

Onex Corporation

CONSOLIDATED BALANCE SHEETS

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

Onex Corporation

CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited) (in millions of U.S. dollars except per share data)	Three months ended March 31	
	2017	2016
Revenues	\$ 6,517	\$ 4,726
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(4,836)	(3,444)
Operating expenses	(1,148)	(824)
Interest income	86	77
Amortization of property, plant and equipment	(178)	(131)
Amortization of intangible assets and deferred charges	(168)	(116)
Interest expense of operating companies	(305)	(215)
Increase in value of investments in joint ventures and associates at fair value, net	25	20
Stock-based compensation expense	(110)	(48)
Other expense	(210)	(26)
Limited Partners' Interests charge	(519)	(159)
Loss before income taxes and discontinued operations	(846)	(140)
Recovery of (provision for) income taxes	13	(29)
Loss from continuing operations	(833)	(169)
Loss from discontinued operations	(104)	(6)
Loss for the Period	\$ (937)	\$ (175)
Earnings (Loss) from Continuing Operations attributable to:		
Equity holders of Onex Corporation	\$ (809)	\$ (181)
Non-controlling Interests	(24)	12
Loss from Continuing Operations for the Period	\$ (833)	\$ (169)
Net Earnings (Loss) attributable to:		
Equity holders of Onex Corporation	\$ (912)	\$ (187)
Non-controlling Interests	(25)	12
Net Loss for the Period	\$ (937)	\$ (175)
Net Loss per Subordinate Voting Share of Onex Corporation		
Basic and Diluted:		
Continuing operations	\$ (7.87)	\$ (1.74)
Discontinued operations	(1.01)	(0.05)
Net Loss per Subordinate Voting Share for the Period	\$ (8.88)	\$ (1.79)

Onex Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

Onex Corporation

INFORMATION BY INDUSTRY SEGMENT

FOR THE THREE MONTHS ENDED MARCH 31, 2017

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

- (a) Includes Survitec, Schumacher, WireCo, ONCAP II, III and IV, Flushing Town Center, Meridian Aviation, Parkdean Resorts (since March 2017) and the parent company. Investments in joint ventures and associates recorded at fair value include AIT, BBAM, Incline Aviation Fund, ITG and Mavis Discount Tire.
- (b) Represents the after-tax results of USI.
- (c) The other segment includes USI, which is a discontinued operation.
- (d) Long-term debt includes current portion, excludes finance leases and is net of financing charges.

Onex Corporation

INFORMATION BY INDUSTRY SEGMENT

FOR THE THREE MONTHS ENDED MARCH 31, 2016

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i>	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Building Products	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other ^(a)	Consolidated Total
Revenues	\$ 1,353	\$ 437	\$ 453	\$ 800	\$ 178	\$ 522	\$ 128	\$ 86	\$ 1	\$ 768	\$ 4,726
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	(1,241)	(252)	(346)	(623)	—	(346)	(32)	(70)	—	(534)	(3,444)
Operating expenses	(51)	(140)	(89)	(118)	(159)	(69)	(24)	(4)	(7)	(163)	(824)
Interest income	—	1	—	—	—	1	—	—	71	4	77
Amortization of property, plant and equipment	(15)	(16)	(7)	(30)	(2)	(45)	—	(2)	—	(14)	(131)
Amortization of intangible assets and deferred charges	(2)	(24)	(4)	(4)	(10)	(37)	(10)	(1)	(1)	(23)	(116)
Interest expense of operating companies	(2)	(36)	(6)	(18)	(17)	(54)	(12)	(4)	(37)	(29)	(215)
Increase in value of investments in joint ventures and associates at fair value, net	—	—	—	—	—	—	—	—	—	20	20
Stock-based compensation expense	(9)	(1)	—	(31)	(1)	(1)	(1)	—	—	(4)	(48)
Other income (expense)	(3)	(14)	2	(12)	2	(9)	(2)	(1)	84	(73)	(26)
Limited Partners' Interests charge	—	—	—	—	—	—	—	—	(6)	(153)	(159)
Earnings (loss) before income taxes and discontinued operations	30	(45)	3	(36)	(9)	(38)	47	4	105	(201)	(140)
Recovery of (provision for) income taxes	(4)	2	(1)	(2)	—	9	(20)	—	—	(13)	(29)
Earnings (loss) from continuing operations	26	(43)	2	(38)	(9)	(29)	27	4	105	(214)	(169)
Loss from discontinued operations ^(b)	—	—	—	—	—	—	—	—	—	(6)	(6)
Net earnings (loss) for the period	\$ 26	\$ (43)	\$ 2	\$ (38)	\$ (9)	\$ (29)	\$ 27	\$ 4	\$ 105	\$ (220)	\$ (175)
Net earnings (loss) attributable to:											
Equity holders of Onex Corporation	\$ 4	\$ (39)	\$ 2	\$ (33)	\$ (8)	\$ (29)	\$ 27	\$ 4	\$ 105	\$ (220)	\$ (187)
Non-controlling interests	22	(4)	—	(5)	(1)	—	—	—	—	—	12
Net earnings (loss) for the period	\$ 26	\$ (43)	\$ 2	\$ (38)	\$ (9)	\$ (29)	\$ 27	\$ 4	\$ 105	\$ (220)	\$ (175)
As at December 31, 2016											
<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i>	Electronics Manufacturing Services	Healthcare Imaging	Health and Human Services	Building Products	Insurance Services	Packaging Products and Services	Business and Information Services	Food Retail and Restaurants	Credit Strategies	Other ^(a)	Consolidated Total
Total assets ^(c)	\$ 2,822	\$ 1,473	\$ 995	\$ 2,669	\$ 1,545	\$ 6,144	\$ 5,765	\$ 2,185	\$ 7,624	\$ 11,691	\$ 42,913
Long-term debt ^{(c)(d)}	\$ 226	\$ 1,920	\$ 421	\$ 1,615	\$ 939	\$ 3,447	\$ 2,667	\$ 886	\$ 5,912	\$ 4,830	\$ 22,863

- (a) Includes Survitec, Schumacher, ONCAP II and III, Flushing Town Center, Meridian Aviation and the parent company. Investments in joint ventures and associates recorded at fair value include AIT, BBAM, Incline Aviation Fund (since March 2016), ITG and Mavis Discount Tire.
- (b) Represents the after-tax results of USI and KraussMaffei.
- (c) The other segment includes USI, which is a discontinued operation.
- (d) Long-term debt includes current portion, excludes finance leases and is net of financing charges.