496
Cash taxes paid	(116)	(139)
Items not affecting cash and cash equivalents:		
Amortization of property, plant and equipment	320	299
Amortization of intangible assets and deferred charges	222	208
Amortization of deferred warranty costs	39	57
Unrealized increase in value of investments in associates at fair value, net (note 4)	(374)	(252)
Stock-based compensation expense	22	123
Impairment of goodwill, intangible assets and long-lived assets, net (note 9)	126	-
Limited Partners' Interests (note 6)	431	421
Change in provisions	67	81
Other	(14)	(11)
	1,239	1,283
Changes in non-cash working capital items:		
Accounts receivable	(129)	(149)
Inventories	(243)	(480)
Other current assets	7	(45)
Accounts payable, accrued liabilities and other current liabilities	(501)	(252)
Decrease in cash and cash equivalents due to changes in working capital items	(866)	(926)
Increase (decrease) in other operating activities	(14)	34
Increase (decrease) in warranty reserves and premiums	22	(71)
Cash flows from operating activities of discontinued operations (note 3)	100	344
	481	664
Financing Activities		
Issuance of long-term debt	471	1,171
Repayment of long-term debt	(242)	(1,254)
Cash interest paid	(295)	(220)
Cash dividends paid	(10)	(9)
Repurchase of share capital of Onex Corporation	(57)	(50)
Repurchase of share capital of operating companies	(52)	(64)
Financing provided by Limited Partners (note 6)	788	849
Issuance of share capital by operating companies	148	12
Proceeds from sales of operating companies under continuing control	268	-
Distributions paid to non-controlling interests and Limited Partners	(2,155)	(127)
Change in restricted cash for distribution to Limited Partners	272	-
Decrease due to other financing activities	(51)	(13)
Cash flows used for financing activities of discontinued operations (note 3)	(42)	(117)
	(957)	178
Investing Activities		
Acquisition of operating companies, net of cash and cash equivalents		
in acquired companies of \$44 (2010 - \$37) (note 2)	(298)	(203)
Purchase of property, plant and equipment	(439)	(460)
Investment in Tomkins Limited	-	(1,062)
Change in restricted cash for acquisition of an operating company	(860)	-
Cash interest and dividends received	11	7
Decrease due to other investing activities	(316)	(38)
Cash flows from (used for) investing activities of discontinued operations (note 3)	2,030	(114)
	128	(1,870)
Decrease in Cash and Cash Equivalents for the Period	(348)	(1,028)
Increase (decrease) in cash and cash equivalents due to changes in foreign exchange rates	(5)	6
Cash and cash equivalents, beginning of the period - continuing operations	2,053	2,582
Cash and cash equivalents, beginning of the period - discontinued operations (note 3)	479	436
Cash and Cash Equivalents	2,179	1,996
Cash and cash equivalents held by discontinued operations (note 3)	-	450
Cash and Cash Equivalents Held by Continuing Operations	\$ 2,179	\$ 1,546

See accompanying notes to unaudited interim consolidated financial statements.

These unaudited interim consolidated financial statements should be read in conjunction with the 2010 Canadian GAAP audited annual consolidated financial statements and the March 31, 2011 unaudited interim consolidated financial statements.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

Onex Corporation and its subsidiaries (collectively, the “Company”) is a diversified company with operations in a range of industries including electronics manufacturing services, aerostructures, healthcare, financial services, customer care services, metal services, gaming, cabinetry products, industrial products and commercial vehicles. Additionally, the Company has investments in real estate, credit strategies and mid-market private equity opportunities. Throughout these statements, the term “Onex” refers to the parent company.

Onex Corporation is a Canadian corporation domiciled in Canada and is listed on the Toronto Stock Exchange under the symbol OCX. Onex Corporation’s shares are traded in Canadian dollars. The registered address for Onex Corporation is 161 Bay Street, Toronto, Ontario. Gerald W. Schwartz controls Onex Corporation by indirectly holding all of the outstanding Multiple Voting Shares of the Corporation.

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

The unaudited interim consolidated financial statements were authorized for issue by the Audit and Corporate Governance Committee on November 9, 2011.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and its interpretations adopted by the International Accounting Standards Board (“IASB”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These unaudited interim consolidated financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through total comprehensive earnings.

In 2010 and prior periods, the Company’s consolidated financial statements were prepared in accordance with accounting principles generally accepted in Canada (“Canadian GAAP”). IFRS differs in a number of areas from Canadian GAAP. In preparing these unaudited interim consolidated financial statements, management has amended certain accounting, valuation and consolidation methods previously applied to comply with IFRS, including IFRS 1, *First-time Adoption of IFRS*. The comparative figures for 2010 were restated to reflect these adjustments. Note 15 contains reconciliations and descriptions of the effect of the transition from the previous Canadian GAAP to IFRS on earnings and comprehensive earnings for the year ended December 31, 2010 and the three- and nine-month periods ended September 30, 2010. In addition, equity is reconciled with line-by-line reconciliations of the consolidated balance sheets at January 1, 2010, September 30, 2010 and December 31, 2010.

In completing the transition to IFRS the Company conducted an evaluation of the primary and secondary factors to assess its functional currency under IFRS. It was determined that the U.S. dollar is the Company’s functional currency under IFRS. As such, the financial statements under IFRS have been reported on a U.S. dollar basis.

CONSOLIDATION

The unaudited interim consolidated financial statements represent the accounts of Onex and its subsidiaries, including its controlled operating companies. Onex also controls and consolidates the operations of Onex Partners LP (“Onex Partners I”), Onex Partners II LP (“Onex Partners II”) and Onex Partners III LP (“Onex Partners III”), referred to collectively as “Onex Partners” (as described in note 23 to the 2010 Canadian GAAP audited annual consolidated financial statements), ONCAP II L.P. and ONCAP III LP. The financial statements of subsidiaries are included in the unaudited interim consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany balances and transactions have been eliminated.

Investments in operating companies over which the Company has significant influence, but not control, are designated, upon initial recognition, at fair value through earnings. As a result, the investments are recorded at fair value in the consolidated balance sheets, with changes in fair value recognized in the consolidated statements of earnings.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

	September 30, 2011			December 31, 2010		
	Onex Ownership	Onex and Limited Partners Ownership	Voting	Onex Ownership	Onex and Limited Partners Ownership	Voting
<i>Investments made through Onex</i>						
Celestica Inc. ("Celestica")	9%	9%	71%	9%	9%	71%
SITEL Worldwide Corporation ("Sitel Worldwide")	68%	68%	88%	68%	68%	88%
<i>Investments made through Onex and Onex Partners I</i>						
Center for Diagnostic Imaging, Inc. ("CDI")	19%	81%	100%	19%	81%	100%
Emergency Medical Services Corporation ("EMSC") ^(a)	-	-	-	12%	31%	82%
Skilled Healthcare Group, Inc. ("Skilled Healthcare Group")	9%	40%	89%	9%	40%	89%
Spirit AeroSystems, Inc. ("Spirit AeroSystems")	5%	16%	64%	7%	23%	74%
<i>Investments made through Onex and Onex Partners II</i>						
Allison Transmission, Inc. ("Allison Transmission")	15%	49%	(b)	15%	49%	(b)
Carestream Health, Inc. ("Carestream Health")	37%	95%	100%	38%	97%	100%
Hawker Beechcraft Corporation ("Hawker Beechcraft")	19%	49%	(b)	19%	49%	(b)
RSI Home Products, Inc. ("RSI")	20%	50%	50% ^(b)	20%	50%	50% ^(b)
TMS International Corp. ("TMS International")	24%	60%	85%	36%	91%	100%
<i>Investments made through Onex, Onex Partners I and Onex Partners II</i>						
Husky International Ltd. ("Husky") ^(a)	-	-	-	36%	98%	100%
The Warranty Group, Inc. ("The Warranty Group")	29%	92%	100%	29%	92%	100%
<i>Investments made through Onex and Onex Partners III</i>						
Tomkins Limited ("Tomkins")	14%	56%	50% ^(b)	14%	56%	50% ^(b)
Tropicana Las Vegas, Inc. ("Tropicana Las Vegas")	17% ^(c)	76% ^(c)	76% ^(c)	16%	74%	74%
<i>Investments made through Onex, Onex Partners I and Onex Partners III</i>						
Res-Care, Inc. ("ResCare")	20%	98%	100%	20%	98%	100%
<i>Other investments</i>						
ONCAP II L.P. ("ONCAP II")	46%	100%	100%	46%	100%	100%
ONCAP III LP ("ONCAP III")	29%	100%	100%	-	-	-
Onex Real Estate Partners ("Onex Real Estate")	88%	88%	100%	86%	86%	100%

(a) EMSC and Husky were sold during the second quarter of 2011 as described in note 3.

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

(c) In May 2011, Tropicana Las Vegas completed a preferred rights offering of \$35. Onex, Onex Partners III and Onex management invested an additional \$29 in the preferred rights offering, of which Onex' share was \$6. The preferred shares have terms similar to the 2009 and 2010 preferred share offerings and accrue dividends at an annual rate of 12.5% and are convertible into common shares of Tropicana Las Vegas at a fixed ratio including accrued and unpaid dividends. After giving effect to the additional investment, Onex, Onex Partners III and Onex management's ownership, on an as-converted basis at September 30, 2011, was 76%, of which Onex' share was 17%.

The ownership percentages are before the effect of any potential dilution relating to the Management Investment Plans (the "MIP") as described in note 23(g) to the 2010 Canadian GAAP audited annual financial statements. The allocation of net earnings and comprehensive earnings attributable to equity holders of Onex Corporation and non-controlling interests is completed using the economic ownership of Onex and the Limited Partners.

The voting interests include shares that Onex has the right to vote through contractual arrangements or through multiple voting rights attached to particular shares. In certain circumstances, the voting arrangements give Onex the right to elect the majority of the board of directors of the companies.

SIGNIFICANT ACCOUNTING POLICIES

The disclosures contained in these unaudited interim consolidated financial statements do not include all the requirements of IFRS for annual financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the Canadian GAAP audited annual consolidated financial statements for the year ended December 31, 2010.

The unaudited interim consolidated financial statements are based on accounting policies as described in note 1 of the March 31, 2011 unaudited interim consolidated financial statements.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Standards, amendments and interpretations not yet adopted or effective

IFRS 9 – Financial Instruments

In November 2009, the IASB issued IFRS 9, *Financial Instruments*, which represents the first phase of its replacement of IAS 39, *Financial Instruments: Recognition and Measurement*, and introduces new requirements for the classification and measurement of financial assets and removes the need to separately account for certain embedded derivatives. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Reporting Entity Standards

In May 2011, the IASB issued a group of five new standards that addresses the scope and accounting for the reporting entity. The new standards consist of amendments to IAS 27, which was renamed *Separate Financial Statements*, amendments to IAS 28, which was renamed *Investments in Associates and Joint Ventures*, IFRS 10 – *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangements* and IFRS 12 – *Disclosure of Interests in Other Entities*. These five new standards are effective for annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact of adopting these standards on its consolidated financial statements. A description of the significant changes and new requirements is included below.

- IFRS 10 establishes the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 changes the definition of control such that the same criteria are applied to all entities to determine control. IFRS 10 supersedes all of the guidance in IAS 27, *Consolidated and Separate Financial Statements* and Standing Interpretations Committee 12, *Consolidation – Special Purpose Entities*.
- IFRS 11 establishes the principles for determining the type of joint arrangements and the accounting for those arrangements in accordance with that type of joint arrangement. IFRS 11 reduces the types of joint arrangements and eliminates use of the proportionate consolidation method for joint ventures. IFRS 11 supersedes all of the guidance in IAS 31, *Interests in Joint Ventures*.
- IFRS 12 provides the disclosure requirements for entities reported under IFRS 10 and IFRS 11 and replaces the disclosure requirements currently in IAS 28, *Investments in Associates*. IFRS 12 requires the disclosure of the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.
- IAS 28 prescribes the use of the equity method for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee. However, IAS 28 retains the ability for the Company to designate its investments in associates, upon initial recognition, at fair value through earnings.

IFRS 13 – Fair Value Measurement

In May 2011, the IASB issued IFRS 13, *Fair Value Measurement*, which provides a single framework for measuring fair value and requires enhanced disclosures when fair value is used for measurement. IFRS 13 is effective for annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

IAS 19 – Employee Future Benefits

In June 2011, the IASB issued an amendment to IAS 19, *Employee Future Benefits*, which changes the recognition, measurement and presentation of defined benefit pension expense and provides for additional disclosures for all employee benefits. The amendments to IAS 19 are effective for annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

IAS 1 – Presentation of Financial Statements

In June 2011, the IASB issued an amendment to IAS 1, *Presentation of Financial Statements*, which requires entities to separately present items in other comprehensive income based on whether they may be recycled to the statement of earnings in future periods. The amendment to IAS 1 is effective for annual periods beginning on or after July 1, 2012. The impact of adopting this standard is not expected to have a significant effect on the consolidated financial statements.

2. ACQUISITIONS

During the first nine months of 2011, the following acquisitions were completed either directly by Onex or through subsidiaries of Onex. Details of the purchase price and allocation for the acquisitions are as follows:

	ONCAP ^(a)	Celestica ^(b)	Other ^(c)	Total
Cash and cash equivalents	\$ 43	\$ 1	\$ -	\$ 44
Other current assets	91	50	2	143
Intangible assets with limited life	116	13	4	133
Intangible assets with indefinite life	204	-	1	205
Goodwill	105	34	26	165
Property, plant and equipment and other non-current assets	222	1	7	230
	781	99	40	920
Current liabilities	(58)	(17)	(1)	(76)
Non-current liabilities	(595) ⁽¹⁾	-	-	(595)
	128	82	39	249
Non-controlling interests in net assets	(67)	-	-	(67)
Interest in net assets acquired	\$ 61	\$ 82	\$ 39	\$ 182

(1) Included in long-term liabilities of ONCAP is \$165 of acquisition financing provided by ONCAP, of which Onex' share was \$79.

a) In May 2011, ONCAP II completed the acquisition of a majority of the issued and outstanding shares of Pinnacle Pellet, Inc. ("Pinnacle Renewable Energy Group"). Pinnacle Renewable Energy Group is a producer of wood pellets in British Columbia, Canada for markets around the world. Onex and ONCAP II have an approximate 60% equity ownership in Pinnacle Renewable Energy Group, of which Onex' equity ownership is 29%.

In May 2011, ONCAP II completed the acquisition of Crown Amusements Ltd. ("Casino ABS"). Casino ABS is the largest casino operator in the Alberta, Canada market, with four casinos. Onex and ONCAP II have close to 100% of the equity ownership in Casino ABS, of which Onex' equity ownership is 48%.

In June 2011, ONCAP III completed the acquisition of Hopkins Manufacturing Corporation ("Hopkins"), a Kansas, United States headquartered manufacturer, marketer and distributor of automotive aftermarket products for sale to distributors and retailers around the world. Onex initially funded the acquisition for an approximate 90% equity ownership in Hopkins at June 30, 2011. In July 2011, the Limited Partners of ONCAP III and management of Onex and ONCAP purchased an approximate 64% equity ownership in Hopkins from Onex at the same cost basis as Onex. Onex' continuing ownership of 26% of Hopkins reflects its interest as a Limited Partner of ONCAP III.

Onex, ONCAP II, ONCAP III, management of Onex and ONCAP invested a total of \$221 in these investments, of which Onex' net investment was \$97.

In addition, ONCAP includes add-on acquisitions made by Caliber Collision Centers, Mister Car Wash and BSN SPORTS, Inc., formerly Sport Supply Group. The purchase price for these acquisitions was \$5.

b) In June 2011, Celestica completed the acquisition of Brooks Automation's semiconductor equipment contract manufacturing operations. The operations specialize in manufacturing complex mechanical equipment and providing systems integration services for semiconductor equipment manufacturers. The purchase price for this acquisition was \$82, which was financed by Celestica.

c) Other includes acquisitions made by CDI, ResCare, Skilled Healthcare Group and TMS International for total consideration of \$39, of which \$34 was financed with cash by the respective operating company and \$5 was non-cash consideration.

Net earnings since the date of the acquisitions were not significant to the Company's results for the three and nine months ended September 30, 2011.

Goodwill of the acquisitions is attributable primarily to the acquired workforce, non-contractual established customer bases and technological knowledge of the acquired companies. Goodwill of the acquisitions that is expected to be deductible for tax purposes is \$38.

3. DISCONTINUED OPERATIONS

The following tables show revenue, expenses and net after-tax results from discontinued operations.

Three months ended September 30, 2011	Revenue	Expenses	Pre-tax Earnings	Tax Provision	Loss Net of Tax	Loss for the Period
EMSC ^(a)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Husky ^(b)	-	-	-	-	(6)	(6)
	\$ -	\$ -	\$ -	\$ -	\$ (6)	\$ (6)

Three months ended September 30, 2010	Revenue	Expenses	Pre-tax Earnings	Tax Provision (Recovery)	Gain Net of Tax	Earnings for the Period
EMSC ^(a)	\$ 737	\$ 678	\$ 59	\$ 23	\$ -	\$ 36
Husky ^(b)	259	241	18	(2)	-	20
	\$ 996	\$ 919	\$ 77	\$ 21	\$ -	\$ 56

Nine months ended September 30, 2011	Revenue	Expenses	Pre-tax Earnings	Tax Provision	Gain Net of Tax	Earnings for the Period
EMSC ^(a)	\$ 1,018	\$ 942	\$ 76	\$ 29	\$ 559	\$ 606
Husky ^(b)	508	470	38	16	1,087	1,109
	\$ 1,526	\$ 1,412	\$ 114	\$ 45	\$ 1,646	\$ 1,715

Nine months ended September 30, 2010	Revenue	Expenses	Pre-tax Earnings	Tax Provision	Gain Net of Tax	Earnings for the Period
EMSC ^(a)	\$ 2,125	\$ 1,975	\$ 150	\$ 58	\$ -	\$ 92
Husky ^(b)	768	727	41	19	-	22
	\$ 2,893	\$ 2,702	\$ 191	\$ 77	\$ -	\$ 114

a) In May 2011, Onex, Onex Partners I, Onex management and certain limited partners completed the sale of their remaining 13.7 million shares of EMSC, of which Onex' portion was approximately 4.8 million shares. The sale was completed at a price of \$64.00 cash per share. Onex' cash cost for these shares was \$6.67 per share.

Total cash proceeds received from the sale were \$878, resulting in a pre-tax gain of \$600. Onex recorded a deferred tax provision of \$41 on the gain. Onex' share of the cash proceeds was \$342, including carried interest and excluding distributions paid on account of the MIP. The gain on the sale is entirely attributable to the equity holders of Onex Corporation as the interests of the Limited Partners were recorded as a financial liability at fair value.

Amounts received on account of the carried interest related to this transaction totalled \$80. Consistent with market practice and the terms of Onex Partners, Onex is allocated 40% of the carried interest with 60% allocated to management. Onex' share of the carried interest received was \$32 and is included in Onex' share of the cash proceeds. Management's share of the carried interest was \$48. In addition, amounts paid on account of the MIP totalled \$20 for this transaction.

b) In June 2011, Onex, Onex Partners I, Onex Partners II and Onex management completed the sale of their entire investment in Husky. The sale was completed for net cash proceeds of \$1,652, of which Onex' share was \$583, including carried interest and excluding distributions paid on account of the MIP. In addition to the net cash proceeds, additional amounts of \$60 held in escrow and receivable from Husky were recognized on the sale, of which Onex' share was \$19, excluding carried interest. The proceeds held in escrow are for the closing working capital, tax indemnities and other adjustments and have been recorded at fair value. As a result, a pre-tax gain of \$1,142 was recognized on the sale of Husky. In addition, Onex recorded a non-cash tax provision of \$49 on the gain. The gain on the sale is entirely attributable to the equity holders of Onex Corporation as the interests of the Limited Partners were recorded as a financial liability at fair value.

Amounts received during the second quarter of 2011 on account of the carried interest related to this transaction totalled \$42. Consistent with market practice and the terms of Onex Partners, Onex is allocated 40% of the carried interest with 60% allocated to management. Onex' share of the carried interest received was \$17 and is included in Onex' share of the cash proceeds.

3. DISCONTINUED OPERATIONS (cont'd)

Management's share of the carried interest was \$25. The amount of carried interest received on this transaction was voluntarily reduced by \$88 (Onex' share of the reduction was \$35) at the request of Onex. The carried interest that was voluntarily reduced may be received on a future realization in Onex Partners II. In addition, amounts paid in July 2011 on account of the MIP totalled \$30 for this transaction.

During the third quarter of 2011, \$38 of the additional amounts held in escrow and receivable from Husky were received by the Company, of which Onex' share was \$18, including carried interest and excluding distributions paid on account of the MIP. As a result of a change in estimated amounts held in escrow to be

received by the Company, a pre-tax loss of \$5 was recorded during the third quarter of 2011. In addition, Onex recorded a non-cash tax provision of \$1 during the third quarter of 2011. At September 30, 2011, \$18 was held in escrow for tax indemnities and other expenses, of which Onex' share was \$6 excluding carried interest, and is expected to be received in approximately four years.

Amounts received during the third quarter of 2011 on account of the carried interest related to this transaction totalled \$14. Consistent with market practice and the terms of Onex Partners, Onex is allocated 40% of the carried interest with 60% allocated to management. Onex' share of the carried interest received was \$6 and is included in Onex' share of the cash proceeds. Management's share of the carried interest was \$8. In addition, amounts paid in September 2011 on account of the MIP totalled \$1 for this transaction.

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

	December 31, 2010	January 1, 2010
Cash and cash equivalents	\$ 479	\$ 436
Other current assets	946	896
Intangible assets	460	395
Goodwill	514	502
Property, plant and equipment and other non-current assets	733	758
	3,132	2,987
Current liabilities	(716)	(635)
Non-current liabilities	(992)	(1,069)
Net assets of discontinued operations	\$ 1,424	\$ 1,283

The following table presents the summarized aggregate cash flows from discontinued operations:

Nine months ended September 30, 2010	EMSC	Husky	Total
Operating activities	\$ 172	\$ 172	\$ 344
Financing activities	(70)	(47)	(117)
Investing activities	(81)	(33)	(114)
Increase in cash and cash equivalents for the period	21	92	113
Increase in cash and cash equivalents due to changes in foreign exchange rates	-	1	1
Distribution paid to Husky shareholders	-	(100)	(100)
Cash and cash equivalents, beginning of period	300	136	436
Cash and cash equivalents, end of period	\$ 321	\$ 129	\$ 450

Nine months ended September 30, 2011	EMSC	Husky	Total
Operating activities	\$ 76	\$ 24	\$ 100
Financing activities	8	(50)	(42)
Investing activities	(371)	(167)	(538)
Decrease in cash and cash equivalents for the period	(287)	(193)	(480)
Increase in cash and cash equivalents due to changes in foreign exchange rates	-	1	1
Cash and cash equivalents, beginning of period	287	192	479
Cash and cash equivalents, end of period	-	-	-
Proceeds from sales of operating companies no longer controlled	878	1,690	2,568
	\$ 878	\$ 1,690	\$ 2,568

4. LONG-TERM INVESTMENTS

Long-term investments comprised the following:

	September 30, 2011	December 31, 2010	January 1, 2010
Investments in associates at fair value through earnings			
Onex Partners ^(a)	\$ 3,136	\$ 2,771	\$ 1,264
Other associate investments ^(a)	137	106	133
EMSC insurance collateral ^(b)	-	139	158
Long-term investments held by The Warranty Group	1,542	1,475	1,548
Investment in Onex Credit Partners funds	403	255	218
Other	112	118	127
	\$ 5,330	\$ 4,864	\$ 3,448

a) Investments in associates, over which the Company has significant influence, but not control, are designated, upon initial recognition, at fair value. The fair value of investments in associates is assessed at each reporting date with changes to the values being recorded through earnings. Details of those investments designated at fair value included in long-term investments are as follows:

	Onex Partners	Other Associate Investments	Total
Balance – January 1, 2010	\$ 1,264	\$ 133	\$ 1,397
Purchase of investments	1,114	3	1,117
Distributions received	-	(6)	(6)
Unrealized increase (decrease) in value of investments, net	266	(14)	252
Interest income	4	-	4
Balance – September 30, 2010	\$ 2,648	\$ 116	\$ 2,764
Purchase of investments	157	1	158
Distributions received	(121)	(12)	(133)
Unrealized increase in value of investments, net	195	1	196
Interest income	3	-	3
Other adjustments ⁽ⁱ⁾	(111)	-	(111)
Balance – December 31, 2010	\$ 2,771	\$ 106	\$ 2,877
Purchase of investments	-	28	28
Realized sale of investments	-	(2)	(2)
Distributions received	(7)	(2)	(9)
Unrealized increase in value of investments, net	367	7	374
Interest income	5	-	5
Balance – September 30, 2011	\$ 3,136	\$ 137	\$ 3,273

(i) In the fourth quarter of 2010, Onex and Onex Partners III acquired all of the outstanding common shares of ResCare previously not owned by Onex or its affiliates. As a result of this transaction, Onex and its affiliates controlled and began consolidating the results of ResCare in the fourth quarter of 2010.

Onex Partners includes investments in Allison Transmission, Hawker Beechcraft, ResCare (prior to November 2010), RSI and Tomkins (since September 2010). Other associates accounted at fair value through net earnings include investments in Cypress Insurance Group (“Cypress”) and certain real estate investments. Investments in associates designated at fair value are measured with significant unobservable inputs (level 3 of the fair value hierarchy), with the exception of ResCare (prior to November 2010)

and Hawker Beechcraft debt, which are measured with significant other observable inputs (level 2 of the fair value hierarchy). The associates also have financing arrangements that typically restrict their ability to transfer cash and other assets to the Company.

b) The Company sold its remaining interests in EMSC during the second quarter of 2011 and no longer consolidates EMSC.

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 2010 Canadian GAAP audited annual consolidated financial statements.

a) Carestream Health

In February 2011, Carestream Health entered into a new credit facility. The credit facility consists of a \$1,850 senior secured term loan and a \$150 senior revolving facility. The senior secured term loan matures in February 2017 and the senior revolving facility matures in February 2016. The senior secured term loan and senior revolving facility bear interest at LIBOR (subject to a floor of 1.50%) plus a margin of 3.50% or a base rate plus a margin of 2.50%. Interest is payable at maturity for LIBOR borrowings and quarterly for base rate borrowings. The senior secured term loan requires quarterly instalment payments of \$5. Substantially all of Carestream Health's assets are pledged as collateral under the term loan.

The proceeds from the new facility were used primarily to repay the senior secured first and second lien term loans of Carestream Health.

As a result of the refinancing, Carestream Health recognized charges of \$25 in the first quarter of 2011, which were included in interest expense in the unaudited interim consolidated statement of earnings.

In August 2011, Carestream Health purchased \$35 of its senior secured term loan for a cash cost of \$30. Carestream Health recognized a net pre-tax gain of \$4 in the third quarter of 2011 on the repurchase of its senior secured term loan, which is included in other items in the consolidated statement of earnings.

At September 30, 2011, \$1,806 and nil were outstanding under the senior secured term loan and senior revolving facility, respectively.

b) CDI

In May 2011, CDI entered into a new credit agreement. The new agreement consists of a \$95 term loan and a \$25 revolving credit facility. Both the term loan and revolving credit facility bear interest at LIBOR plus a margin of up to 3.75% and mature in May 2016. The term loan requires quarterly principal repayments of \$2 beginning in December 2011. The required quarterly principal payments increase throughout the term until they reach \$3 in December 2015. Substantially all of the assets of CDI's wholly owned subsidiaries are pledged as collateral under the term loan and revolving credit facility.

The proceeds from the new term loan were used to repay the amounts outstanding under the former term loan and revolving credit facility and pay a \$67 distribution to shareholders. At September 30, 2011, \$95 and nil were outstanding under the term loan and revolving credit facility, respectively.

c) Sitel Worldwide

In May and June 2011, Sitel Worldwide amended its credit facility that governs its term loan and revolving credit facility. The amendments included extending the maturity date on \$228, or 64%, of its term loan from January 2014 to January 2017 and extending the maturity on \$31, or 36%, of commitments for its revolving credit facility from January 2013 to January 2016. Borrowings under the extended term loan and revolving credit facility bear interest at a rate of LIBOR plus a margin of up to 6.75% or prime plus a margin of 5.75%. In addition, the credit agreement was amended to lessen restrictions with respect to certain covenant levels. At September 30, 2011, \$355 and \$26 were outstanding under the term loan and revolving credit facility, respectively.

6. LIMITED PARTNERS' INTERESTS

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

	Limited Partners' Interests
Balance – January 1, 2010	\$ 3,708
Limited Partners' Interests charge ^(a)	421
Contributions by Limited Partners ^(b)	849
Distributions paid to Limited Partners	(123)
Balance – September 30, 2010	\$ 4,855
Limited Partners' Interests charge ^(a)	410
Contributions by Limited Partners ^(b)	602
Distributions paid to Limited Partners	(217)
Balance – December 31, 2010	\$ 5,650
Limited Partners' Interests charge ^(a)	431
Contributions by Limited Partners ^(b)	788
Distributions paid to Limited Partners ^(c)	(2,139)
Balance – September 30, 2011	\$ 4,730

a) Limited Partners' Interests charge was reduced for the change in the unrealized carried interest of \$70 for the nine months ended September 30, 2011 (2010 – \$11) and \$190 for the year ended December 31, 2010. Onex' share of the change in the unrealized carried interest was \$21 for the nine months ended September 30, 2011 (2010 – \$5) and \$76 for the year ended December 31, 2010.

b) Management fees received from the Limited Partners were \$71 for the nine months ended September 30, 2011 (2010 – \$41) and during the remainder of fiscal 2010, management fees received were \$2. During the third quarter of 2011, contributions of \$562 were received from the Limited Partners for the investment in JELD-WEN Holding, inc. completed in early October 2011 (note 13). The restricted cash for the investment was included in other current assets in the unaudited interim consolidated balance sheet at September 30, 2011.

c) Distributions paid to Limited Partners for the first nine months of 2011 primarily consisted of the proceeds paid on the sales of EMSC and Husky (note 3) and the partial dispositions of Spirit AeroSystems and TMS International (note 11).

7. SHARE CAPITAL

a) The authorized share capital of the Company consists of:

i) 100,000 Multiple Voting Shares, which entitle their holders to elect 60% of the Company's Directors and carry such number of votes in the aggregate as represents 60% of the aggregate votes attached to all shares of the Company carrying voting rights. The Multiple Voting Shares have no entitlement to a distribution on winding up or dissolution other than the payment of their nominal paid-in value.

ii) An unlimited number of Subordinate Voting Shares, which carry one vote per share and as a class are entitled to 40% of the aggregate votes attached to all shares of the Company carrying voting rights; to elect 40% of the Directors; and to appoint the auditors. These shares are entitled, subject to the prior rights of other classes, to distributions of the residual assets on winding up and to any declared but unpaid cash dividends. The shares are entitled to receive cash dividends, dividends in kind and stock dividends as and when declared by the Board of Directors.

The Multiple Voting Shares and Subordinate Voting Shares are subject to provisions whereby, if an event of change occurs (such as Mr. Schwartz, Chairman and CEO, ceasing to hold, directly or indirectly, more than 5,000,000 Subordinate Voting Shares or related events), the Multiple Voting Shares will thereupon be entitled to elect only 20% of the Directors and otherwise will cease to have any general voting rights. The Subordinate Voting Shares would then carry 100% of the general voting rights and be entitled to elect 80% of the Directors.

iii) An unlimited number of Senior and Junior Preferred Shares issuable in series. The Directors are empowered to fix the rights to be attached to each series.

b) At September 30, 2011, the issued and outstanding share capital consisted of 100,000 Multiple Voting Shares (December 31, 2010 – 100,000) and 116,491,804 Subordinate Voting Shares (December 31, 2010 – 118,279,783). The Multiple Voting Shares have nominal paid-in value in these unaudited interim consolidated financial statements. There were no issued and outstanding Senior and Junior Preferred Shares at September 30, 2011 or December 31, 2010.

c) During the first nine months of 2011, under the Dividend Reinvestment Plan, the Company issued 1,833 Subordinate Voting Shares (2010 – 1,896) at an average cost of C\$34.65 (2010 – C\$26.52) per share. In the first nine months of 2011 and 2010, no Subordinate Voting Shares were issued upon the exercise of stock options.

Onex renewed its Normal Course Issuer Bid in April 2011 for one year, permitting the Company to purchase on the Toronto Stock Exchange up to 10% of the public float of its Subordinate Voting Shares. The 10% limit represents approximately 9.1 million shares.

During the first nine months of 2011, the Company repurchased and cancelled under its Normal Course Issuer Bid 1,789,812 of its Subordinate Voting Shares at a cash cost of \$61 (C\$61), of which 1,462,036 shares were in the third quarter of 2011 at a cash cost of \$49 (C\$49). The excess of the purchase cost of these shares over the average paid-in amount was \$53 (C\$53), which was charged to retained earnings.

During the first nine months of 2010, the Company repurchased and cancelled under its Normal Course Issuer Bids 2,040,750 of its Subordinate Voting Shares at a cash cost of \$50 (C\$52), of which 607,100 shares were in the third quarter of 2010 at a cash cost of \$15 (C\$15). The excess of the purchase cost of these shares over the average paid-in amount was \$42 (C\$44), which was charged to retained earnings.

d) During the first nine months of 2011 and 2010, the total cash consideration paid on 225,585 options (2010 – 171,450) surrendered was \$4 (C\$4) and \$2 (C\$2), respectively, of which 12,810 options (2010 – 37,900) were surrendered in the third quarter for cash consideration of less than \$1 (less than C\$1) and \$1 (C\$1), respectively. This amount represents the difference between the market value of the Subordinate Voting Shares at the time of surrender and the exercise price, both as determined under Onex' Stock Option Plan as described in note 14(e) to the 2010 Canadian GAAP audited annual consolidated financial statements. Under the Company Stock Option Plan, 10,000 options to acquire Subordinate Voting Shares were issued during the second quarter of 2011 with an exercise price of C\$37.31 per share. In addition, 60,000 options to acquire Subordinate Voting Shares were issued in the third quarter of 2011 with an exercise price of C\$37.37 per share. During the first nine months of 2011, 34,867 options (2010 – 12,350) expired. At September 30, 2011, the Company had 13,699,148 options (December 31, 2010 – 13,889,600) outstanding to acquire Subordinate Voting Shares, of which 11,589,198 options were vested and of those, 10,967,615 options were exercisable. The exercisable options have a weighted average exercise price of C\$16.62.

e) During the second quarter of 2011, an annual grant of 40,000 Deferred Share Units ("DSUs") (2010 – 40,000) was issued to Directors. In addition, certain Directors have chosen to receive their Directors' fees in DSUs in lieu of cash. During the first nine months of 2011, no DSUs were redeemed. In the first nine months of 2010, 38,705 DSUs were redeemed by a retired Director at a total cost of \$1 (C\$1). At September 30, 2011, there were 441,976 Director DSUs outstanding (December 31, 2010 – 390,660).

7. SHARE CAPITAL (cont'd)

Certain members of Onex management have chosen to apply a portion of their annual compensation earned to acquire DSUs based on the market value of Onex shares at the time. In January 2011, 47,477 DSUs (2010 – 119,967) were issued to certain members of Onex management in lieu of a portion of cash compen-

sation for the prior fiscal year. At September 30, 2011, 442,770 Management DSUs were outstanding (December 31, 2010 – 394,274). The Company has entered into forward agreements with a counterparty financial institution to hedge the Company's exposure to changes in the market value of Onex' Subordinate Voting Shares associated with the Management DSUs, as described in note 1 to the March 31, 2011 unaudited interim consolidated financial statements.

8. OTHER ITEMS

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Restructuring ^(a)	\$ 4	\$ 26	\$ 24	\$ 53
Transition, integration and other ^(b)	3	10	14	30
Transaction costs ^(c)	4	–	14	–
Unrealized carried interest ^(d)	4	5	49	6
Other ^(e)	27	51	15	21
	\$ 42	\$ 92	\$ 116	\$ 110

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

The operating companies record restructuring charges relating to employee terminations, contractual lease obligations and other exit costs when the liability is incurred. The recognition of these charges requires management to make certain judgments regarding the nature, timing and amounts associated with the planned restructuring activities, including estimating sublease income and the net recovery from equipment to be disposed of. At the end of each reporting period, the operating companies evaluate the appropriateness of the remaining accrued balances.

The operating companies with restructuring activities at December 31, 2010 continue to implement their restructuring activities and no significant amendments or additional plans have been established.

The closing balance of restructuring provisions consisted of the following at:

	September 30, 2011	December 31, 2010
Employee termination costs	\$ 19	\$ 35
Lease and other contractual obligations	17	26
Facility exit costs and other	2	2
	\$ 38	\$ 63

b) Transition, integration and other expenses are typically to provide for the costs of transitioning activities of an operating company from a prior parent company upon acquisition and to integrate new acquisitions at the operating companies.

c) Transaction costs are incurred by Onex and its operating companies to complete business acquisitions, and typically include advisory, legal and other professional and consulting costs.

d) Unrealized carried interest reflects the change in the amount of unrealized carried interest due to Onex and ONCAP management through the Onex Partners and ONCAP Funds. The unrealized carried interest is calculated based on current fair values of the Funds' investments and the overall unrealized gains in each respective Fund in accordance with the limited partnership agreements. The unrealized carried interest liability is recorded in other non-current liabilities and reduces the amount due to the Limited Partners, as described in note 6. The liability will be recovered upon the realization of the Limited Partners' share of the underlying Onex Partners and ONCAP Fund investments. During the second and third quarters of 2011 the carried interest liability was reduced for carried interest paid on the sales of EMSC and Husky (note 3) and the partial dispositions of Spirit AeroSystems and TMS International (note 11).

e) Other for the three and nine months ended September 30, 2011 includes \$27 recorded by Carestream Health for an adverse ruling related to a complaint alleging competition law violations in Brazil by Carestream Health's predecessor. Carestream Health will appeal the ruling and vigorously pursue reversal of this ruling.

Other for the three and nine months ended September 30, 2010 includes \$53 recorded by Skilled Healthcare Group, for a settlement of a complaint against the company. The settlement contained no admission or concession of wrongdoing by Skilled Healthcare Group.

9. IMPAIRMENT OF GOODWILL, INTANGIBLE ASSETS AND LONG-LIVED ASSETS, NET

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Skilled Healthcare Group ^(a)	\$ 120	\$ -	\$ 120	\$ -
Other, net	6	-	6	-
	\$ 126	\$ -	\$ 126	\$ -

a) Due to a reduction in expected future recovery rates for Medicare, expected future growth rates for Medicare and changes to rehabilitation therapy regulations and their effect on expected cash flows, Skilled Healthcare Group recorded non-cash goodwill and intangible asset impairments of \$117 and \$3, respectively, in the third quarter of 2011. The impairments were calculated on a value-in-use basis using discount rates of 9.5% and 12.5%.

10. NET EARNINGS PER SUBORDINATE VOTING SHARE

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

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Weighted average number of shares outstanding <i>(in millions)</i> :				
Basic	117	118	118	120
Diluted	117	118	118	120

11. DISPOSITION OF OPERATING COMPANIES UNDER CONTINUING CONTROL

During the second quarter of 2011, Onex completed a number of transactions by selling a portion of its ownership interests in certain companies. Since these transactions did not result in a loss of control by the Company, they have been recorded as a transfer of equity to non-controlling interests holders. The excess of proceeds over the value of the transfer of equity to the non-controlling interests holders was recorded directly to retained earnings. The major transactions not resulting in a loss of control and the resulting impact on retained earnings are summarized and described as follows:

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Excess of cash proceeds recorded directly to retained earnings:				
Spirit AeroSystems ^(a)	\$ -	\$ -	\$ 100	\$ -
TMS International ^(b)	-	-	51	-
	\$ -	\$ -	\$ 151	\$ -

a) In April 2011, under a secondary public offering of Spirit AeroSystems, Onex, Onex Partners I, Onex management and certain limited partners sold approximately 10 million shares of Spirit AeroSystems, of which Onex' portion was approximately 2.7 million shares. The offering was completed at a price of \$24.49 per share. Onex' cash cost for these shares was \$3.33 per share.

Total net cash proceeds received from the sale were \$245, resulting in a transfer of the historical accounting carrying value of \$136 to the non-controlling interests in the consolidated statement of equity. The net cash proceeds in excess of the historical accounting carrying value of \$109 was recorded directly to retained earnings. In addition, Onex recorded a deferred tax provision of \$9 directly to retained earnings. Onex' share of the net proceeds was

\$74, including carried interest and excluding distributions paid on account of the MIP.

Amounts received on account of the carried interest related to this transaction totalled \$22. Consistent with market practice and the terms of Onex Partners, Onex is allocated 40% of the carried interest with 60% allocated to management. Onex' share of the carried interest received was \$9 and is included in the net proceeds. Management's share of the carried interest was \$13. In addition, amounts paid on account of the MIP totalled \$5 for this transaction.

As a result of this transaction, Onex, Onex Partners I, Onex management and certain limited partners' economic interest in

11. DISPOSITION OF OPERATING COMPANIES UNDER CONTINUING CONTROL (cont'd)

Spirit AeroSystems was reduced to 16%, of which Onex' economic ownership is 5%. Onex continues to control and consolidate Spirit AeroSystems.

b) In April 2011, TMS International completed an initial public offering of approximately 12.9 million common shares of Class A common stock (NYSE: TMS), including the exercise of the over-allotment option. As part of the offering, Onex, Onex Partners II and Onex management sold approximately 1.9 million shares. Net proceeds of \$23 were received by Onex, Onex Partners II and Onex management, resulting in a transfer of the historical accounting carrying value of \$4 to the non-controlling interests in the consolidated statement of equity. The net cash proceeds in excess of the historical accounting carrying value of \$19 were recorded directly to retained earnings. Onex' share of the net proceeds was \$9, including carried interest received on the share sale.

Proceeds of the initial public offering received by TMS International were used to redeem its subordinated notes for \$44 and for general corporate purposes. Onex, Onex Partners II and Onex management received \$43, including accrued interest of \$6, for their share of the redemption of the subordinated notes. Onex' share of the redemption of the subordinated notes was \$17, including carried interest received on the redemption of the subordinated notes.

Amounts received on account of the carried interest related to these transactions totalled \$2. Consistent with market practice and the terms of Onex Partners, Onex is allocated 40% of the carried interest with 60% allocated to management. Onex' share of the carried interest received was \$1 and is included in the net proceeds for the share sale and the redemption of the subordinated notes. Management's share of the carried interest was \$1.

No amounts were paid on account of this transaction related to the MIP as the required performance targets have not been met at this time.

As part of its initial public offering, TMS International issued approximately 10.9 million new common shares. As a result of the dilution of the Company's ownership interest in TMS International from the issuance, a transfer from the non-controlling interests of \$32 was recorded in the consolidated statement of equity. This reflects Onex' share of the increase in the book value of the net assets of TMS International due to the issuance of additional common shares at a value above the Company's accounting carrying value of TMS International.

As a result of the dilutive transaction discussed above and the sale of shares by Onex, Onex Partners II and Onex management, Onex and the Limited Partners' economic ownership interest in TMS International was reduced to 60%, of which Onex' share is 24%. Onex continues to control and consolidate TMS International.

12. RELATED PARTY TRANSACTIONS

In May and August 2011, Onex entered into the sale of entities, whose sole assets were certain tax losses, to a public company controlled by Mr. Gerald W. Schwartz, who is also Onex' controlling shareholder. In the May 2011 transaction Onex received C\$5 and will receive C\$5 on or before March 31, 2012 for Canadian tax losses of C\$96. The entire \$10 (C\$10) was recorded as a gain in the second quarter of 2011. In the August 2011 transaction Onex received less than C\$1 in cash and will receive less than C\$1 on or before March 31, 2012 for Canadian tax losses of C\$4. The entire amount of less than \$1 (less than C\$1) was recorded as a gain in the third quarter of 2011. Onex has significant Canadian non-capital and capital losses available, for which no benefit has been recognized in the unaudited interim consolidated financial statements. As such, Onex does not expect to generate sufficient taxable income to fully utilize these losses in the foreseeable future. In connection with these transactions, Onex obtained tax rulings from the Canada Revenue Agency and Deloitte & Touche LLP, an independent accounting firm retained by Onex' Audit and Corporate Governance Committee, provided opinions that the values received by Onex for the tax losses were fair. Onex' Audit and Corporate Governance Committee, all the members of which are independent Directors, unanimously approved the transactions.

13. SUBSEQUENT EVENT

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.

a) JELD-WEN

In early October 2011, the Company acquired a controlling interest in JELD-WEN Holding, inc. ("JELD-WEN"). JELD-WEN is one of the world's largest manufacturers of interior and exterior doors, windows and related products for use primarily in the residential and light commercial new construction and remodelling markets. The Company invested a total of \$871 in JELD-WEN, which includes

\$689 from Onex Partners III and \$182 from Onex and certain other limited partners. The total investment in JELD-WEN consists of \$700 of convertible preferred stock for a 57% equity ownership interest and a \$171 convertible note. The convertible note can be redeemed within 18 months with proceeds from the sale of certain non-core assets and, if not redeemed, will convert into additional convertible preferred stock. At September 30, 2011, the cash to be invested by Onex, Onex Partners III and Onex management in JELD-WEN was included in restricted cash in other current assets in the unaudited

interim consolidated balance sheet. Onex' initial investment in JELD-WEN was \$240 for convertible preferred stock for a 20% equity ownership interest and \$58 of the convertible note. Of Onex' total investment of \$298, Onex funded \$124 through Onex Partners III and \$174 as a co-investor in JELD-WEN. Onex intends to offer a portion of the co-investment to its third-party limited partners.

In October 2011, JELD-WEN redeemed \$42 of the convertible note and interest accrued to the redemption date, of which Onex' share was \$14.

14. INFORMATION BY INDUSTRY SEGMENT

2011 Industry Segments

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i> Three months ended September 30, 2011	Electronics Manufacturing Services	Aero- structures	Healthcare	Financial Services	Customer Care Services	Metal Services	Other ^(a)	Consolidated Total
Revenues	\$ 1,830	\$ 1,130	\$ 1,242	\$ 303	\$ 359	\$ 707	\$ 437	\$ 6,008
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(1,684)	(920)	(857)	(152)	(231)	(658)	(264)	(4,766)
Operating expenses	(61)	(42)	(221)	(107)	(97)	(16)	(166)	(710)
Interest income	-	-	1	-	-	-	-	1
Amortization of property, plant and equipment	(16)	(26)	(29)	(1)	(8)	(12)	(16)	(108)
Earnings (Loss) Before the Undernoted Items	69	142	136	43	23	21	(9)	425
Amortization of intangible assets and deferred charges	(4)	(9)	(42)	(5)	(8)	(3)	(6)	(77)
Interest expense of operating companies	(2)	(19)	(50)	(1)	(20)	(8)	(12)	(112)
Unrealized decrease in value of investments in associates at fair value, net	-	-	-	-	-	-	(26)	(26)
Foreign exchange gains (loss)	1	(1)	(6)	-	(3)	1	(10)	(18)
Stock-based compensation recovery (expense)	(8)	(4)	-	-	-	-	78	66
Other items	1	(1)	(18)	2	(3)	-	(23)	(42)
Impairment of goodwill, intangible assets and long-lived assets, net	2	-	(120)	-	-	-	(8)	(126)
Limited Partners' Interests	-	-	-	-	-	-	184	184
Earnings (loss) before income taxes and discontinued operations	59	108	(100)	39	(11)	11	168	274
Provision for income taxes	(8)	(32)	(19)	(15)	(9)	(1)	-	(84)
Earnings (loss) from continuing operations	51	76	(119)	24	(20)	10	168	190
Loss from discontinued operations (note 3)	-	-	-	-	-	-	(6)	(6)
Net earnings (loss)	\$ 51	\$ 76	\$ (119)	\$ 24	\$ (20)	\$ 10	\$ 162	\$ 184

Net earnings (loss) attributable to:

Equity holders of Onex Corporation	\$ 5	\$ 12	\$ (52)	\$ 22	\$ (13)	\$ 6	\$ 166	\$ 146
Non-controlling interests	\$ 46	\$ 64	\$ (67)	\$ 2	\$ (7)	\$ 4	\$ (4)	\$ 38
Net earnings (loss)	\$ 51	\$ 76	\$ (119)	\$ 24	\$ (20)	\$ 10	\$ 162	\$ 184

(a) Includes Allison Transmission, Hawker Beechcraft, RSI, Tropicana Las Vegas, Tomkins, ONCAP II, ONCAP III, Onex Real Estate, Flushing Town Center and the parent company.

14. INFORMATION BY INDUSTRY SEGMENT (cont'd)

2010 Industry Segments

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i> Three months ended September 30, 2010	Electronics Manufacturing Services	Aero- structures	Healthcare	Financial Services	Customer Care Services	Metal Services	Other ^(a)	Consolidated Total
Revenues	\$ 1,546	\$ 1,014	\$ 827	\$ 295	\$ 320	\$ 478	\$ 308	\$ 4,788
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(1,418)	(843)	(530)	(147)	(198)	(435)	(159)	(3,730)
Operating expenses	(56)	(46)	(152)	(104)	(86)	(13)	(115)	(572)
Interest income	-	-	1	-	1	-	10	12
Amortization of property, plant and equipment	(17)	(26)	(28)	(2)	(7)	(12)	(8)	(100)
Earnings Before the Undernoted Items	55	99	118	42	30	18	36	398
Amortization of intangible assets and deferred charges	(3)	(2)	(40)	(6)	(5)	(3)	(6)	(65)
Interest expense of operating companies	(1)	(13)	(30)	(1)	(21)	(10)	(4)	(80)
Unrealized increase (decrease) in value of investments in associates at fair value, net	-	-	24	-	-	-	(11)	13
Foreign exchange gains (loss)	(5)	1	4	1	3	-	7	11
Stock-based compensation expense	(8)	(3)	(1)	-	-	-	(45)	(57)
Other items	(15)	1	(59)	2	(10)	-	(11)	(92)
Limited Partners' Interests	-	-	-	-	-	-	(114)	(114)
Earnings (loss) before income taxes and discontinued operations	23	83	16	38	(3)	5	(148)	14
Recovery of (provision for) income taxes	(2)	(30)	8	(13)	12	(7)	(3)	(35)
Earnings (loss) from continuing operations	21	53	24	25	9	(2)	(151)	(21)
Earnings from discontinued operations (note 3)	-	-	36	-	-	-	20	56
Net earnings (loss)	\$ 21	\$ 53	\$ 60	\$ 25	\$ 9	\$ (2)	\$ (131)	\$ 35

Net earnings (loss) attributable to:

Equity holders of Onex Corporation	\$ 1	\$ 12	\$ 49	\$ 23	\$ 6	\$ (2)	\$ (129)	\$ (40)
Non-controlling interests	\$ 20	\$ 41	\$ 11	\$ 2	\$ 3	\$ -	\$ (2)	\$ 75
Net earnings (loss)	\$ 21	\$ 53	\$ 60	\$ 25	\$ 9	\$ (2)	\$ (131)	\$ 35

(a) Includes Allison Transmission, Hawker Beechcraft, RSI, Tropicana Las Vegas, ONCAP II, Onex Real Estate, Flushing Town Center and the parent company.

2011 Industry Segments

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i> Nine months ended September 30, 2011	Electronics Manufacturing Services	Aero- structures	Healthcare	Financial Services	Customer Care Services	Metal Services	Other ^(a)	Consolidated Total
Revenues	\$ 5,460	\$ 3,645	\$ 3,696	\$ 900	\$ 1,052	\$ 2,042	\$ 1,089	\$ 17,884
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(5,033)	(3,110)	(2,553)	(438)	(684)	(1,894)	(636)	(14,348)
Operating expenses	(179)	(127)	(683)	(327)	(280)	(45)	(439)	(2,080)
Interest income	-	1	3	-	-	-	14	18
Amortization of property, plant and equipment	(47)	(79)	(92)	(3)	(23)	(36)	(40)	(320)
Earnings (Loss) Before the Undernoted Items	201	330	371	132	65	67	(12)	1,154
Amortization of intangible assets and deferred charges	(11)	(24)	(127)	(14)	(20)	(9)	(17)	(222)
Interest expense of operating companies	(5)	(62)	(171)	(3)	(60)	(25)	(25)	(351)
Unrealized increase in value of investments in associates at fair value, net	-	-	-	-	-	-	374	374
Foreign exchange gains (loss)	-	(2)	(4)	-	-	1	(4)	(9)
Stock-based compensation expense	(35)	(10)	(3)	-	-	(2)	(40)	(90)
Other items	(7)	1	(29)	7	(13)	-	(75)	(116)
Impairment of goodwill, intangible assets and long-lived assets, net	2	-	(120)	-	-	-	(8)	(126)
Limited Partners' Interests	-	-	-	-	-	-	(431)	(431)
Earnings (loss) before income taxes and discontinued operations	145	233	(83)	122	(28)	32	(238)	183
Recovery of (provision for) income taxes	(19)	(68)	(45)	(42)	(9)	(11)	37	(157)
Earnings (loss) from continuing operations	126	165	(128)	80	(37)	21	(201)	26
Earnings from discontinued operations (note 3)	-	-	606	-	-	-	1,109	1,715
Net earnings (loss)	\$ 126	\$ 165	\$ 478	\$ 80	\$ (37)	\$ 21	\$ 908	\$ 1,741
Total assets	\$ 2,915	\$ 4,914	\$ 4,175	\$ 4,927	\$ 652	\$ 1,056	\$ 8,493	\$ 27,132
Long-term debt ^(b)	\$ -	\$ 1,160	\$ 2,664	\$ 203	\$ 631	\$ 379	\$ 1,379	\$ 6,416

Net earnings (loss) attributable to:

Equity holders of Onex Corporation	\$ 11	\$ 26	\$ 500	\$ 73	\$ (25)	\$ 15	\$ 913	\$ 1,513
Non-controlling interests	\$ 115	\$ 139	\$ (22)	\$ 7	\$ (12)	\$ 6	\$ (5)	\$ 228
Net earnings (loss)	\$ 126	\$ 165	\$ 478	\$ 80	\$ (37)	\$ 21	\$ 908	\$ 1,741

(a) Includes Allison Transmission, Hawker Beechcraft, RSI, Tropicana Las Vegas, Tomkins, ONCAP II, ONCAP III, Onex Real Estate, Flushing Town Center and the parent company.

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

14. INFORMATION BY INDUSTRY SEGMENT (cont'd)

2010 Industry Segments

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i> Nine months ended September 30, 2010	Electronics Manufacturing Services	Aero- structures	Healthcare	Financial Services	Customer Care Services	Metal Services	Other ^(a)	Consolidated Total
Revenues	\$ 4,650	\$ 3,103	\$ 2,397	\$ 893	\$ 996	\$ 1,577	\$ 716	\$ 14,332
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(4,265)	(2,559)	(1,523)	(432)	(631)	(1,446)	(368)	(11,224)
Operating expenses	(161)	(133)	(447)	(325)	(274)	(41)	(307)	(1,688)
Interest income	-	-	2	-	1	-	17	20
Amortization of property, plant and equipment	(54)	(70)	(86)	(4)	(26)	(37)	(22)	(299)
Earnings Before the Undernoted Items	170	341	343	132	66	53	36	1,141
Amortization of intangible assets and deferred charges	(11)	(16)	(124)	(18)	(19)	(9)	(11)	(208)
Interest expense of operating companies	(15)	(41)	(91)	(3)	(60)	(32)	(9)	(251)
Unrealized increase in value of investments in associates at fair value, net	-	-	17	-	-	-	235	252
Foreign exchange gains (loss)	(3)	(4)	(4)	-	(3)	-	4	(10)
Stock-based compensation expense	(27)	(25)	(2)	-	-	-	(74)	(128)
Other items	(29)	1	(69)	17	(21)	-	(9)	(110)
Limited Partners' Interests	-	-	-	-	-	-	(421)	(421)
Earnings (loss) before income taxes and discontinued operations	85	256	70	128	(37)	12	(249)	265
Recovery of (provision for) income taxes	(22)	(76)	(17)	(48)	4	(10)	(9)	(178)
Earnings (loss) from continuing operations	63	180	53	80	(33)	2	(258)	87
Earnings from discontinued operations (note 3)	-	-	92	-	-	-	22	114
Net earnings (loss)	\$ 63	\$ 180	\$ 145	\$ 80	\$ (33)	\$ 2	\$ (236)	\$ 201
Total assets at December 31, 2010 ^{(b)(c)}	\$ 3,014	\$ 4,975	\$ 6,162	\$ 4,918	\$ 675	\$ 862	\$ 7,501	\$ 28,107
Long-term debt at December 31, 2010 ^{(c)(d)}	\$ -	\$ 1,145	\$ 2,996	\$ 205	\$ 624	\$ 404	\$ 1,215	\$ 6,589

Net earnings (loss) attributable to:

Equity holders of Onex Corporation	\$ 5	\$ 41	\$ 85	\$ 74	\$ (22)	\$ 3	\$ (233)	\$ (47)
Non-controlling interests	\$ 58	\$ 139	\$ 60	\$ 6	\$ (11)	\$ (1)	\$ (3)	\$ 248
Net earnings (loss)	\$ 63	\$ 180	\$ 145	\$ 80	\$ (33)	\$ 2	\$ (236)	\$ 201

(a) Includes Allison Transmission, Hawker Beechcraft, RSI, Tropicana Las Vegas, ONCAP II, Onex Real Estate, Flushing Town Center and the parent company.

(b) Total assets for the other segment at December 31, 2010 includes the assets of Tomkins, acquired in September 2010.

(c) Total assets and long-term debt include EMSC and Husky, which were sold in the second quarter of 2011 as described in note 3.

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

15. TRANSITION TO IFRS

The Company's unaudited interim consolidated financial statements for the nine months ending September 30, 2011 are prepared in accordance with IAS 34, *Interim Financial Reporting*, using accounting policies consistent with IFRS, including the application of IFRS 1, *First-time adoption of IFRS*. IFRS 1 requires that comparative financial information be provided for the first date at which the Company has applied IFRS, which was January 1, 2010 (the "Transition Date"). IFRS 1 also requires first-time adopters to retroactively apply all effective IFRS standards as of the reporting date. However, it also provides for certain optional exemptions and certain mandatory exceptions for the first-time adoption of IFRS. The unaudited interim consolidated financial statements are based on accounting policies as described in note 1 of the March 31, 2011 unaudited interim consolidated financial statements.

In completing the transition to IFRS the Company conducted an evaluation of the primary and secondary factors to assess its functional currency under IFRS. It was determined that the U.S. dollar is the Company's functional currency under IFRS. Accordingly, the financial statements under IFRS have been reported on a U.S. dollar basis.

Initial elections upon adoption

Set forth below are the applicable IFRS 1 exemptions and exceptions applied in the conversion from Canadian GAAP (as reported at December 31, 2010 and prior consolidated financial statements) to IFRS.

IFRS Exemption Options

Business combinations – IFRS 1 allows for the guidance under IFRS 3 (revised), *Business Combinations*, to be applied either retrospectively or prospectively. Onex has elected to adopt IFRS 3 (revised) prospectively. Accordingly, all business combinations on or after January 1, 2010 will be accounted for in accordance with IFRS 3 (revised).

Employee benefits – IFRS 1 provides the option to retrospectively apply either the corridor approach under IAS 19, *Employee Benefits*, for the recognition of actuarial gains and losses, or recognize all cumulative gains and losses deferred under Canadian GAAP in opening retained earnings at the transition date. Onex elected to recognize all cumulative actuarial gains and losses that existed at the transition date in opening retained earnings for all of its employee benefit plans at the operating companies.

Cumulative translation differences – IAS 21, *The Effects of Changes in Foreign Exchange Rates*, requires an entity to determine the translation differences in accordance with IFRS from the date on which a subsidiary was formed or acquired. IFRS 1 allows cumulative translation differences for all foreign operations to be deemed zero at the date of transition to IFRS, with future gains or losses on subsequent disposal of any foreign operations to exclude translation differences arising from periods prior to the date of transition to IFRS. Onex deemed all cumulative translation differences to be zero on transition to IFRS.

Borrowing costs – IAS 23, *Borrowing Costs*, requires an entity to capitalize the borrowing costs related to all qualifying assets. Onex has elected to adopt IAS 23 prospectively. Accordingly, borrowing costs related to qualifying assets on or after January 1, 2010 will be capitalized.

Leases – International Financial Reporting Interpretations Committee ("IFRIC") 4, *Determining whether an Arrangement contains a Lease*, requires a company to assess all arrangements to determine if they are, or contain, a lease. Onex will elect to use the IFRS 1 exemption such that IFRIC 4 need only be applied to those arrangements that had not previously been assessed under similar Canadian GAAP requirements.

IFRS Mandatory Exceptions

Hedge accounting – IFRS 1 requires hedge accounting to be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria at that date in accordance with IAS 39, *Financial Instruments: Recognition and Measurement*. Only hedging relationships that satisfy the hedge accounting criteria as of the transition date will be reflected as hedges in Onex' results under IFRS. Any derivatives not meeting the IAS 39 criteria for hedge accounting will be recorded at fair value in the consolidated balance sheets as a non-hedging derivative financial instrument.

Estimates – Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP will not be revised for the application of IFRS except where necessary to reflect any differences in accounting policies between IFRS and Canadian GAAP.

15. TRANSITION TO IFRS (cont'd)

RECONCILIATION OF FINANCIAL STATEMENTS TO IFRS

The following are reconciliations of the financial statements previously presented under Canadian GAAP to the financial statements prepared under IFRS. The reconciliations do not reflect adjustments for operating company investments subsequently disposed of or classified as discontinued operations.

Reconciliation of Consolidated Balance Sheet as at January 1, 2010

<i>(in millions of dollars)</i>	December 31, 2009 Canadian GAAP (C\$)	Adjustments to U.S. Dollar Functional Currency	December 31, 2009 Canadian GAAP (US\$)	IFRS Adjustments	IFRS Adjustment References	January 1, 2010 IFRS (US\$)
Assets						
Current assets						
Cash and cash equivalents	\$ 3,206	\$ (156)	\$ 3,050	\$ (32)		\$ 3,018
Short-term investments	636	(31)	605	-		605
Accounts receivable	3,062	(149)	2,913	15	(a)	2,928
Inventories	3,085	(150)	2,935	269	(b)	3,204
Other current assets	1,384	(67)	1,317	(216)	(b)	1,101
	11,373	(553)	10,820	36		10,856
Property, plant and equipment	3,623	(184)	3,439	(73)		3,366
Long-term investments	3,255	(158)	3,097	351	(c)	3,448
Other non-current assets	2,696	(132)	2,564	(649)	(a, b, d)	1,915
Intangible assets	2,086	(101)	1,985	256	(e)	2,241
Goodwill	2,312	(112)	2,200	(2)		2,198
	\$ 25,345	\$ (1,240)	\$ 24,105	\$ (81)		\$ 24,024
Liabilities and Equity						
Current liabilities						
Accounts payable and accrued liabilities	\$ 3,819	\$ (185)	\$ 3,634	\$ (366)	(f)	\$ 3,268
Current portion of provisions	-	-	-	255	(f)	255
Other current liabilities	992	(48)	944	30	(f)	974
Current portion of long-term debt, without recourse to Onex	425	(21)	404	-		404
Current portion of obligations under finance leases, without recourse to Onex	21	(1)	20	-		20
Current portion of warranty reserves and unearned premiums	1,410	(68)	1,342	-		1,342
	6,667	(323)	6,344	(81)		6,263
Non-current portion of provisions	-	-	-	231	(f)	231
Long-term debt of operating companies, without recourse to Onex	5,505	(267)	5,238	46		5,284
Non-current portion of obligations under finance leases, without recourse to Onex	41	(2)	39	-		39
Non-current portion of warranty reserves and unearned premiums	2,034	(99)	1,935	-		1,935
Other non-current liabilities	1,832	(91)	1,741	(71)	(f, g)	1,670
Deferred income taxes	1,237	(180)	1,057	(247)		810
Non-controlling interests	6,370	(309)	6,061	(6,061)	(h)	-
Limited Partners' Interests	-	-	-	3,708	(h)	3,708
	23,686	(1,271)	22,415	(2,475)		19,940
Equity						
Share capital	508	(127)	381	-		381
Non-controlling interests	-	-	-	3,329	(h)	3,329
Retained earnings and accumulated other comprehensive earnings	1,151	158	1,309	(935)	(i)	374
	1,659	31	1,690	2,394		4,084
	\$ 25,345	\$ (1,240)	\$ 24,105	\$ (81)		\$ 24,024

Reconciliation of Consolidated Balance Sheet as at December 31, 2010

<i>(in millions of dollars)</i>	December 31, 2010 Canadian GAAP [C\$]	Adjustments to U.S. Dollar Functional Currency	December 31, 2010 Canadian GAAP [US\$]	IFRS Adjustments	IFRS Adjustment References	December 31, 2010 IFRS [US\$]
Assets						
Current assets						
Cash and cash equivalents	\$ 2,518	\$ 14	\$ 2,532	\$ -		\$ 2,532
Short-term investments	711	4	715	-		715
Accounts receivable	3,397	19	3,416	14	(a)	3,430
Inventories	3,614	20	3,634	370	(b)	4,004
Other current assets	1,695	8	1,703	(208)	(b)	1,495
	11,935	65	12,000	176		12,176
Property, plant and equipment	4,101	11	4,112	(56)		4,056
Long-term investments	3,754	20	3,774	1,090	(c)	4,864
Other non-current assets	2,436	14	2,450	(578)	(a, b, d)	1,872
Intangible assets	2,233	12	2,245	260	(e)	2,505
Goodwill	2,619	14	2,633	1		2,634
	\$ 27,078	\$ 136	\$ 27,214	\$ 893		\$ 28,107
Liabilities and Equity						
Current liabilities						
Accounts payable and accrued liabilities	\$ 4,307	\$ 24	\$ 4,331	\$ (367)	(f)	\$ 3,964
Current portion of provisions	-	-	-	257	(f)	257
Other current liabilities	1,165	6	1,171	40	(f)	1,211
Current portion of long-term debt, without recourse to Onex	242	1	243	-		243
Current portion of obligations under finance leases, without recourse to Onex	13	-	13	1		14
Current portion of warranty reserves and unearned premiums	1,306	7	1,313	1		1,314
	7,033	38	7,071	(68)		7,003
Non-current portion of provisions	-	-	-	284	(f)	284
Long-term debt of operating companies, without recourse to Onex	6,309	34	6,343	3		6,346
Non-current portion of obligations under finance leases, without recourse to Onex	42	-	42	1		43
Non-current portion of warranty reserves and unearned premiums	1,770	9	1,779	1		1,780
Other non-current liabilities	1,871	6	1,877	44	(f, g)	1,921
Deferred income taxes	1,089	(144)	945	(7)		938
Non-controlling interests	7,483	41	7,524	(7,524)	(h)	-
Limited Partners' Interests	-	-	-	5,650	(h)	5,650
	25,597	(16)	25,581	(1,616)		23,965
Equity						
Share capital	500	(127)	373	-		373
Non-controlling interests	-	-	-	3,638	(h)	3,638
Retained earnings and accumulated other comprehensive earnings	981	279	1,260	(1,129)	(i)	131
	1,481	152	1,633	2,509		4,142
	\$ 27,078	\$ 136	\$ 27,214	\$ 893		\$ 28,107

15. TRANSITION TO IFRS (cont'd)

Reconciliation of Consolidated Balance Sheet as at September 30, 2010

<i>(in millions of dollars)</i>	September 30, 2010 Canadian GAAP [C\$]	Adjustments to U.S. Dollar Functional Currency	September 30, 2010 Canadian GAAP [US\$]	IFRS Adjustments	IFRS Adjustment References	September 30, 2010 IFRS [US\$]
Assets						
Current assets						
Cash and cash equivalents	\$ 2,079	\$ (58)	\$ 2,021	\$ (25)		\$ 1,996
Short-term investments	757	(22)	735	-		735
Accounts receivable	3,192	(90)	3,102	15	(a)	3,117
Inventories	3,631	(103)	3,528	358	(b)	3,886
Other current assets	1,381	(39)	1,342	(224)	(b)	1,118
	11,040	(312)	10,728	124		10,852
Property, plant and equipment	4,011	(123)	3,888	(42)		3,846
Long-term investments	4,121	(116)	4,005	732	(c)	4,737
Other non-current assets	2,605	(74)	2,531	(664)	(a, b, d)	1,867
Intangible assets	2,046	(58)	1,988	235	(e)	2,223
Goodwill	2,461	(69)	2,392	2		2,394
	\$ 26,284	\$ (752)	\$ 25,532	\$ 387		\$ 25,919
Liabilities and Equity						
Current liabilities						
Accounts payable and accrued liabilities	\$ 3,865	\$ (109)	\$ 3,756	\$ (353)	(f)	\$ 3,403
Current portion of provisions	-	-	-	211	(f)	211
Other current liabilities	979	(28)	951	41	(f)	992
Current portion of long-term debt, without recourse to Onex	711	(20)	691	-		691
Current portion of obligations under finance leases, without recourse to Onex	18	(1)	17	-		17
Current portion of warranty reserves and unearned premiums	1,333	(37)	1,296	-		1,296
	6,906	(195)	6,711	(101)		6,610
Non-current portion of provisions	-	-	-	240	(f)	240
Long-term debt of operating companies, without recourse to Onex	5,583	(157)	5,426	33		5,459
Non-current portion of obligations under finance leases, without recourse to Onex	47	(1)	46	2		48
Non-current portion of warranty reserves and unearned premiums	1,874	(53)	1,821	-		1,821
Other non-current liabilities	1,890	(55)	1,835	(74)	(f, g)	1,761
Deferred income taxes	1,116	(163)	953	(125)		828
Non-controlling interests	7,328	(207)	7,121	(7,121)	(h)	-
Limited Partners' Interests	-	-	-	4,855	(h)	4,855
	24,744	(831)	23,913	(2,291)		21,622
Equity						
Share capital	500	(127)	373	-		373
Non-controlling interests	-	-	-	3,641	(h)	3,641
Retained earnings and accumulated other comprehensive earnings	1,040	206	1,246	(963)	(i)	283
	1,540	79	1,619	2,678		4,297
	\$ 26,284	\$ (752)	\$ 25,532	\$ 387		\$ 25,919

**Reconciliation of Statement of Net Earnings (Loss)
for the Year Ended December 31, 2010**

<i>(in millions of dollars except per share data)</i>	IFRS Adjustment References	
Net Loss under Canadian GAAP		C\$ (51)
Adjustments to U.S. dollar functional currency		63
Net Earnings under Canadian GAAP		US\$ 12
Revenue recognition	(b)	64
Unrealized increase in value of investments in associates at fair value, net	(c)	699
Stock-based compensation	(g)	(28)
Other items:		
Unrealized carried interest attributable to management	(g)	(114)
Restructuring provisions	(j)	13
Non-controlling interests	(h)	363
Limited Partners' Interests	(h)	(831)
Income taxes	(k)	9
Gain on sale of CSI	(l)	11
Other, net		(1)
Net Earnings under IFRS		US\$ 197
Net earnings (loss) attributable to:		
Equity holders of Onex Corporation		\$ (167)
Non-controlling interests		364
		\$ 197
Net loss per Subordinate Voting Share of Onex Corporation		
Basic and Diluted:		
Net loss		\$ (1.40)

**Reconciliation of Consolidated Statement of Comprehensive
Earnings for the Year Ended December 31, 2010**

<i>(in millions of dollars)</i>	IFRS Adjustment References	
Comprehensive loss under Canadian GAAP		C\$ (113)
Adjustments to U.S. dollar functional currency		136
Comprehensive earnings under Canadian GAAP		US\$ 23
Adjustments to Net Earnings, net of tax		185
Non-controlling interests	(h)	5
Foreign currency translation adjustments	(m)	(8)
Actuarial loss and other	(n)	(64)
Comprehensive earnings under IFRS		US\$ 141
Total comprehensive earnings (loss) attributable to:		
Equity holders of Onex Corporation		\$ (188)
Non-controlling interests		329
		\$ 141

15. TRANSITION TO IFRS (cont'd)

Reconciliation of Net Earnings (Loss) for the Three and Nine Months Ended September 30, 2010

<i>(in millions of dollars except per share data)</i>	IFRS Adjustment References	Three months ended September 30, 2010	Nine months ended September 30, 2010
Net Loss under Canadian GAAP		C\$ (44)	C\$ (48)
Adjustments to U.S. Dollar Functional Currency		38	28
Net Loss under Canadian GAAP		US\$ (6)	US\$ (20)
Revenue recognition	(b)	29	49
Unrealized increase in value of investments in associates at fair value, net	(c)	67	354
Stock-based compensation	(g)	(7)	(13)
Other items:			
Unrealized carried interest attributable to management	(g)	(6)	(7)
Restructuring provisions	(j)	(15)	5
Non-controlling interests	(h)	83	261
Limited Partners' Interests	(h)	(114)	(421)
Income taxes	(k)	(3)	(9)
Other, net		7	2
Net Earnings under IFRS		US\$ 35	US\$ 201
Net earnings (loss) attributable to:			
Equity holders of Onex Corporation		\$ (40)	\$ (47)
Non-controlling interests		75	248
		\$ 35	\$ 201
Net loss per Subordinate Voting Share of Onex Corporation			
Basic and Diluted:			
Net loss		\$ (0.34)	\$ (0.39)

Reconciliation of Consolidated Statement of Comprehensive Earnings for the Three and Nine Months Ended September 30, 2010

<i>(in millions of dollars)</i>	IFRS Adjustment References	Three months ended September 30, 2010	Nine months ended September 30, 2010
Comprehensive loss under Canadian GAAP		C\$ (43)	C\$ (57)
Adjustments to U.S. Dollar Functional Currency		80	50
Comprehensive earnings (loss) under Canadian GAAP		US\$ 37	US\$ (7)
Adjustments to Net Loss, net of tax		41	221
Non-controlling interests	(h)	79	14
Foreign currency translation adjustments	(m)	12	(4)
Other, net		(4)	(7)
Comprehensive earnings under IFRS		US\$ 165	US\$ 217
Total comprehensive earnings (loss) attributable to:			
Equity holders of Onex Corporation		\$ 62	\$ (40)
Non-controlling interests		103	257
		\$ 165	\$ 217

The transition from Canadian GAAP to IFRS reporting resulted in certain balances being reclassified for presentation purposes on the consolidated balance sheets. Adjustments to the Company's consolidated balance sheets, excluding reclassifications, and consolidated statements of comprehensive earnings in the transition from Canadian GAAP to IFRS reporting consisted of the following:

a) Where products are provided free of charge to customers in connection with a commitment to provide an identifiable future benefit, IFRS requires that the product be recognized as a receivable at fair value, while Canadian GAAP required recognition as a long-term asset at cost. As such, on transition to IFRS the products were recognized at fair value and a component was classified as a current account receivable from other non-current assets under Canadian GAAP presentation.

b) Under IFRS, Spirit AeroSystems recognizes revenue relating to its long-term volume-based pricing contracts under IAS 11, *Construction Contracts*. In accordance with IAS 11, revenue and costs are recognized with consideration for the entire life of the contracts, while under Canadian GAAP certain components of contracts were considered separately for revenue and cost recognition. The difference in the method of recognizing revenue and costs associated with long-term contracts resulted in a reduction of inventory and a corresponding decrease in retained earnings under IFRS. In addition, costs associated with long-term supply contracts resulted in a reduction of cost of goods sold under IFRS. The deferred tax impact related to this adjustment was reflected in other non-current assets.

In accordance with IFRS, pre-production costs associated with long-term volume-based pricing contracts at Spirit AeroSystems have been classified as inventory from other non-current assets.

During the third quarter of 2010, Onex, the parent company, received fees from Tomkins for services rendered in conjunction with the acquisition of Tomkins. Under Canadian GAAP, these fees were eliminated as Tomkins was accounted for using the equity-accounting method.

c) For certain investments over which the Company has the ability to exert significant influence, but not control, IFRS allows the investments to be designated for recognition at fair value. The Company has designated to record at fair value its significant influence investments in Allison Transmission, Hawker Beechcraft, RSI, ResCare (prior to November 2010), Tomkins, Cypress and Onex Real Estate Partners. The transition from the equity-accounting method under Canadian GAAP to fair value under IFRS resulted in a net increase of the investments' carrying value and adjustments to fair value since the transition to IFRS.

d) A portion of the deferred development charges relating to Spirit AeroSystems previously recorded within other non-current assets has been classified as an intangible asset for IFRS reporting.

Onex has elected to recognize all cumulative actuarial gains and losses for employee future benefit plans deferred under Canadian GAAP in opening retained earnings at the date of transition to IFRS. A reduction (increase) to deferred benefit assets (liabilities), net of the associated deferred tax impact, was recognized for this transitional adjustment. Subsequently, under IFRS, Onex has elected to recognize all actuarial gains and losses immediately in a separate statement of other comprehensive earnings and directly to retained earnings, without recognition to the income statement.

e) On transition to IFRS an impairment was recognized by Spirit AeroSystems for its deferred development costs. The impairment was due to the consideration of its deferred development charges as an intangible asset under IFRS and consequently the different impairment testing requirements.

f) In accordance with IFRS, provisions relating to restructuring, warranty, asset retirement obligations, legal, self-insurance and other have been presented separately on the consolidated balance sheets. Under Canadian GAAP, provisions were recorded within accounts payable and accrued liabilities, other current liabilities and other non-current liabilities.

g) Adjustments to other non-current liabilities for employee future benefits related primarily to the recognition of cumulative actuarial gains and losses on transition to IFRS, as described above, and unamortized past service costs that were recognized on transition to IFRS.

In accordance with IFRS, the liability for cash-settled share-based payments is accrued at fair value by applying an option pricing model while Canadian GAAP permitted recognition at the intrinsic value of the payments. As such, the liability for cash-settled share-based payments was adjusted to reflect the fair value of these awards. In addition, the liability for share-based payments was adjusted to reflect the use of the graded vesting basis as required under IFRS, while Canadian GAAP permitted the pooling of share-based instruments and recognition on a straight-line basis.

Other non-current liabilities also includes an adjustment to recognize the unrealized carried interest in the Onex Partners and ONCAP Funds. The unrealized carried interest is calculated based on the fair values of the underlying investments and the overall unrealized gains in each respective Fund in accordance with the limited partnership agreements. The liability reflects the portion due to Onex management. The portion of unrealized carried interest due to Onex is recognized through a reduced charge for the Limited Partners' Interests. The unrealized carried interest liability reduces the amount due to the Limited Partners and will eventually be paid through the realization of the Limited Partners' share of the underlying Onex Partners and ONCAP Fund investments.

15. TRANSITION TO IFRS (cont'd)

h) Under IFRS, the interests of the Limited Partners and other investors through the Onex Partners and ONCAP Funds are required to be recorded as a financial liability. The liability is recorded at fair value and is adjusted through earnings to the fair value of the underlying investments in the Onex Partners and ONCAP Funds.

The remaining third-party interests in the Company's consolidated investments are considered to be non-controlling interests and are presented as a component of equity under IFRS. In addition to the equity classification, the non-controlling interests were adjusted for their share of the change in opening net assets, including accumulated other comprehensive income (loss) items.

i) The adjustment to retained earnings and accumulated other comprehensive earnings reflects Onex' share of the change in net assets for the respective periods. The significant adjustments to retained earnings include the impact of accounting for the Limited Partners' Interests, investments in associates, unrealized carried interest and stock-based compensation. A reconciliation of retained earnings and accumulated other comprehensive earnings at January 1, 2010 is as follows:

	January 1, 2010
Retained earnings and accumulated other comprehensive earnings under Canadian GAAP	\$ 1,309
Significant adjustments:	
Limited Partners' Interests	(1,100)
Unrealized carried interest attributable to management	(85)
Investments in associates recorded at fair value	330
Stock-based compensation	(55)
Other, net	(25)
Retained earnings and accumulated other comprehensive earnings under IFRS	\$ 374

j) The recognition of restructuring accruals relating to termination benefits under IFRS is recognized when an entity is committed, without realistic possibility of withdrawal, to the termination, while Canadian GAAP required recognition when the termination was probable. As a result of this recognition distinction, an adjustment was made to recognize fewer restructuring provisions under IFRS, which will be recognized at a later date under IFRS.

k) The adjustment for income taxes relates to the difference in the method for determining the deferred tax impact for foreign jurisdictions between Canadian GAAP and IFRS. Canadian GAAP required the deferred tax impact to be calculated based on the tax currency, while IFRS requires the calculation to be based on the foreign entity's functional currency. This difference was also affected by a change in the functional currency of certain foreign entities at the operating companies under IFRS.

l) Under IFRS, the gain recognized for the sale of CSI Global Education, Inc. ("CSI") by ONCAP II was increased for the recovery of the Limited Partners' share of negative accounting retained earnings associated with the investment in CSI. Additionally, the gain was not reduced for the amounts paid on account of the MIP as Onex accrues a liability for the MIP under IFRS.

The gain on the sale of CSI of \$97 under IFRS is entirely attributable to the equity holders of Onex Corporation, as the interests of the Limited Partners were recorded as a financial liability at fair value under IFRS. Under Canadian GAAP, the Limited Partners' share was recognized as non-controlling interests.

m) An assessment of the functional currency under IFRS completed by the operating companies resulted in certain foreign entities having a different functional currency from that determined under Canadian GAAP. The result is that the foreign entities were considered to be foreign operations under IFRS and resulted in recognition of a foreign currency translation adjustment in other comprehensive income under IFRS. In addition, the currency translation adjustments include the non-controlling interests share and the allocation to the non-controlling interests is made in the consolidated statement of equity.

n) Actuarial gains (losses) for employee future benefit plans are recorded directly to other comprehensive earnings (loss) without recognition to the consolidated statement of earnings under IFRS. Onex' policy under Canadian GAAP was to recognize actuarial gains and losses in the statement of earnings that exceeded 10% of the greater of the benefit obligation or the fair market value of plan assets on a straight-line basis over the average remaining service period of active employees.

IFRS cash flow adjustments

The consolidated statements of cash flows under IFRS have been adjusted from Canadian GAAP to conform with the presentation requirements of IFRS and Onex' functional currency of the U.S. dollar under IFRS.

Certain items specific to IFRS within the consolidated statements of earnings have been adjusted as non-cash items on the consolidated statements of cash flows. These non-cash adjustments include the following: unrealized increase in the value of investments in associates at fair value, Limited Partners' Interests and change in provisions. Additionally, the Canadian GAAP adjustment in the consolidated statements of cash flows for the non-controlling interests' share of net earnings is not required as the allocation of net earnings is made in the consolidated statement of equity under IFRS.

SHAREHOLDER INFORMATION

Third Quarter Dividend

A dividend of C\$0.0275 per Subordinate Voting Share was paid on October 31, 2011 to shareholders of record as of October 7, 2011.

Shares

The Subordinate Voting Shares of the Company are listed and traded on the Toronto Stock Exchange.

Share Symbol

OCX

Shareholder Dividend Reinvestment Plan

The Dividend Reinvestment Plan provides shareholders of record who are resident in Canada a means to reinvest cash dividends in new Subordinate Voting Shares of Onex Corporation at a market-related price and without payment of brokerage commissions. To participate, registered shareholders should contact Onex' share registrar, CIBC Mellon Trust Company. Non-registered shareholders who wish to participate should contact their investment dealer or broker.

Corporate Governance Policies

A presentation of Onex' corporate governance policies is included in the Management Information Circular that is mailed to all shareholders and is available on Onex' website.

Registrar and Transfer Agent

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.

Electronic Communication with Shareholders

We encourage individuals to receive Onex' shareholder communications electronically. You can submit your request online by visiting CIBC Mellon Trust Company's website at www.cibcmellon.com/electronicdelivery or contacting them at 1-800-387-0825.

Investor Relations Contact

Requests for copies of this report, other quarterly reports, annual reports and other corporate communications should be directed to:
Investor Relations
Onex Corporation
161 Bay Street
P.O. Box 700
Toronto, Ontario M5J 2S1
(416) 362-7711

E-mail:

info@onex.com

Website:

www.onex.com

Duplicate Communication

Registered holders of Onex Corporation shares may receive more than one copy of shareholder mailings. Every effort is made to avoid duplication, but when shares are registered under different names and/or addresses, multiple mailings result. Shareholders who receive but do not require more than one mailing for the same ownership are requested to write to the Registrar and Transfer Agent and arrangements will be made to combine the accounts for mailing purposes.

Shares Held in Nominee Name

To ensure that shareholders whose shares are not held in their name receive all Company reports and releases on a timely basis, a direct mailing list is maintained by the Company. If you would like your name added to this list, please forward your request to Investor Relations at Onex.

ONEX

ONEX PARTNERS

ONCAP

ONEX
REAL ESTATE PARTNERS

ONEX
CREDIT PARTNERS



Carestream



Tomkins



JELD-WEN
WINDOWS & DOORS