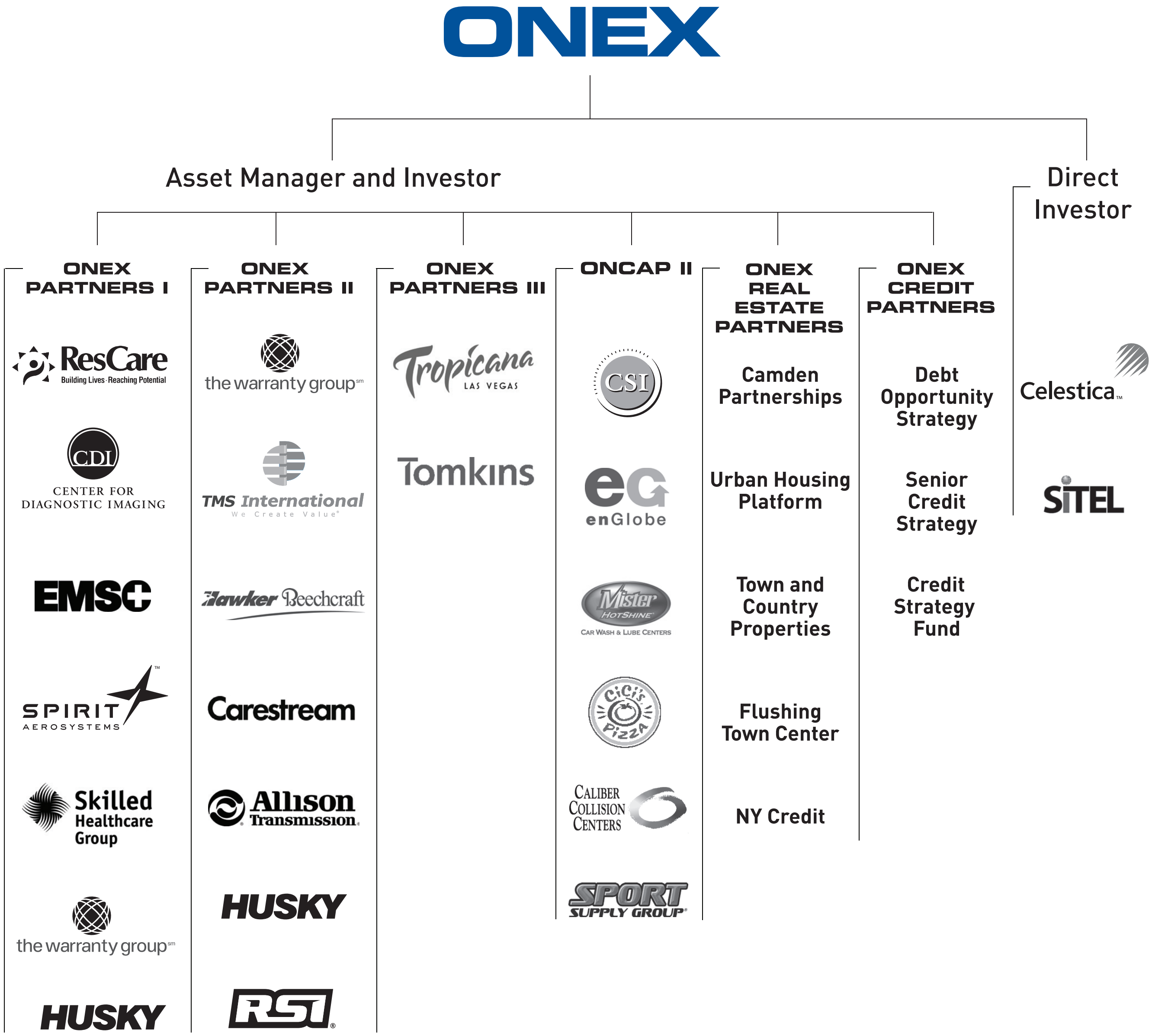
ONEX

Management's Discussion and Analysis and Financial Statements

Third Quarter Ended September 30, 2010

THE ONEX OPERATING COMPANIES

Onex' businesses generate annual revenues of $37 billion, have assets of $42 billion and employ approximately 240,000 people worldwide.



The investment in The Warranty Group is split almost equally between Onex Partners I and II.
The investment in Husky is split approximately 20%/80% between Onex Partners I and II, respectively.

Table of Contents

ONEX CORPORATION

Over 25 Years of Successful Investing

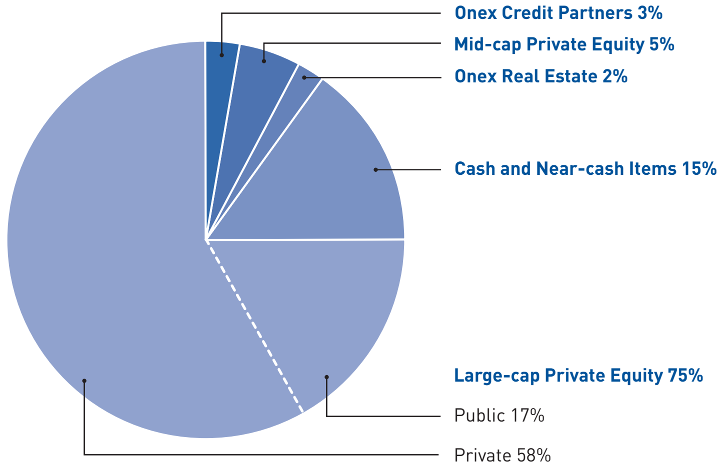
Founded in 1984, Onex is one of North America's oldest and most successful investment firms committed to acquiring and building high-quality businesses. Onex has completed more than 290 acquisitions with a total value of approximately $49 billion. Employing a value-oriented and active ownership investment approach in acquiring and building industry-leading businesses in partnership with talented management teams, Onex has generated 3.4 times the capital it has invested and managed, earning a 29 percent compound IRR on realized and publicly traded investments.

As an investor first and foremost, Onex invests its $4.1 billion of proprietary capital largely through Onex Partners, its flagship private equity platform. Onex also invests through ONCAP, its mid-market private equity platform, Onex Real Estate Partners and Onex Credit Partners. Onex is in excellent financial condition, with ample cash on hand and no debt at the parent company.

Onex is entrusted with third-party capital from institutional investors from around the world. The Company currently manages approximately US$8.9 billion of invested and committed capital on behalf of its limited partners. In return, Onex receives a stable and growing stream of annual management fees on US$7.9 billion of capital that offsets ongoing operating expenses. In addition, Onex is entitled to a share of the profits on this capital. This is commonly referred to as carried interest. Carried interest, if realized, could significantly enhance Onex' investment returns.

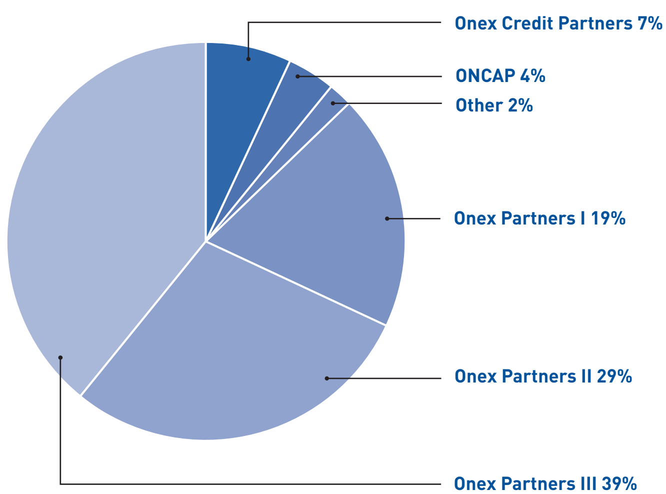
Onex is a public company whose shares trade on the Toronto Stock Exchange under the symbol OCX.

How Onex' $4.1 billion of Capital is Deployed at September 30, 2010



Investments are valued at fair value as at September 30, 2010 with the exception of a limited number of Onex direct investments held at cost.

The Components of Onex' US$8.9 billion of Third-Party Assets under Management at September 30, 2010



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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The interim Management's Discussion and Analysis ("interim MD&A") of the financial condition and results of operations analyzes significant changes in the unaudited interim consolidated statements of earnings, the unaudited interim consolidated balance sheet and the unaudited interim consolidated statements of cash flows of Onex Corporation ("Onex"). As such, this interim MD&A should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto of this report. The interim MD&A and the Onex unaudited interim consolidated financial statements have been prepared to provide information on Onex on a consolidated basis and should not be considered as providing sufficient information to make an investment decision in regard to any particular Onex operating company.

The following interim MD&A is the responsibility of management and is as of November 10, 2010. 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 the disclosure.

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

Onex Corporation's interim financial filings, including Quarterly 2010 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.

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.

Cautionary Statement Regarding Use of Non-GAAP Accounting Measures

This interim MD&A makes reference to operating earnings. Onex uses operating earnings as a measure to evaluate each operating company's performance because it eliminates interest charges, which are a function of the operating company's particular financing structure, as well as certain non-cash charges including stock-based compensation, amortization of intangible assets and any unusual or non-recurring charges. Onex' method of determining operating earnings may differ from other companies' methods and, accordingly, operating earnings may not be comparable to measures used by other companies. Operating earnings is not a performance measure under Canadian GAAP and should not be considered either in isolation of, or as a substitute for, net earnings prepared in accordance with Canadian GAAP.

THIRD QUARTER 2010 HIGHLIGHTS

- In September, Onex, in partnership with Canada Pension Plan Investment Board, acquired Tomkins plc in a transaction valued at approximately US$5.0 billion. Onex, Onex Partners III and Onex management invested approximately US$1.1 billion in the equity of the business; Onex' initial investment was US$345 million.

- In August, ONCAP II acquired Sport Supply Group for approximately US$200 million; Onex, ONCAP II and Onex management invested US$56 million of equity in the business, of which Onex' portion was US$29 million.

- Carestream Health and Celestica each completed acquisitions during the third quarter to continue to build their businesses.

- In July, Husky distributed US$100 million to shareholders, of which Onex' share was approximately US$35 million.

- In September, Carestream Health made a US$60 million distribution to shareholders, of which Onex' share was US$23 million.

- Onex announced that Mr. Jack Yang, a seasoned financial services industry professional, has joined Onex Credit Partners as Managing Partner. The addition of Mr. Yang supports Onex' commitment to actively build this credit investing platform.

- During the third quarter, Onex repurchased 607,100 Subordinate Voting Shares under its Normal Course Issuer Bid for a total cost of $15 million. This brings Onex' total purchases under its Bid in 2010 to 2,040,750 Subordinate Voting Shares for a total cost of $52 million.

- At September 30, 2010, Onex' Subordinate Voting Shares closed at $28.91, a 13 percent increase from June 30, 2010, and a 23 percent increase from December 31, 2009.

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

INDUSTRY SEGMENTS

At September 30, 2010, Onex had seven reportable industry segments. A description of our operating companies by industry segment, and the managed, economic and voting ownership of Onex in those businesses, is presented below.

Industry Segments	Companies	Onex Manages[a]	Onex' Economic/ Voting Ownership
Electronics Manufacturing Services	**Celestica Inc.** (TSX/NYSE: CLS), a global provider of electronics manufacturing services (website: www.celestica.com). **Onex shares held: 17.8 million**	–	8%[b]/70%
Aerostructures	**Spirit AeroSystems, Inc.** (NYSE: SPR), the world's largest independent designer and manufacturer of aerostructures (website: www.spiritaero.com). **Onex shares held: 8.6 million** **Onex Partners I shares subject to a carried interest: 17.2 million**	23%	6%[b]/76%
Healthcare	**Emergency Medical Services Corporation** (NYSE:EMS), the leading provider of emergency medical services in the United States (website: www.emsc.net). **Onex shares held: 4.8 million** **Onex Partners I shares subject to a carried interest: 7.0 million**	31%	11%[b]/82%
	Center for Diagnostic Imaging, Inc., a U.S. provider of diagnostic and therapeutic radiology services (website: www.cdiradiology.com). **Total Onex, Onex Partners I and Onex management investment at cost: $88 million (US$73 million)** **Onex portion: $21 million (US$17 million)** **Onex Partners I portion subject to a carried interest: $64 million (US$53 million)**	81%	19%/100%
	Skilled Healthcare Group, Inc. (NYSE: SKH), an organization of skilled nursing and assisted living facilities operators in the United States (website: www.skilledhealthcaregroup.com). **Onex shares held: 3.5 million** **Onex Partners I shares subject to a carried interest: 10.7 million**	40%	9%/89%
	Carestream Health, Inc., a global provider of medical and dental imaging and health-care information technology solutions (website: www.carestreamhealth.com). **Total Onex, Onex Partners II and Onex management investment at cost: $483 million (US$436 million), after a $38 million (US$35 million) return of capital** **Onex portion: $191 million (US$173 million)** **Onex Partners II portion subject to a carried interest: $292 million (US$266 million)**	97%	38%/100%
	Res-Care, Inc.[c] (NASDAQ: RSCR), the largest U.S. provider of residential, training, educational and support services for people with disabilities and special needs (website: www.rescare.com). **Onex shares held: 2.0 million** **Onex Partners I shares subject to a carried interest: 6.2 million**	25%	6%/–[c]

(a) "Onex manages" represents the economic ownership collectively held by Onex and the third-party limited partners of the Onex Partners Funds.

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

(c) Onex has certain contractual rights and protections, including the right to appoint members to the Board of Directors, in respect of this entity, which is an equity-accounted investment in Onex' unaudited interim consolidated financial statements.

Industry Segments	Companies	Onex Manages[a]	Onex' Economic/ Voting Ownership
Financial Services	**The Warranty Group, Inc.,** the world's largest provider of extended warranty contracts (website: www.thewarrantygroup.com). **Total Onex, Onex Partners I, Onex Partners II and Onex management investment at cost: $556 million (US$488 million)** **Onex portion: $175 million (US$154 million)** **Onex Partners I portion subject to a carried interest: $204 million (US$178 million)** **Onex Partners II portion subject to a carried interest: $155 million (US$137 million)**	93%	29%/100%
Customer Support Services	**Sitel Worldwide Corporation,** a global provider of outsourced customer care services (website: www.sitel.com). **Onex investment at cost: $340 million (US$251 million)**	–	66%/88%
Metal Services	**TMS International Corp.,** a leading provider of outsourced industrial services to steel mills globally (website: www.tubecityims.com). **Total Onex, Onex Partners II and Onex management investment at cost: $277 million (US$235 million)** **Onex portion: $109 million (US$93 million)** **Onex Partners II portion subject to a carried interest: $156 million (US$133 million)**	91%	36%/100%
Other Businesses			
• *Aircraft & Aftermarket*	**Hawker Beechcraft Corporation[b],** the largest privately owned designer and manufacturer of business jet, turboprop and piston aircraft (website: www.hawkerbeechcraft.com). **Total Onex, Onex Partners II and Onex management investment at cost: $620 million (US$537 million)** **Onex portion: $244 million (US$212 million)** **Onex Partners II portion subject to a carried interest: $350 million (US$303 million)**	49%	19%/–[b]
• *Commercial Vehicles*	**Allison Transmission, Inc.[b],** 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). **Total Onex, Onex Partners II, certain limited partners and Onex management investment at cost: $805 million (US$763 million)** **Onex portion: $250 million (US$237 million)** **Onex Partners II portion subject to a carried interest: $357 million (US$339 million)**	49%	15%/–[b]
• *Industrial Products*	**Tomkins Limited[b],** an engineering and manufacturing company that manufactures a variety of products for the industrial, automotive and building products markets worldwide (www.tomkins.co.uk). **Total Onex, Onex Partners III and Onex management investment at cost: $1,090 million (US$1,062 million)** **Onex portion: $354 million (US$345 million)** **Onex Partners III portion subject to a carried interest: $705 million (US$687 million)**	49%	16%/–[b]
• *Injection Molding*	**Husky International Ltd.,** the leading global supplier of injection molding equipment and services to the PET plastics industry (website: www.husky.ca). **Total Onex, Onex Partners I, Onex Partners II and Onex management investment at cost: $527 million (US$524 million), after a $99 million (US$98 million) return of capital** **Onex portion: $191 million (US$189 million)** **Onex Partners I portion subject to a carried interest: $97 million (US$96 million)** **Onex Partners II portion subject to a carried interest: $278 million (US$276 million)**	98%	36%/100%

(a) "Onex manages" represents the economic ownership collectively held by Onex and the third-party limited partners of the Onex Partners Funds.

(b) 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 equity-accounted investments in Onex' unaudited interim consolidated financial statements.

Industry Segments	Companies	Onex Manages[a]	Onex' Economic/ Voting Ownership
Other Businesses (cont'd)			
• *Gaming*	**Tropicana Las Vegas, Inc.,** located directly on the Las Vegas Strip, is one of the best-known casinos in Las Vegas (www.troplv.com). **Total Onex, Onex Partners III and Onex management investment at cost: $270 million (US$250 million)** **Onex portion: $59 million (US$54 million)** **Onex Partners III portion subject to a carried interest: $190 million (US$176 million)**	74%	16%/74%
• *Building Products*	**RSI Home Products, Inc.[b],** a leading manufacturer of kitchen, bathroom and home organization cabinetry sold through home centre retailers, independent kitchen and bath dealers and other distributors (www.rsiholdingcorp.com). **Total Onex, Onex Partners II and Onex management investment at cost: $338 million (US$318 million)** **Onex portion: $133 million (US$126 million)** **Onex Partners II portion subject to a carried interest: $190 million (US$179 million)**	50%	20%/50%[b]
• *Mid-cap Opportunities*	**ONCAP,** a private equity fund focused on acquiring and building the value of mid-capitalization companies based in North America (website: www.oncap.com). ONCAP II actively manages investments in CSI Global Education Inc., EnGlobe Corp. (TSX: EG), Mister Car Wash, CiCi's Pizza, Caliber Collision Centers and Sport Supply Group. **Total Onex, ONCAP II and Onex management investment at cost: $323 million** **Onex portion: $147 million** **ONCAP II portion: $156 million**	–	46%/100%
• *Real Estate*	**Onex Real Estate Partners,** a platform dedicated to acquiring and improving real estate assets in North America. **Onex investment in Onex Real Estate transactions at cost: $239 million (US$224 million)[c]**	–	86%/100%
• *Credit Securities*	**Onex Credit Partners** specializes in managing credit-related investments, including event-driven, long/short and market dislocation strategies. **Onex investment in Onex Credit Partners' funds at market: $254 million (US$247 million), of which $157 million (US$153 million) is in an Onex Credit Partners' unleveraged senior secured loan portfolio that purchases assets with greater liquidity**	–	60%[d]/50%[d]

(a) "Onex manages" represents the economic ownership collectively held by Onex and the third-party limited partners of the Onex Partners Funds.

(b) 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 equity-accounted investments in Onex' unaudited interim consolidated financial statements.

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

(d) 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 and unaudited interim consolidated statements of cash flows for the three and nine months ended September 30, 2010 compared to those for the same periods ended September 30, 2009 and compares Onex' financial condition at September 30, 2010 to that at December 31, 2009.

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, 2010 and 2009, the corresponding notes thereto and the December 31, 2009 audited annual consolidated financial statements.

Critical accounting policies and estimates

Onex prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"). The preparation of these financial statements in conformity with Canadian GAAP requires management of Onex and management of the operating companies 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 period of the unaudited interim consolidated financial statements. Significant accounting policies and methods used in the preparation of the unaudited interim consolidated financial statements are described in note 1 to the December 31, 2009 audited annual consolidated financial statements. There were no significant changes in accounting policies in the nine months ended September 30, 2010. Onex and its operating companies evaluate their estimates and assumptions on a regular basis based on historical experience and other relevant factors. Included in Onex' unaudited interim consolidated financial statements are estimates used in determining the allowance for doubtful accounts, inventory valuation, the valuation of deferred taxes, intangible assets and goodwill, the useful lives of property, plant and equipment and intangible assets, revenue recognition under contract accounting, pension and post-employment benefits, losses and loss adjustment expenses reserves, restructuring costs, litigation liability reserves and other matters. Actual results could differ materially from those estimates and assumptions.

Variability of results

Onex' unaudited interim consolidated operating results may vary substantially from 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 volatility of the exchange rate between the Canadian dollar and certain foreign currencies, primarily the U.S. dollar; the change in market 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 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.

U.S. dollar to Canadian dollar exchange rate movement

Since most of Onex' operating companies report in U.S. dollars, the upward or downward movement of the U.S. dollar to Canadian dollar exchange rate for the three and nine months ended September 30, 2010 compared to the exchange rate changes for the same periods last year will affect Onex' reported consolidated results of operations. During the third quarter of 2010, the average U.S. dollar to Canadian dollar exchange rate was 1.0391 Canadian dollars, approximately 5 percent lower compared to 1.0974 Canadian dollars for the third quarter of 2009. For the nine months ended September 30, 2010, the average U.S. dollar to Canadian dollar exchange rate was 1.0359 Canadian dollars, 11 percent lower compared to 1.1700 Canadian dollars for the first nine months of 2009. For balance sheet purposes, the closing exchange rate was 1.0290 at September 30, 2010 compared to 1.0510 at December 31, 2009.

Tropicana Las Vegas second rights offering

In April 2010, Tropicana Las Vegas, Inc. ("Tropicana Las Vegas") completed a second rights offering of US$50 million. Onex, Onex Partners III and Onex management invested an additional US$45 million in Tropicana Las Vegas, of which Onex' share was US$10 million. This was completed through an issue of preferred shares that have similar terms to the 2009 rights offering, accrue dividends at a rate of 12.5 percent and are convertible into common shares of Tropicana Las Vegas at a fixed ratio including accrued and unpaid dividends. After giving effect to the offering, Onex, Onex Partners III and Onex management own, on an as-converted basis at September 30, 2010, approximately 74 percent of Tropicana Las Vegas, of which Onex' share was 16 percent.

Consolidation of Flushing Town Center

In the first quarter of 2010, a subsidiary of Onex became the managing partner of the Flushing Town Center joint venture, at which point Onex began consolidating its interest. Previously, Onex accounted for its interest in Flushing Town Center using the equity method. Flushing Town Center is a mixed-use development located in New York City, New York. The development is being constructed in two phases and will consist of approximately 800,000 square feet of retail space, a 2,500-space parking structure and approximately 1,100 condominium units. At September 30, 2010, Onex had a carrying value of $21 million in Flushing Town Center.

Acquisitions and dispositions

Skilled Healthcare Group acquisition

On May 1, 2010, Skilled Healthcare Group, Inc. ("Skilled Healthcare Group") acquired five U.S. Medicare-certified hospice companies and four U.S. Medicare-certified home health companies located in Arizona, Idaho, Montana and Nevada. The total purchase price for these companies was US$63 million. Skilled Healthcare Group funded approximately US$46 million in cash, of which US$30 million was drawn from the company's term loan and the remainder funded from its revolving credit facility. The remainder of the total purchase price was in the form of certain deferred and/or contingent payments payable over a three- to five-year period.

Acquisition of Sport Supply Group

In March 2010, ONCAP II entered into an agreement with Sport Supply Group, Inc. ("Sport Supply Group") to acquire the company in a transaction valued at approximately US$200 million. Sport Supply Group is a leading manufacturer and distributor of sporting goods and branded team uniforms to the institutional and team sports market in the United States. This company was quoted on the NASDAQ. On August 5, 2010, the acquisition was completed following approval by the common shareholders of Sport Supply Group. Onex and ONCAP II invested approximately US$56 million of equity in this business, of which Onex' portion was US$29 million. Onex and ONCAP II have a 62 percent equity ownership and 93 percent voting interest in Sport Supply Group. The operations of Sport Supply Group have been consolidated from its acquisition date and reported in Onex' other segment along with other current ONCAP II investments.

Acquisition of Tomkins

In September 2010, Onex, in partnership with Canada Pension Plan Investment Board ("CPPIB"), acquired Tomkins plc at a cash price of £3.25 per share for a total transaction value, including the assumption of debt, of approximately US$5.0 billion. Onex Partners III and CPPIB split equally the new equity investment of US$2.1 billion. Management of Tomkins also became investors in the business. The newly acquired business will be operating as Tomkins Limited ("Tomkins"). Onex, Onex Partners III and Onex management invested approximately US$1.1 billion in the business. Onex' initial portion of that investment was US$345 million. Onex and Onex Partners III have economic and voting interests of 49 percent in Tomkins. Tomkins will be accounted for on an equity basis in Onex' unaudited interim consolidated financial statements. Since the operating results of Tomkins from its effective acquisition date of September 24, 2010 to the end of September were not material to Onex, they have not been included in Onex' unaudited interim consolidated statements of earnings and cash flow for the three and nine months ended September 30, 2010. The investment is included in the September 30, 2010 unaudited interim consolidated balance sheet.

Tomkins is an industrial company that operates a number of businesses serving the general industrial, automotive and building products markets around the globe. Its well-known brands include Gates, the world's largest aftermarket manufacturer of belts and hoses for the industrial and automotive market; Schrader, the world's largest designer and manufacturer of remote tire pressure monitoring systems; Titus and Hart & Cooley, the largest manufacturers of grilles, registers and diffusers serving the North American commercial and residential construction industries; and Ruskin, the largest manufacturer of dampers and louvers for the North American commercial construction industry.

Carestream Health acquisition

In September 2010, Carestream Health, Inc. ("Carestream Health") acquired Quantum Medical Imaging, LLC, a manufacturer of high-quality digital and conventional x-ray systems used by hospitals, imaging centres and health clinics. The total purchase price was US$95 million. With this acquisition, Carestream Health became a global leader in x-ray imaging, providing a broad portfolio of conventional and digital x-ray systems for healthcare providers worldwide. Carestream Health funded the entire purchase in cash.

No significant dispositions were completed in the first nine months of 2010.

REVIEW OF SEPTEMBER 30, 2010 UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The discussions that follow review factors that affected Onex' operating segments and Onex' unaudited interim consolidated results for the three and nine months ended September 30, 2010.

Consolidated revenues and cost of sales

Consolidated revenues were $6.0 billion for the third quarter of 2010, down $97 million, or 2 percent, from the same quarter of 2009. Consolidated cost of sales was $4.7 billion for the three months ended September 30, 2010, a decrease of $23 million from the same quarter of 2009.

For the nine months ended September 30, 2010, revenues were $17.8 billion, down $856 million, or 5 percent, from the first nine months of 2009. Consolidated cost of sales was $14.1 billion for the nine months ended September 30, 2010, down 4 percent, or $555 million.

The reported revenues and cost of sales of Onex' U.S.-based operating companies in Canadian dollars may not reflect the true nature of the operating results of those companies due to the translation of those amounts and the associated fluctuation of the U.S. dollar to the Canadian dollar exchange rate. In table 1 below, revenues and cost of sales by industry segment are presented in Canadian dollars as well as in the functional currency of the companies for the three and nine months ended September 30, 2010 and 2009. The percentage change in revenues and cost of sales in Canadian dollars and in the functional currency of the companies for those periods is also shown. The discussions of revenues and cost of sales by industry segment that follow are in the companies' functional currency in order to eliminate the impact of foreign currency translation on those revenues and cost of sales.

Revenues by Industry Segment for the Three-Month Period Ended September 30

TABLE 1 (Unaudited) ($ millions)

	Revenues					
	Canadian Dollars			Functional Currency		
Three months ended September 30	**2010**	2009	**Change (%)**	**2010**	2009	**Change (%)**
Electronics Manufacturing Services	**$ 1,604**	$ 1,700	**(6)%**	**US$ 1,546**	US$ 1,556	**(1)%**
Aerostructures	**1,053**	1,157	**(9)%**	**US$ 1,014**	US$ 1,054	**(4)%**
Healthcare	**1,625**	1,605	**1 %**	**US$ 1,564**	US$ 1,463	**7 %**
Financial Services	**306**	322	**(5)%**	**US$ 295**	US$ 294	**–**
Customer Support Services	**333**	417	**(20)%**	**US$ 320**	US$ 380	**(16)%**
Metal Services	**497**	434	**15 %**	**US$ 478**	US$ 395	**21 %**
Other[(a)]	**563**	443	**27 %**	**C$ 563**	C$ 443	**27 %**
Total	**$ 5,981**	$ 6,078	**(2)%**			

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

(a) 2010 other includes Husky, Tropicana Las Vegas, ONCAP II, Flushing Town Center and the parent company. 2009 other includes Husky, Tropicana Las Vegas, ONCAP II and the parent company.

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

(Unaudited) ($ millions)

	Cost of Sales					
	Canadian Dollars			Functional Currency		
Three months ended September 30	**2010**	2009	**Change (%)**	**2010**	2009	**Change (%)**
Electronics Manufacturing Services	**$ 1,472**	$ 1,560	**(6)%**	**US$ 1,419**	US$ 1,427	**(1)%**
Aerostructures	**885**	933	**(5)%**	**US$ 851**	US$ 850	**–**
Healthcare	**1,208**	1,166	**4 %**	**US$ 1,163**	US$ 1,062	**10 %**
Financial Services	**153**	149	**3 %**	**US$ 147**	US$ 135	**9 %**
Customer Support Services	**208**	263	**(21)%**	**US$ 200**	US$ 239	**(16)%**
Metal Services	**451**	396	**14 %**	**US$ 434**	US$ 360	**21 %**
Other[(a)]	**338**	271	**25 %**	**C$ 338**	C$ 271	**25 %**
Total	**$ 4,715**	$ 4,738	**–**			

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

(a) 2010 other includes Husky, Tropicana Las Vegas, ONCAP II, Flushing Town Center and the parent company. 2009 other includes Husky, Tropicana Las Vegas, ONCAP II and the parent company.

Revenues by Industry Segment for the Nine-Month Period Ended September 30

TABLE 1 | *(Unaudited) ($ millions)*

Nine months ended September 30	Revenues: Canadian Dollars 2010	2009	Change (%)	Revenues: Functional Currency 2010	2009	Change (%)
Electronics Manufacturing Services	**$ 4,820**	$ 5,151	**(6)%**	**US$ 4,650**	US$ 4,428	**5 %**
Aerostructures	**3,212**	3,502	**(8)%**	**US$ 3,103**	US$ 3,001	**3 %**
Healthcare	**4,685**	4,966	**(6)%**	**US$ 4,522**	US$ 4,256	**6 %**
Financial Services	**925**	1,029	**(10)%**	**US$ 893**	US$ 880	**1 %**
Customer Support Services	**1,032**	1,365	**(24)%**	**US$ 996**	US$ 1,165	**(15)%**
Metal Services	**1,632**	1,093	**49 %**	**US$ 1,577**	US$ 940	**68 %**
Other[a]	**1,516**	1,572	**(4)%**	**C$ 1,516**	C$ 1,572	**(4)%**
Total	**$ 17,822**	$ 18,678	**(5)%**			

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

(a) 2010 other includes Husky, Tropicana Las Vegas, ONCAP II, Flushing Town Center and the parent company. 2009 other includes CEI (up to May 2009), Husky, Tropicana Las Vegas (from July 1, 2009), ONCAP II and the parent company.

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

(Unaudited) ($ millions)

Nine months ended September 30	Cost of Sales: Canadian Dollars 2010	2009	Change (%)	Cost of Sales: Functional Currency 2010	2009	Change (%)
Electronics Manufacturing Services	**$ 4,421**	$ 4,705	**(6)%**	**US$ 4,265**	US$ 4,043	**5 %**
Aerostructures	**2,686**	2,975	**(10)%**	**US$ 2,594**	US$ 2,555	**2 %**
Healthcare	**3,464**	3,616	**(4)%**	**US$ 3,344**	US$ 3,098	**8 %**
Financial Services	**448**	498	**(10)%**	**US$ 432**	US$ 424	**2 %**
Customer Support Services	**661**	870	**(24)%**	**US$ 638**	US$ 742	**(14)%**
Metal Services	**1,496**	986	**52 %**	**US$ 1,445**	US$ 848	**70 %**
Other[a]	**914**	995	**(8)%**	**C$ 914**	C$ 995	**(8)%**
Total	**$ 14,090**	$ 14,645	**(4)%**			

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

(a) 2010 other includes Husky, Tropicana Las Vegas, ONCAP II, Flushing Town Center and the parent company. 2009 other includes CEI (up to May 2009), Husky, Tropicana Las Vegas (from July 1, 2009), ONCAP II and the parent company.

Electronics Manufacturing Services

Celestica Inc. ("Celestica") reported a US$10 million decrease in revenues for the third quarter of 2010. The slight decline in revenues was driven by lower revenues in the company's consumer and storage end markets, mostly offset by Celestica's revenue growth in its other end markets. Cost of sales reported a similar decline of US$8 million for the three months ended September 30, 2010.

For the nine months ended September 30, 2010, revenues increased 5 percent, or US$222 million, and cost of sales had a similar increase of 5 percent, or US$222 million. Celestica's revenue growth in the first nine months of 2010 was in the following end markets: storage (17 percent); consumer (3 percent); servers (9 percent); industrial, aerospace and defence, and healthcare (13 percent); and enterprise communications (11 percent). These increases were primarily from program wins from new and existing customers, and generally increased volumes reflecting an improved economic environment. Partially offsetting these increases was a 16 percent decline in revenues in Celestica's telecommunications end market, driven primarily by declines in demand and customer insourcing. Gross profit for the nine months ended September 30, 2010 remained unchanged at US$385 million from the same period of 2009. Gross margin as a percentage of revenues decreased slightly to 8 percent in the first nine months of 2010 (2009 – 9 percent) due primarily to higher variable costs.

Aerostructures

Spirit AeroSystems, Inc. ("Spirit AeroSystems") reported a US$40 million, or 4 percent, decrease in revenues for the third quarter of 2010. The decrease in revenues was driven primarily by fewer large commercial aircraft deliveries in the third quarter compared to the same quarter of 2009. In addition, approximately US$6 million of the revenue decline was due to unfavourable foreign exchange rates on its non-U.S. revenues from Spirit Europe.

Cost of sales was up slightly to US$851 million (2009 – US$850 million) for the third quarter of 2010. Cost of sales as a percentage of revenues was 84 percent for the third quarter of 2010 compared to 81 percent for the same quarter of 2009. The increase was primarily driven by lower profitability on production blocks that began in the fourth quarter of 2009, and the third-quarter impact of early retirement incentives negotiated as part of the 10-year agreement Spirit AeroSystems reached with its largest labour union in the second quarter.

During the first nine months of 2010, revenues at Spirit AeroSystems were up 3 percent, or US$102 million. Much of the increase in revenues for the first nine months of 2010 was due to higher ship set deliveries to Boeing compared to the same period in 2009. Partially offsetting the revenue increase were lower volume-based pricing adjustments in the first nine months of 2010 (US$5 million) compared to the first nine months of 2009 (US$39 million). Cost of sales was up 2 percent, or US$39 million, for the nine months ended September 30, 2010 from the same period in 2009. Cost of sales as a percentage of revenues was 84 percent for the first nine months of 2010 compared to 85 percent for the same period last year. The decrease in cost of sales as a percentage of revenues was substantially due to US$143 million of unusual charges incurred through the second quarter of 2009 primarily related to a forward loss charge on the company's Gulfstream G-250 contract, as well as unfavourable cumulative catch-up adjustments of US$39 million on program costs.

Healthcare

The healthcare segment revenues and cost of sales consist of the operations of Emergency Medical Services Corporation ("EMSC"), Center for Diagnostic Imaging, Inc. ("CDI"), Skilled Healthcare Group and Carestream Health. Res-Care, Inc. ("ResCare") is accounted for on an equity basis and, accordingly, that company's revenues and cost of sales are not consolidated. The healthcare segment reported a 7 percent, or US$101 million, increase in consolidated revenues for the three months ended September 30, 2010 over the same period last year. Cost of sales increased 10 percent, or US$101 million, for the third quarter of 2010. For the first nine months of 2010, consolidated revenues in the healthcare segment were up 6 percent, or US$266 million, and cost of sales was up 8 percent, or US$246 million.

Table 2 provides revenues and cost of sales by operating company in the healthcare segment for the three and nine months ended September 30, 2010 and 2009 in both Canadian dollars and the companies' functional currency.

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

TABLE 2 *(Unaudited) ($ millions)*	Revenues					
	Canadian Dollars			Functional Currency		
Three months ended September 30	**2010**	2009	**Change (%)**	**2010**	2009	**Change (%)**
EMSC	**$ 766**	$ 730	**5 %**	**US$ 737**	US$ 665	**11 %**
CDI	**38**	39	**(3)%**	**US$ 36**	US$ 36	**–**
Skilled Healthcare Group	**218**	206	**6 %**	**US$ 210**	US$ 188	**12 %**
Carestream Health	**603**	630	**(4)%**	**US$ 581**	US$ 574	**1 %**
Total	**$ 1,625**	$ 1,605	**1 %**	**US$ 1,564**	US$ 1,463	**7 %**

(Unaudited) ($ millions)	Cost of Sales					
	Canadian Dollars			Functional Currency		
Three months ended September 30	**2010**	2009	**Change (%)**	**2010**	2009	**Change (%)**
EMSC	**$ 662**	$ 632	**5 %**	**US$ 637**	US$ 575	**11 %**
CDI	**11**	12	**(8)%**	**US$ 11**	US$ 11	**–**
Skilled Healthcare Group	**181**	171	**6 %**	**US$ 174**	US$ 156	**12 %**
Carestream Health	**354**	351	**1 %**	**US$ 341**	US$ 320	**7 %**
Total	**$ 1,208**	$ 1,166	**4 %**	**US$ 1,163**	US$ 1,062	**10 %**

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

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

Revenues

TABLE 2 *(Unaudited) ($ millions)*

	Canadian Dollars			Functional Currency		
Nine months ended September 30	**2010**	2009	**Change (%)**	**2010**	2009	**Change (%)**
EMSC	**$ 2,202**	$ 2,237	**(2)%**	**US$ 2,125**	US$ 1,915	**11 %**
CDI	**109**	123	**(11)%**	**US$ 105**	US$ 105	**–**
Skilled Healthcare Group	**621**	668	**(7)%**	**US$ 600**	US$ 571	**5 %**
Carestream Health	**1,753**	1,938	**(10)%**	**US$ 1,692**	US$ 1,665	**2 %**
Total	**$ 4,685**	$ 4,966	**(6)%**	**US$ 4,522**	US$ 4,256	**6 %**

Cost of Sales

(Unaudited) ($ millions)

	Canadian Dollars			Functional Currency		
Nine months ended September 30	**2010**	2009	**Change (%)**	**2010**	2009	**Change (%)**
EMSC	**$ 1,901**	$ 1,932	**(2)%**	**US$ 1,835**	US$ 1,654	**11 %**
CDI	**34**	39	**(13)%**	**US$ 33**	US$ 33	**–**
Skilled Healthcare Group	**515**	563	**(9)%**	**US$ 497**	US$ 482	**3 %**
Carestream Health	**1,014**	1,082	**(6)%**	**US$ 979**	US$ 929	**5 %**
Total	**$ 3,464**	$ 3,616	**(4)%**	**US$ 3,344**	US$ 3,098	**8 %**

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

EMSC

EMSC's third-quarter revenues increased US$72 million, or 11 percent, to US$737 million from US$665 million in the same quarter of 2009. The revenue growth was due primarily to increases in rates and volumes on existing contracts combined with volume from net new contracts and acquisitions. Cost of sales grew 11 percent to US$637 million (2009 – US$575 million) for the three months ended September 30, 2010, consistent with the revenue growth in the quarter.

For the nine months ended September 30, 2010, revenues at EMSC were up 11 percent, or US$210 million. Cost of sales was up 11 percent, or US$181 million. The same factors that contributed to the third-quarter revenue and cost of sales growth were the drivers in the first nine months of 2010.

Carestream Health

Carestream Health reported a 1 percent, or US$7 million, increase in revenues to US$581 million for the three months ended September 30, 2010. The increase in revenues in the quarter was due primarily to higher revenues in its digital dental and medical businesses, which were partially offset by the anticipated reduction in Carestream Health's traditional film business. Cost of sales was up 7 percent, or US$21 million, for the three months ended September 30, 2010. Cost of sales increased primarily as a result of higher costs for polyester and silver used in the production of film.

For the nine months ended September 30, 2010, revenues at Carestream Health increased 2 percent, or US$27 million, while cost of sales was up 5 percent, or US$50 million. Since Carestream Health has operations worldwide, approximately US$17 million of the revenue increase was due to favourable foreign exchange rates on its non-U.S. revenues compared to the first nine months of 2009. Excluding the impact of foreign exchange, the company reported an increase in revenues of US$72 million from its growing digital medical and dental businesses.

Partially offsetting this increase was a US$62 million decline in revenues from the anticipated reduction in its traditional film business. Gross profit for the first nine months of 2010 was US$713 million compared to US$736 million in the same period last year. Gross profit decreased compared to last year due to higher costs of US$65 million for polyester and silver used in the production of film. These increased costs were partially offset by the favourable impact of foreign exchange of US$19 million, the effect of higher digital sales volumes and productivity improvements across the businesses.

Financial Services

The Warranty Group, Inc. ("The Warranty Group") reported revenues of US$295 million for the third quarter of 2010 (2009 – US$294 million). Revenues increased in the third quarter due to higher earned premiums from international operations, which more than offset anticipated lower earned premiums stemming from the lower level of U.S. auto sales in prior periods. Cost of sales was US$147 million for the third quarter of 2010, up 9 percent, or US$12 million, from US$135 million for the three months ended September 30, 2009 due primarily to the higher earned premiums.

For the first nine months of 2010, revenues at The Warranty Group increased 1 percent, or US$13 million, while cost of sales was up 2 percent, or US$8 million. Revenues and cost of sales for the first nine months of 2010 increased due to the same factors that contributed to the revenue and cost of sales growth in the third quarter. In addition, revenues for the first nine months of 2010 improved due to higher investment income primarily in North America.

Customer Support Services

Sitel Worldwide Corporation ("Sitel Worldwide") reported revenues of US$320 million for the three months ended September 30, 2010, down 16 percent, or US$60 million, from the same period of 2009. The decline was due primarily to attrition of existing programs associated with lower consumer spending, partially offset by growth from new and existing customers. Cost of sales was US$200 million for the third quarter of 2010, down 16 percent, or US$39 million, from US$239 million for the same period of 2009. This decline resulted from the company adjusting its cost structure to correspond with decreased activity.

For the nine months ended September 30, 2010, revenues decreased 15 percent, or US$169 million, due primarily to the same factors that contributed to the 2010 third-quarter revenue decline. Lower revenues drove a corresponding decrease in cost of sales of 14 percent, or US$104 million.

Metal Services

Revenues at TMS International Corp. ("TMS International"), formerly named Tube City IMS Corporation, were US$478 million for the third quarter of 2010, up 21 percent, or US$83 million, from the third quarter of 2009. The vast majority of the increase was attributable to higher levels of steel production, which drove increased demand for raw materials and resulted in significantly higher sales volume in the outsourced purchasing business. The higher levels of steel production also directly affected TMS International's service revenues, which are typically charged to customers based on tons of raw steel produced. The increase in steel production activity resulted in a 22 percent increase in TMS International's service revenues.

Cost of sales was US$434 million for the three months ended September 30, 2010, up 21 percent from US$360 million in the third quarter of 2009. Although raw materials procurement activities increased by approximately 25 percent as demand increased, the margins derived from certain activities declined as some of the increase in volume had lower margins.

For the nine months ended September 30, 2010, revenues were up 68 percent, or US$637 million, while cost of sales increased 70 percent, or US$597 million. The increases in both revenues and cost of sales were driven by the same factors that affected the third quarter of 2010.

Other businesses

The other businesses segment primarily consists of the revenues of Husky International Ltd. ("Husky"), Tropicana Las Vegas, the ONCAP II companies – CSI Global Education Inc. ("CSI"), EnGlobe Corp. ("EnGlobe"), Mister Car Wash, CiCi's Pizza, Caliber Collision Centers ("Caliber Collision") and Sport Supply Group – and Flushing Town Center. Revenues in the other businesses segment were up 27 percent to $563 million (2009 – $443 million) for the third quarter of 2010. Cost of sales for the other businesses segment was up 25 percent to $338 million (2009 – $271 million) for the three months ended September 30, 2010. For the nine months ended September 30, 2010, revenues were down 4 percent, or $56 million, while cost of sales decreased 8 percent, or $81 million.

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, 2010 and 2009 in both Canadian dollars and the companies' functional currency.

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

Revenues

TABLE 3 *(Unaudited) ($ millions)*	Canadian Dollars			Functional Currency		
Three months ended September 30	**2010**	2009	**Change (%)**	**2010**	2009	**Change (%)**
Husky	**$ 269**	$ 214	**26 %**	**US$ 259**	US$ 197	**31 %**
ONCAP II companies	**276**	205	**35 %**	**US$ 266**	US$ 186	**43 %**
Other[a]	**18**	24	**(25)%**	**C$ 18**	C$ 24	**(25)%**
Total	**$ 563**	$ 443	**27 %**			

Cost of Sales

(Unaudited) ($ millions)	Canadian Dollars			Functional Currency		
Three months ended September 30	**2010**	2009	**Change (%)**	**2010**	2009	**Change (%)**
Husky	**$ 175**	$ 152	**15 %**	**US$ 168**	US$ 138	**22 %**
ONCAP II companies	**161**	117	**38 %**	**US$ 156**	US$ 107	**46 %**
Other[a]	**2**	2	**–**	**C$ 2**	C$ 2	**–**
Total	**$ 338**	$ 271	**25 %**			

(a) 2010 other includes Flushing Town Center, Tropicana Las Vegas and the parent company. 2009 other includes Tropicana Las Vegas and the parent company.

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

TABLE 3 | *(Unaudited) ($ millions)*

	Revenues					
	Canadian Dollars			Functional Currency		
Nine months ended September 30	**2010**	2009	**Change (%)**	**2010**	2009	**Change (%)**
Husky	**$ 796**	$ 850	**(6)%**	**US$ 768**	US$ 722	**6 %**
ONCAP II companies	**670**	632	**6 %**	**US$ 647**	US$ 540	**20 %**
Other[a]	**50**	90	**(44)%**	**C$ 50**	C$ 90	**(44)%**
Total	**$ 1,516**	$ 1,572	**(4)%**			

	Cost of Sales					
(Unaudited) ($ millions)	Canadian Dollars			Functional Currency		
Nine months ended September 30	**2010**	2009	**Change (%)**	**2010**	2009	**Change (%)**
Husky	**$ 534**	$ 592	**(10)%**	**US$ 515**	US$ 502	**3 %**
ONCAP II companies	**376**	356	**6 %**	**US$ 364**	US$ 306	**19 %**
Other[a]	**4**	47	**(91)%**	**C$ 4**	C$ 47	**(91)%**
Total	**$ 914**	$ 995	**(8)%**			

(a) 2010 other includes Flushing Town Center, Tropicana Las Vegas and the parent company. 2009 other includes CEI (up to May 2009), Tropicana Las Vegas (from July 1, 2009) and the parent company.

Husky

Husky reported a 31 percent increase in revenues to US$259 million (2009 – US$197 million) in the third quarter due to higher sales in all territories resulting from a higher opening backlog. Revenue growth in the company's territories was as follows: Latin America (US$25 million), Asia Pacific (US$17 million), Europe (US$14 million) and North America (US$6 million). Cost of sales increased 22 percent to US$168 million (2009 – US$138 million) in the third quarter of 2010. This increase was less than the revenue growth due to the cost savings achieved by Husky under the company's transformation plan initiatives.

Husky's revenues increased 6 percent to US$768 million (2009 – US$722 million) for the nine months ended September 30, 2010. Revenue growth was driven by higher sales in Latin America (US$32 million) and Asia Pacific (US$26 million), partially offset by lower sales in North America (US$12 million). Cost of sales at Husky increased 3 percent (US$13 million) to US$515 million (2009 – US$502 million) for the first nine months of 2010 due primarily to the same factors that contributed to the increase in cost of sales for the third quarter of 2010.

ONCAP II companies

The ONCAP II companies reported a 43 percent, or US$80 million, increase in revenues for the third quarter of 2010. Cost of sales was up 46 percent, or US$49 million, in the third quarter. The growth in revenues and cost of sales was due primarily to the inclusion of the results of Sport Supply Group, acquired in August 2010. In addition, most of the ONCAP II companies reported higher revenues in the third quarter compared to last year as those businesses benefitted from improved economic activity.

For the nine months ended September 30, 2010, revenues at the ONCAP II companies grew 20 percent, or US$107 million, while cost of sales increased 19 percent, or US$58 million. The same factors that contributed to the third-quarter revenue and cost of sales growth were the drivers in the first nine months of 2010.

Other

Tropicana Las Vegas, acquired in July 2009, reported revenues of US$13 million (2009 – US$19 million) and cost of sales of US$1 million (2009 – US$2 million) for the three months ended September 30, 2010. For the first nine months of 2010, revenues and cost of sales were US$40 million and US$4 million, respectively. This compares to three months of revenues (US$19 million) and cost of sales (US$2 million) reported in the same period of 2009 following Onex' purchase of Tropicana Las Vegas in July 2009. The resort property has been under a renovation program for all of 2010, which has resulted in a significant portion of the property being unavailable for use and revenue generation.

Included in other for the first nine months of 2009 were revenues of US$44 million and cost of sales of US$35 million of Cosmetic Essence, Inc. ("CEI"). Onex disposed of its ownership interest in CEI in May 2009.

Operating earnings

Management at Onex reviews the performance of individual operating companies based on an operating earnings measure. Onex uses operating earnings as a measure to evaluate each operating company's performance because it eliminates interest charges, which are a function of the operating company's particular financing structure, as well as certain non-cash charges including stock-based compensation, amortization of intangible assets and any unusual or non-recurring charges. Operating earnings is not a defined measure under Canadian GAAP. The term operating earnings, as used here, is defined as earnings before interest expense, amortization of intangible assets and deferred charges, and income taxes. Onex also excludes from operating earnings accounting measures that do not reflect the actual operating performance of the business, such as earnings (loss) from equity-accounted investments, foreign exchange gains (loss), stock-based compensation recovery (expense), non-recurring items such as gains on dispositions of operating investments, acquisition and restructuring charges, other income, writedown of goodwill, intangible assets and long-lived assets, as well as non-controlling interests.

Table 4 provides a reconciliation of the unaudited interim consolidated statements of earnings to operating earnings for the three and nine months ended September 30, 2010 and 2009.

Operating Earnings Reconciliation

	Three months ended September 30		Nine months ended September 30	
TABLE 4 *(Unaudited) ($ millions)*	**2010**	2009	**2010**	2009
Earnings before the undernoted items	**$ 607**	$ 657	**$ 1,805**	$ 1,887
Amortization of property, plant and equipment	**(131)**	(153)	**(391)**	(483)
Interest income	**13**	10	**25**	44
Operating earnings	**$ 489**	$ 514	**$ 1,439**	$ 1,448
Amortization of intangible assets and deferred charges	**(79)**	(85)	**(245)**	(281)
Interest expense of operating companies	**(99)**	(114)	**(324)**	(398)
Loss from equity-accounted investments	**(58)**	(383)	**(102)**	(429)
Foreign exchange loss	**(23)**	(43)	**(32)**	(73)
Stock-based compensation expense	**(56)**	(95)	**(128)**	(152)
Other income	**5**	22	**29**	90
Gains on dispositions of operating investments, net	**–**	276	**–**	460
Acquisition, restructuring and other expenses	**(80)**	(74)	**(157)**	(170)
Writedown of goodwill, intangible assets and long-lived assets	**–**	(1)	**(2)**	(115)
Earnings before income taxes and non-controlling interests	**$ 99**	$ 17	**$ 478**	$ 380

Table 5 provides a breakdown of and the change in operating earnings (loss) by industry segment in Canadian dollars and the companies' functional currency for the three and nine months ended September 30, 2010 and 2009.

Operating Earnings by Industry Segment for the Three-Month Period Ended September 30

TABLE 5 *(Unaudited) ($ millions)*

Three months ended September 30	Canadian Dollars 2010	2009	Change ($)	Functional Currency 2010	2009	Change ($)
Electronics Manufacturing Services	**$ 57**	$ 65	**$ (8)**	**US$ 55**	US$ 60	**US$ (5)**
Aerostructures	**89**	150	**(61)**	**US$ 86**	US$ 137	**US$ (51)**
Healthcare	**199**	195	**4**	**US$ 193**	US$ 179	**US$ 14**
Financial Services	**42**	52	**(10)**	**US$ 41**	US$ 48	**US$ (7)**
Customer Support Services	**28**	22	**6**	**US$ 27**	US$ 19	**US$ 8**
Metal Services	**20**	7	**13**	**US$ 19**	US$ 8	**US$ 11**
Other[a]	**54**	23	**31**	**C$ 54**	C$ 23	**C$ 31**
Total	**$ 489**	$ 514	**$ (25)**			

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

(a) 2010 other includes Husky, Tropicana Las Vegas, ONCAP II, Flushing Town Center and the parent company. 2009 other includes Husky, Tropicana Las Vegas, ONCAP II and the parent company.

Operating Earnings by Industry Segment for the Nine-Month Period Ended September 30

(Unaudited) ($ millions)

Nine months ended September 30	Canadian Dollars 2010	2009	Change ($)	Functional Currency 2010	2009	Change ($)
Electronics Manufacturing Services	**$ 176**	$ 185	**$ (9)**	**US$ 170**	US$ 161	**US$ 9**
Aerostructures	**306**	282	**24**	**US$ 296**	US$ 238	**US$ 58**
Healthcare	**584**	612	**(28)**	**US$ 564**	US$ 526	**US$ 38**
Financial Services	**131**	137	**(6)**	**US$ 127**	US$ 119	**US$ 8**
Customer Support Services	**61**	78	**(17)**	**US$ 59**	US$ 66	**US$ (7)**
Metal Services	**56**	16	**40**	**US$ 54**	US$ 15	**US$ 39**
Other[a]	**125**	138	**(13)**	**C$ 125**	C$ 138	**C$ (13)**
Total	**$ 1,439**	$ 1,448	**$ (9)**			

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

(a) 2010 other includes Husky, Tropicana Las Vegas, ONCAP II, Flushing Town Center and the parent company. 2009 other includes CEI (up to May 2009), Husky, Tropicana Las Vegas (from July 1, 2009), ONCAP II and the parent company.

Consolidated operating earnings were $489 million in the third quarter of 2010, down $25 million, or 5 percent, from the third quarter of 2009. Excluding the impact of foreign currency, operating earnings were affected by lower operating earnings of US$51 million at Spirit AeroSystems due to lower revenues in the quarter, as discussed under Revenues and Cost of Sales. Partially offsetting this decline were higher operating earnings in the quarter at TMS International (US$11 million) and EMSC (US$9 million). In addition, the other segment reported higher operating earnings in the quarter due to US$23 million of operating earnings growth at Husky resulting primarily from the revenue growth and the cost savings achieved under that company's transformation plan.

For the nine months ended September 30, 2010, reported operating earnings were down by $9 million from the first nine months of 2009. Excluding the negative impact of foreign exchange fluctuations, operating earnings were up due to the following factors:

- Celestica recorded a US$9 million increase in operating earnings due primarily to higher revenues associated with program wins from new and existing customers and benefits from cost reduction efforts;
- Spirit AeroSystems reported a US$58 million increase in operating earnings as 2009 included several unusual charges in cost of sales recorded in the second quarter of that year, as discussed under Revenues and Cost of Sales;
- Improved operating earnings of US$39 million at TMS International resulting from the company reporting higher revenues, as discussed under Revenues and Cost of Sales;
- The healthcare segment reported a US$38 million increase in operating earnings; much of the increase was driven by higher revenues at EMSC, which contributed US$25 million of the operating earnings growth, and Skilled Healthcare, which accounted for US$14 million of earnings growth; and
- Higher operating earnings at Husky of US$26 million due to the same factors that contributed to the operating earnings growth in the quarter.

Partially offsetting the increases in operating earnings were:

- a US$7 million decline in operating earnings at Sitel Worldwide, included in the customer support services segment, due to lower revenues; and
- a US$27 million operating loss reported by Tropicana Las Vegas in the first nine months of 2010 as the company renovates its property following Onex' purchase of the business in July 2009.

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 down 13 percent to $99 million in the third quarter of 2010 from $114 million in the same quarter of 2009. A significant portion of the decline was the effect of foreign currency translation on U.S.-dollar-denominated interest costs. Excluding the impact of foreign currency, Husky reported a US$7 million increase in interest expense in the third quarter of 2010 compared to the same period last year due primarily to the US$6 million writedown of a portion of deferred financing charges associated with the company's amendment and restatement of its credit agreement in July 2010.

For the nine months ended September 30, 2010, consolidated interest expense totalled $324 million, a decrease from $398 million for the same period last year. The effect of foreign currency translation on U.S.-dollar-denominated interest costs was a significant component of the decrease in the first nine months of 2010. Excluding the impact of foreign exchange, Celestica recorded a US$23 million decline in interest expense primarily due to debt extinguished in 2009 and the company's repurchase of its outstanding 2013 senior subordinated notes in the first quarter of 2010. Celestica is debt-free. In addition, Carestream Health recorded a US$43 million decline in interest expense during the nine months ended September 30, 2010 due primarily to lower debt as well as lower interest rates in the period compared to the same period last year. Other companies benefitted from lower interest rates on the floating rate portion of their debt.

Partially offsetting these was the increase in interest expense at Husky in the third quarter. In addition, EMSC recorded a US$7 million increase in interest expense in the first nine months of 2010 compared to the same period last year. Included in EMSC's interest expense for the first nine months of 2010 was a US$19 million write-off of deferred financing charges associated with its previous debt. The company entered into a new senior credit agreement in April 2010 with the proceeds of the new debt facilities being used to repay and terminate EMSC's previous term loan and redeem its senior subordinated notes that had an outstanding balance of US$250 million in the second quarter of 2010.

Skilled Healthcare Group also reported a US$9 million increase in interest expense in the nine months ended September 30, 2010 over the same period of 2009 due primarily to the US$7 million writedown of deferred financing charges recorded in the second quarter of 2010 associated with the company entering into new credit facilities in April 2010. The proceeds were used to repay the prior loans and to fund acquisitions.

Earnings (loss) from equity-accounted investments

Earnings (loss) from equity-accounted investments for the three and nine months ended September 30, 2010 represent Onex' and Onex Partners' portion of the earnings (loss) of Allison Transmission, Inc. ("Allison Transmission"); Hawker Beechcraft Corporation ("Hawker Beechcraft"); ResCare; RSI Home Products, Inc. ("RSI"); Cypress Insurance Group ("Cypress"); Onex Real Estate Partners' investments in the Camden properties, Urban Housing Platform, Town and Country and NY Credit; and Onex Credit Partners. The first nine months of 2009 also included Cineplex Galaxy Income Fund ("Cineplex Entertainment") up to March 31, 2009 and Onex Real Estate's investment in Flushing Town Center.

During the first three months of 2010, a subsidiary of Onex Real Estate became the managing partner of the Flushing Town Center joint venture. As a result, in the first quarter of 2010, Onex began consolidating its interest in Flushing Town Center. Up to December 31, 2009, Onex accounted for its interest in Flushing Town Center using the equity method.

Onex reported a loss from equity-accounted investments of $58 million for the three months ended September 30, 2010 compared to a $383 million loss from equity-accounted investments for the third quarter of 2009. For the first nine months of 2010, Onex reported a $102 million loss from equity-accounted investments compared to a loss of $429 million for the same period of 2009. The operating results of Tomkins from its effective acquisition date of September 24, 2010 to September 30, 2010 were not material to Onex, and therefore have not been included in Onex' unaudited interim consolidated statements of earnings and cash flows for the three and nine months ended September 30, 2010.

Table 6 details the earnings (loss) from equity-accounted investments by company, as well as Onex' share of these earnings (loss), for the three and nine months ended September 30, 2010 and 2009.

Earnings (Loss) from Equity-accounted Investments

TABLE 6

(Unaudited) ($ millions) Three months ended September 30	**2010**		2009	
	Net Earnings (Loss)[a]	**Onex' Share of Net Earnings (Loss)**	Net Earnings (Loss)[a]	Onex' Share of Net Earnings (Loss)
Allison Transmission	**$ (3)**	**$ (1)**	$ (25)	$ (7)
Hawker Beechcraft	**(60)**	**(24)**	(363)	(146)
Other[b]	**5**	**(2)**	5	(2)
Total	**$ (58)**	**$ (27)**	$ (383)	$ (155)

(a) The net earnings (loss) represents Onex' and Onex Partners' share of the net earnings (loss) in those businesses.
(b) 2010 other includes Cypress, Onex Credit Partners, Onex Real Estate Partners (Camden properties, Urban Housing Platform, Town and Country and NY Credit), ResCare and RSI. 2009 other includes Cypress, Onex Credit Partners, Onex Real Estate Partners (Camden properties, Urban Housing Platform, Town and Country, Flushing Town Center and NY Credit), ResCare and RSI.

(Unaudited) ($ millions) Nine months ended September 30	**2010**		2009	
	Net Earnings (Loss)[a]	**Onex' Share of Net Earnings (Loss)**	Net Earnings (Loss)[a]	Onex' Share of Net Earnings (Loss)
Allison Transmission	**$ 5**	**$ 2**	$ (203)	$ (64)
Hawker Beechcraft	**(120)**	**(48)**	(241)	(97)
Other[b]	**13**	**4**	15	–
Total	**$ (102)**	**$ (42)**	$ (429)	$ (161)

(a) The net earnings (loss) represents Onex' and Onex Partners' share of the net earnings (loss) in those businesses.
(b) 2010 other includes Cypress, Onex Credit Partners, Onex Real Estate Partners (Camden properties, Urban Housing Platform, Town and Country and NY Credit), ResCare and RSI. 2009 other includes Cineplex Entertainment (up to March 31, 2009), Cypress, Onex Credit Partners, Onex Real Estate Partners (Camden properties, Urban Housing Platform, Town and Country, Flushing Town Center and NY Credit), ResCare and RSI.

Allison Transmission

The improvement in earnings at Allison Transmission for the first nine months of 2010 was due to a general improvement in revenues and profits of the business in the period compared to 2009. In addition, 2009 included a US$190 million writedown of certain intangible assets, as well as a US$37 million writedown of certain long-term receivables and other matters that the company had with General Motors Corporation ("GM") as a result of the GM bankruptcy.

Hawker Beechcraft

For the three months ended September 30, 2010, Onex' and Onex Partners' share of Hawker Beechcraft's loss was $60 million. Onex' share of the loss was $24 million. This compares to a loss of $363 million for the third quarter of 2009, of which Onex' share was $146 million. Hawker Beechcraft reported a US$120 million loss in the third quarter of 2010, of which Onex' and Onex Partners' share was US$58 million. This compares to a 2009 third-quarter loss of US$687 million, of which Onex' and Onex Partners' share was US$332 million. The 2009 third-quarter loss was due primarily to the company recording significant impairment charges related to goodwill and intangible and other assets, primarily in Hawker Beechcraft's business and general aviation segment. During the third quarter of 2009, Hawker Beechcraft completed a review of the carrying value of its business and general aviation segment compared to its fair value in light of the decline in demand for new business aircraft at that time. The company recorded a total of US$726 million in impairment and other charges in that quarter. A component of these charges was a US$521 million impairment charge for its business and general aviation segment, which included an impairment charge of US$340 million for the full amount of the goodwill associated with this segment. The other component was additional charges of US$205 million that were necessary to reduce the carrying value of other assets in this segment, as well as increase reserves for losses on certain aircraft programs and potential supplier claims. These charges were the result of the company's updated expectations as to the timing of a general aviation market recovery, the resulting reduced production volumes and pricing pressure on new aircraft sales.

For the nine months ended September 30, 2010, Onex' and Onex Partners' share of Hawker Beechcraft's loss was $120 million. Onex' share of the loss was $48 million. This compares to a loss of $241 million for the nine months ended September 30, 2009, of which Onex' share was $97 million. The higher loss in the first nine months of 2009 was due to the company recording significant impairment charges in the third quarter of 2009 as discussed above. Partially offsetting these charges was a US$352 million gain by Hawker Beechcraft on its purchase of US$497 million of its debt securities at a significant discount in the first half of 2009.

Foreign exchange gains (loss)

Foreign exchange gains (loss) reflect the impact of changes in foreign currency exchange rates primarily on U.S. cash amounts held at Onex, the parent company. A net foreign exchange loss of $23 million was recorded for the quarter ended September 30, 2010 compared to a $43 million foreign exchange loss for the third quarter last year. The loss in the quarter was due primarily to the depreciation of the U.S. dollar relative to the Canadian dollar; the value was 1.0290 Canadian dollars at September 30, 2010, down from 1.0646 Canadian dollars at June 30, 2010. Onex, the parent company, reported a foreign exchange loss of approximately $28 million in the third quarter of 2010 compared to a $42 million foreign exchange loss in the same period of 2009.

For the first nine months of 2010, a consolidated foreign exchange loss of $32 million was recorded compared to a consolidated foreign exchange loss of $73 million for the nine months ended September 30, 2009. The decline in the value of the euro relative to the U.S. dollar in the first nine months of 2010 resulted in a foreign exchange loss recorded at Carestream Health (US$4 million) and Sitel Worldwide (US$3 million). In addition, Spirit AeroSystems recorded a US$4 million foreign exchange loss due primarily to the decline in value of the British pound. Onex, the parent company, recorded a $19 million foreign exchange loss in the nine months ended September 30, 2010 due mainly to the depreciation of the U.S. dollar relative to the Canadian dollar to 1.0290 Canadian dollars at September 30, 2010 from 1.0510 Canadian dollars at December 31, 2009.

Stock-based compensation expense (recovery)

During the third quarter of 2010, Onex recorded a consolidated stock-based compensation expense of $56 million compared to a stock-based compensation expense of $95 million for the same quarter of 2009. Onex, the parent company, recorded a stock-based compensation expense of $42 million for the three months ended September 30, 2010 due to the change in its stock-based compensation liability. Onex is required to revalue the liability for stock options and deferred share units based on changes in the market value of Onex shares. The increase in Onex' share price to $28.91 per share at September 30, 2010 from $25.59 per share at June 30, 2010 resulted in a $40 million upward revaluation of the liability for stock options and a corresponding expense. The remaining amount relates to the revaluation of the potential liability under the Management Investment Plan as described in note 24(g) to the December 31, 2009 audited annual consolidated financial statements. This compares to an $80 million stock-based compensation expense at Onex, the parent company, in the third quarter of 2009 due primarily to a 31 percent increase in Onex' share price in that period.

For the nine months ended September 30, 2010, Onex recorded a consolidated stock-based compensation expense of $128 million compared to a stock-based compensation expense of $152 million for the same period in 2009. Onex, the parent company, accounted for $64 million of the expense in the first nine months of 2010 compared to $105 million of the expense for the nine months ended September 30, 2009. During the first nine months of 2010, the market value of Onex shares increased 23 percent to $28.91 per share at September 30, 2010 from $23.60 per share at December 31, 2009. This compares to a 44 percent increase in the market value of Onex shares for the first nine months of 2009, when the market value of Onex shares increased to $26.24 per share at September 30, 2009 from $18.19 per share at December 31, 2008.

Other income

Onex reported consolidated other income of $5 million in the third quarter of 2010 compared to $22 million in the same quarter of 2009. For the nine months ended September 30, 2010, consolidated other income totalled $29 million compared to $90 million for the first nine months of 2009. Included in other income for the first nine months of 2010 was the sale of certain tax losses in the second quarter as discussed below and US$18 million of other income recorded by The Warranty Group as a result of net investment gains in its investment portfolio.

In April 2010, Onex sold an entity, 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. Onex received approximately $8 million in cash for tax losses of approximately $70 million. The entire $8 million was recorded as a gain in other income of Onex, the parent company, in 2010. Onex has significant Canadian non-capital and capital losses available and valuation allowances have been established against the benefit of all these losses 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 this transaction, Onex obtained a tax ruling from Canada Revenue Agency, and Deloitte & Touche LLP, an independent accounting firm retained by Onex' Audit and Corporate Governance Committee, provided an opinion that the value received by Onex for the tax losses was fair. The transaction was unanimously approved by Onex' Audit and Corporate Governance Committee, all the members of which are independent directors.

For the first nine months of 2009, other income included $98 million recorded by Onex, the parent company, due primarily to a favourable mark-to-market and foreign exchange adjustment on the Tropicana Las Vegas debt held by Onex and Onex Partners III.

Gains on dispositions of operating investments, net

There were no gains on dispositions of operating investments for the three and nine months ended September 30, 2010. This compares to gains of $276 million and $460 million for the three and nine months ended September 30, 2009. Included in the 2009 gains were:

- In August 2009, EMSC completed a secondary public offering. Onex and Onex Partners I sold 9.2 million shares in the offering for net proceeds of $381 million. Onex' portion of the shares sold was 3.5 million shares for net proceeds of $148 million. A $275 million pre-tax gain on the sale of EMSC shares was recorded in the third quarter of 2009, of which Onex' portion was $90 million. This included Onex' carried interest of $5 million on the realized gain on EMSC by third-party limited partners;
- Onex' sale of its remaining 12,956,885 trust units of Cineplex Galaxy Income Fund in April 2009. Onex realized approximately $175 million of net proceeds and recorded a $160 million pre-tax gain on this transaction in the first nine months of 2009; and
- Onex' disposition of its ownership interest in Cosmetic Essence, Inc. ("CEI") in early May 2009. CEI had been in violation of its debt covenants and was not able to achieve a mutually agreeable restructuring with its lenders. As a result, in early May 2009, Onex contributed its ownership in securities of CEI to an entity controlled by CEI's lenders, which agreed to provide additional liquidity to CEI. As a result of this transfer, Onex and Onex Partners I ceased to have an equity ownership in the business. Onex' investment in the company had a negative carrying value of $20 million due to previously recorded losses of CEI. Therefore, Onex recorded a non-cash accounting gain of $20 million in the first nine months of 2009.

Acquisition, restructuring and other expenses

Acquisition, restructuring and other 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. Acquisition, restructuring and other expenses totalled $80 million in the third quarter of 2010 compared to $74 million in the same quarter of 2009. For the first nine months of 2010, acquisition, restructuring and other expenses were $157 million, down from $170 million for the nine months ended September 30, 2009.

Table 7 provides a breakdown of and the change in acquisition, restructuring and other expenses by operating company for the three and nine months ended September 30, 2010 and 2009.

Acquisition, Restructuring and Other Expenses

TABLE 7 *(Unaudited) ($ millions)*	Three months ended September 30			Nine months ended September 30		
	2010	2009	**Change ($)**	**2010**	2009	**Change ($)**
Celestica	**$ 6**	$ 46	**$ (40)**	**$ 39**	$ 78	**$ (39)**
Carestream Health	**4**	11	**(7)**	**21**	35	**(14)**
Husky	**3**	9	**(6)**	**11**	34	**(23)**
Sitel Worldwide	**6**	6	**–**	**15**	15	**–**
Skilled Healthcare Group	**55**	–	**55**	**55**	–	**55**
Other	**6**	2	**4**	**16**	8	**8**
Total	**$ 80**	$ 74	**$ 6**	**$ 157**	$ 170	**$ (13)**

Skilled Healthcare Group

On July 7, 2010, Skilled Healthcare Group announced that a jury had returned a verdict against the company in a California state court related to a complaint filed more than four years ago. In the complaint, the plaintiffs alleged, among other matters, that certain California-based facilities operated by Skilled Healthcare Group's wholly-owned operating companies failed to provide a prescribed number of qualified personnel to care for their residents. In the first phase of deliberations, the jury awarded the plaintiffs more than US$650 million in damages. During the third quarter of 2010, Skilled Healthcare Group came to a settlement agreement on this complaint and recorded US$53 million of other expense. The settlement contains no admission or concession of wrongdoing by Skilled Healthcare Group.

Writedown of goodwill, intangible assets and long-lived assets

There was no writedown of goodwill, intangible assets and long-lived assets in the third quarter of 2010 compared to $1 million of writedowns for the same quarter last year. For the nine months ended September 30, 2010, writedown of goodwill, intangible assets and long-lived assets totalled $2 million compared to $115 million for the same period of 2009. Included in the writedown of goodwill, intangible assets and long-lived assets in the first nine months of 2009 were:

- a $52 million writedown of goodwill at Sitel Worldwide associated with its European operations primarily due to revenue erosion driven by the economic downturn, especially with telecom customers. Sitel Worldwide completed a review of its goodwill for the European reporting unit and determined that the fair value was less than its carrying value. Therefore, Sitel Worldwide wrote down the goodwill associated with that reporting unit to its fair value in the second quarter of 2009; and
- a $62 million goodwill impairment charge recorded by TMS International in the second quarter of 2009. The company determined that the goodwill in one of its reporting units was impaired due to changes in the long-term outlook of certain customers and contracts.

Income taxes

Onex reported a consolidated income tax provision of $57 million for the third quarter of 2010 compared to a $112 million consolidated income tax provision for the same quarter last year. For the first nine months of 2010, Onex reported a consolidated income tax provision of $256 million compared to a $103 million income tax provision for the first nine months of 2009. In the first quarter of 2009, Onex, the parent company, reduced its future income tax liability by approximately $100 million and recorded a corresponding amount as a recovery in income tax. This reduction in 2009 was the result of lower enacted income tax rates being applied to future income tax liabilities to bring the liability in line with current income tax rates. There was not a similar adjustment of rates in 2010. In addition, Celestica and TMS International recorded higher income tax provisions in the first nine months of 2010 due to higher earnings this year compared to the same period last year. In addition, Celestica reported a US$17 million income tax provision in the nine months ended September 30, 2010 associated with a proposed settlement of a foreign tax claim.

Non-controlling interests in net earnings of operating companies

In the unaudited interim consolidated statements of earnings, the non-controlling interests amount represents the interests of shareholders, other than Onex, in the net earnings or losses of Onex' operating companies.

For the third quarter of 2010, this amount was an $86 million share of Onex' operating companies' net earnings compared to an $85 million share of net earnings for the third quarter of 2009. For the nine months ended September 30, 2010, the non-controlling interests amount in Onex' operating companies' net earnings was $270 million compared to $205 million for the nine months ended September 30, 2009.

The consolidated non-controlling interest amount exceeded the consolidated net after-tax earnings. This relationship occurred as there are different levels of non-controlling ownership interests in each of the businesses. The non-controlling interests have a greater participation in the companies generating net earnings, such as the public companies, than those companies currently generating net losses. The information by industry segment in note 13 of the unaudited interim consolidated financial statements shows those relationships.

Table 8 details the earnings (loss) by industry segment attributable to non-controlling shareholders in Onex' operating companies for the three and nine months ended September 30, 2010 and 2009.

Non-controlling Interests in Net Earnings (Loss) of Operating Companies by Industry Segment

TABLE 8 *(Unaudited) ($ millions)*	Three months ended September 30			Nine months ended September 30		
	2010	2009	**Change ($)**	**2010**	2009	**Change ($)**
Net earnings (loss) of non-controlling interests in:						
Electronics Manufacturing Services	**$ 34**	$ (2)	**$ 36**	**$ 53**	$ 23	**$ 30**
Aerostructures	**46**	84	**(38)**	**151**	149	**2**
Healthcare	**31**	38	**(7)**	**112**	109	**3**
Financial Services	**18**	21	**(3)**	**59**	59	**–**
Customer Support Services	**–**	–	**–**	**–**	–	**–**
Metal Services	**1**	(3)	**4**	**3**	(55)	**58**
Other[a]	**(44)**	(53)	**9**	**(108)**	(80)	**(28)**
Total	**$ 86**	$ 85	**$ 1**	**$ 270**	$ 205	**$ 65**

(a) 2010 other includes Hawker Beechcraft, Allison Transmission, Husky, RSI, Tropicana Las Vegas, ONCAP II, Onex Real Estate Partners and the parent company.
2009 other includes CEI (up to May 2009), Hawker Beechcraft, Allison Transmission, Husky, RSI, Tropicana Las Vegas (from July 1, 2009), ONCAP II, Onex Real Estate Partners and the parent company.

The $1 million increase in earnings of non-controlling interests for the third quarter of 2010 was due primarily to higher earnings at Celestica, in the electronics manufacturing services segment, resulting primarily from lower acquisition, restructuring and other expense in the third quarter of 2010. Partially offsetting this was lower earnings at Spirit AeroSystems, in the aerostructures segment, due to lower ship set deliveries to Boeing and Airbus in the third quarter of 2010 compared to the same quarter last year as discussed under Revenues and Cost of Sales.

For the nine months ended September 30, 2010, the $65 million increase in the non-controlling interests amount was due primarily to:

- Celestica, in the electronics manufacturing services segment, which represented $30 million of the increase in the first nine months of 2010 due primarily to the same factor that contributed to the increase in the quarter; and
- TMS International, in the metal services segment, which accounted for $58 million of the increase due primarily to the 2009 second-quarter writedown of goodwill of $62 million.

The above increases were partially offset by a $28 million decline in earnings from non-controlling interests in the other segment. The non-controlling interests amount of the net losses of the other segment businesses was higher for the nine months ended September 30, 2010 compared to the same period of 2009 as the first nine months of 2009 included the share of the gain recorded on the sale of EMSC shares for the limited partners of Onex Partners I.

Consolidated net earnings (loss)

Onex reported a consolidated net loss of $44 million ($0.37 per share) for the third quarter of 2010 compared to a net loss of $180 million ($1.48 per share) for the same period of 2009. A consolidated net loss of $48 million ($0.40 per share) was reported for the nine months ended September 30, 2010 compared to consolidated net earnings of $72 million ($0.59 per share) for the first nine months of 2009. Table 9 details the net earnings (loss) by industry segment.

Consolidated Net Earnings (Loss) by Industry Segment

TABLE 9 *(Unaudited) ($ millions)*	Three months ended September 30 2010	Three months ended September 30 2009	Nine months ended September 30 2010	Nine months ended September 30 2009
Earnings (loss) from continuing operations:				
Electronics Manufacturing Services	**$ 3**	$ –	**$ 5**	$ 4
Aerostructures	**3**	6	**11**	11
Healthcare	**11**	9	**28**	31
Financial Services	**8**	8	**24**	24
Customer Support Services	**11**	(18)	**(35)**	(90)
Metal Services	**1**	(1)	**2**	(28)
Other[a]	**(81)**	(184)	**(83)**	120
Total	**$ (44)**	$ (180)	**$ (48)**	$ 72

(a) 2010 other includes Hawker Beechcraft, Allison Transmission, Husky, RSI, Tropicana Las Vegas, ONCAP II, Onex Real Estate Partners, Onex Credit Partners and the parent company. 2009 other includes Cineplex Entertainment (up to March 31, 2009), CEI (up to May 2009), Hawker Beechcraft, Allison Transmission, Husky, RSI, Tropicana Las Vegas (from July 1, 2009), ONCAP II, Onex Real Estate Partners, Onex Credit Partners and the parent company.

The much lower net loss in the third quarter of 2010 compared to the same quarter last year was due primarily to the significant net losses in the third quarter of 2009 at Allison Transmission and Hawker Beechcraft as a result of large writedowns of goodwill, intangible and other assets taken in that period, as discussed under Earnings (Loss) of Equity-accounted Investments.

The decrease in earnings in the other segment for the nine months ended September 30, 2010 was primarily from the parent company for the following reasons:

- In the first quarter of 2009, a $100 million income tax recovery was recorded by Onex, the parent company, resulting from lower enacted income tax rates being applied to future income tax liabilities; and
- In the first nine months of 2009, there were $275 million of gains on dispositions of operating company investments recorded by Onex, the parent company, primarily from the sale of Onex' remaining trust units of Cineplex Galaxy Income Fund ($160 million), a partial sale of EMSC shares ($90 million) and a non-cash accounting gain on the disposition of Onex' ownership in CEI ($20 million).

Partially offsetting these were net losses recorded at Allison Transmission and Hawker Beechcraft in the third quarter of 2009, as discussed above.

SUMMARY QUARTERLY INFORMATION

Table 10 summarizes Onex' key consolidated financial information for the last eight quarters.

TABLE 10 (Unaudited) ($ millions except per share amounts)	2010			2009				2008
	Sept.	**June**	**March**	Dec.	Sept.	June	March	Dec.
Revenues	**$ 5,981**	**$ 6,041**	**$ 5,800**	$ 6,153	$ 6,078	$ 6,131	$ 6,469	$ 6,774
Earnings (loss) from continuing operations	**$ (44)**	**$ 80**	**$ (84)**	$ 40	$ (180)	$ 83	$ 169	$ (348)
Net earnings (loss)	**$ (44)**	**$ 80**	**$ (84)**	$ 40	$ (180)	$ 83	$ 169	$ (348)
Earnings (loss) per Subordinate Voting Share								
Basic and Diluted:								
Continuing operations	**$ (0.37)**	**$ 0.67**	**$ (0.70)**	$ 0.33	$ (1.48)	$ 0.68	$ 1.38	$ (2.85)
Net earnings (loss)	**$ (0.37)**	**$ 0.67**	**$ (0.70)**	$ 0.33	$ (1.48)	$ 0.68	$ 1.38	$ (2.85)

Onex' quarterly consolidated financial results do not follow any specific trends due to the acquisitions or dispositions of businesses by Onex, the parent company; the volatility of the exchange rate between the U.S. dollar and the Canadian dollar; and varying business cycles at Onex' operating companies.

CONSOLIDATED FINANCIAL POSITION

Consolidated assets

Consolidated assets totalled $26.3 billion at September 30, 2010 compared to $25.3 billion at December 31, 2009. Onex' consolidated assets at September 30, 2010 grew due to:

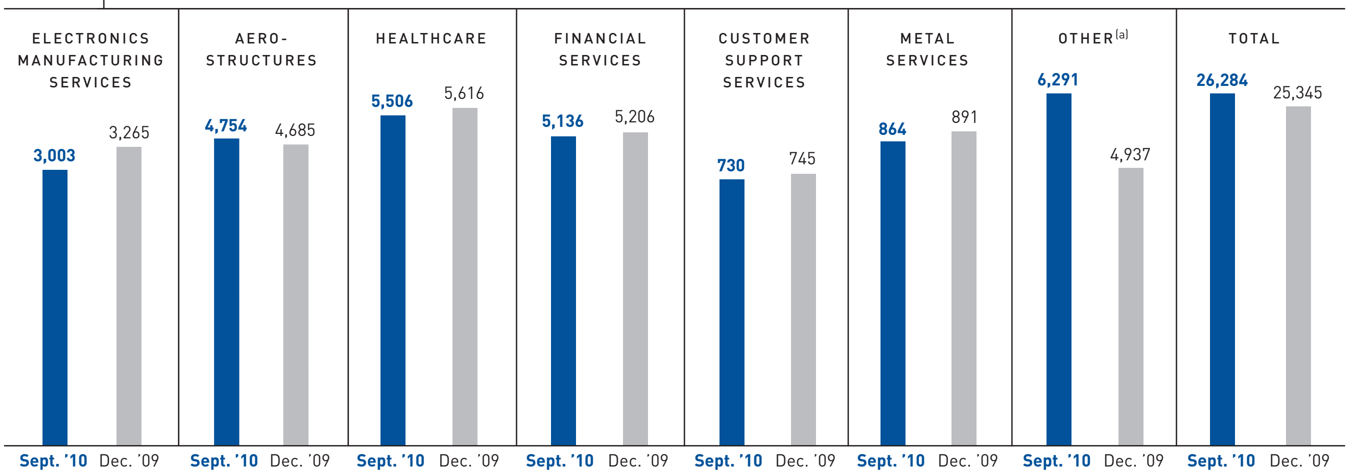
- the September 2010 investment of US$1.1 billion by Onex and Onex Partners III in Tomkins, which increased equity-accounted investments. The US$345 million invested by Onex reduced the parent company's cash;
- the consolidation of Flushing Town Center in 2010, which added approximately $655 million in assets as at September 30, 2010;
- $277 million in assets from ONCAP II's August 2010 acquisition of Sport Supply Group, a leading manufacturer and distributor of sporting goods and branded team uniforms to the institutional and team sports market in the United States;
- $117 million in assets added primarily from Carestream Health's September 2010 acquisition of Quantum Medical Imaging, LLC, a privately-held manufacturer of high-quality digital and conventional x-ray systems used by hospitals, imaging centres and health clinics;
- $66 million in assets from acquisitions completed by EMSC in the first half of 2010;
- $63 million in assets added from Skilled Healthcare Group's May 2010 purchase of five Medicare-certified hospice companies and four Medicare-certified home health companies in Arizona, Idaho, Montana and Nevada; and
- $41 million in assets primarily from Celestica's acquisition in August 2010 of Allied Panels Entwicklungs- und Produktions Gmbh, a leading medical engineering and manufacturing service provider with a core focus on diagnostic imaging products.

Partially offsetting the increases discussed above was the effect of currency translation on U.S.-based assets from the weakening of the U.S. dollar compared to the Canadian dollar. The underlying currency for most of Onex' consolidated assets is the U.S. dollar. The closing U.S. dollar to Canadian dollar exchange rate decreased 2 percent to 1.0290 Canadian dollars at September 30, 2010 from 1.0510 Canadian dollars at December 31, 2009.

Chart 1 shows Onex' consolidated assets by industry segment.

Asset Diversification by Industry Segment

CHART 1 | *(Unaudited) ($ millions)*



(a) 2010 other includes Allison Transmission, Hawker Beechcraft, Husky, RSI, ONCAP II, Onex Real Estate Partners, Tropicana Las Vegas, Tomkins and the parent company. 2009 other includes Allison Transmission, Hawker Beechcraft, Husky, RSI, ONCAP II, Onex Real Estate Partners, Tropicana Las Vegas and the parent company.

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 deferred charges) was $6.3 billion at September 30, 2010 compared to $5.9 billion at December 31, 2009. Since Onex reports in Canadian dollars but the majority of its operating companies report in U.S. dollars, a small part of the change in total reported consolidated long-term debt was caused by currency translation due to the 2 percent weakening of the U.S. dollar relative to the Canadian dollar.

Celestica

In the first quarter of 2010, Celestica repurchased all of its outstanding 2013 senior subordinated notes. These had a principal amount of US$223 million and were repurchased at a premium of approximately US$9 million. Celestica no longer has any outstanding debt.

Sitel Worldwide

Sitel Worldwide's long-term debt increased to US$663 million at September 30, 2010 from US$628 million at December 31, 2009 due primarily to the company's issuance of new 2018 senior notes, with a principal amount of US$300 million, in the first quarter of 2010. The proceeds of the issue were primarily used to repay other outstanding debt.

Flushing Town Center

As previously discussed, in the first quarter of 2010, Onex began consolidating Flushing Town Center, and as a result, at September 30, 2010, Onex' consolidated long-term debt includes US$537 million relating to Flushing Town Center. Flushing Town Center's long-term debt consists primarily of a senior construction loan and a mezzanine loan, both of which mature in April 2011. Accordingly, the long-term debt has been classified as current in the September 30, 2010 unaudited interim consolidated balance sheet. The company's long-term debt is without recourse to Onex. Onex has a carrying value of $21 million in the equity of Flushing Town Center at September 30, 2010.

Tropicana Las Vegas

In March 2010, Tropicana Las Vegas entered into a new credit agreement. This agreement consists of a US$50 million revolving credit facility and a delayed draw US$10 million term loan. The revolving credit facility and term loan mature in March 2014. The proceeds from the revolving credit facility, when drawn, will be used to finance current ongoing capital improvement projects and other general corporate purposes. The proceeds from the term loan, when drawn, will be used to finance the completion of the capital improvement project. At September 30, 2010, no amounts were outstanding under the revolving credit facility or the term loan. Substantially all of Tropicana Las Vegas' assets are pledged as collateral under the agreement.

EMSC

In April 2010, EMSC entered into a new senior secured credit agreement. The new agreement consists of a US$425 million term loan and a US$150 million revolving credit facility. The term loan and credit facility mature in April 2015. Substantially all of EMSC's assets are pledged as collateral under the new senior secured credit facility. The proceeds of the new facilities were used to repay and terminate the previous US$200 million term loan and redeem its senior subordinated notes with an outstanding balance of US$250 million. At September 30, 2010, US$422 million and nil were outstanding under the term loan and revolving credit facility, respectively.

Skilled Healthcare Group

In April 2010, Skilled Healthcare Group entered into a new US$330 million term loan and a US$100 million revolving credit facility. The term loan matures in 2016 and the revolving credit facility matures in 2015. The term loan was increased by an additional US$30 million to fund acquisitions completed in the second quarter of 2010. Substantially all of Skilled Healthcare Group's assets 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. At September 30, 2010, US$356 million and US$45 million were outstanding under the term loan and revolving credit facility, respectively.

Husky

In July 2010, Husky amended and restated the credit agreement governing its senior credit facility to extend the maturity date of the facility. The amendments extended the maturity date of the senior credit facility from December 2012 to December 2014. Changes to the credit agreement were also made that lessened the restrictions for capital expenditures and acquisitions, restructuring and integration costs.

Table 11 details the aggregate debt maturities for Onex' consolidated operating companies and equity-accounted operating companies for each of the years up to 2014 and in total thereafter. As equity-accounted businesses are included in the table, the total amount of debt is in excess of the reported consolidated debt. The table is presented in U.S. dollars as the debt of most of Onex' operating companies is denominated in U.S. dollars. Below that, we have converted the amounts to Canadian dollars at the September 30, 2010 exchange rate. As the following tables illustrate, most of the maturities occur in 2014 and thereafter.

Debt Maturity Amounts by Year

TABLE 11 *(Unaudited) ($ millions)*

	U.S. Dollars						
	2010	2011	2012	2013	2014	Thereafter	Total
Consolidated operating companies[a]	$ 173	$ 693	$ 572	$ 2,171	$ 1,216	$ 1,576	$ 6,401
Equity-accounted operating companies	303	174	94	243	4,190	4,207	9,211
Total	$ 476	$ 867	$ 666	$ 2,414	$ 5,406	$ 5,783	$ 15,612

(Unaudited) ($ millions)

	Above Table Converted to Canadian Dollars						
	2010	2011	2012	2013	2014	Thereafter	Total
Consolidated operating companies[a]	$ 178	$ 713	$ 589	$ 2,234	$ 1,251	$ 1,622	$ 6,587
Equity-accounted operating companies	312	179	97	250	4,312	4,328	9,478
Total	$ 490	$ 892	$ 686	$ 2,484	$ 5,563	$ 5,950	$ 16,065

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

The total amount of debt reported for equity-accounted operating companies in table 11 increased by approximately US$3.2 billion during the third quarter of 2010 due to the inclusion of the debt of Tomkins, acquired in late September 2010.

Non-controlling interests

The non-controlling interests liability in Onex' unaudited interim consolidated balance sheet as at September 30, 2010 primarily represents the ownership interests of shareholders, other than Onex, in Onex' consolidated operating companies and equity-accounted investments. At September 30, 2010, the non-controlling interests balance increased to $7.3 billion compared to $6.4 billion at December 31, 2009.

Table 12 details the change in the non-controlling interests balance from December 31, 2009 to September 30, 2010.

Change in Non-controlling Interests

TABLE 12 *(Unaudited) ($ millions)*

Non-controlling interests as at December 31, 2009	**$ 6,370**
Non-controlling interests in 2010 operating companies' net earnings	**270**
Investments by shareholders other than Onex in:	
Onex Partners and ONCAP II	**899**
Onex operating companies	**106**
Distributions to limited partners	**(123)**
Other, including repurchases of shares by Onex operating companies	**(80)**
Other comprehensive loss	**(114)**
Non-controlling interests as at September 30, 2010	**$ 7,328**

The increase in the non-controlling interests balance was driven primarily by:

- $736 million provided by limited partners of Onex Partners III and Onex management, other than Onex, for the investment in Tomkins in late September 2010;
- $38 million provided by limited partners of Onex Partners III and other shareholders, other than Onex, in Tropicana Las Vegas' second rights offering completed in April 2010;
- $37 million provided by limited partners of Onex Partners II, other than Onex, primarily for their share of the investment in Hawker Beechcraft debt in the first quarter of 2010;
- $65 million provided by limited partners of ONCAP II and other shareholders, other than Onex, for their share of the investment in Sport Supply Group in August 2010; and
- $270 million of non-controlling interests' share of the operating companies' net earnings for the nine months ended September 30, 2010.

Partially offsetting these increases were:

- $38 million in distributions to the limited partners of Onex Partners II for their share of the Carestream Health dividend distributed on September 30, 2010;
- $59 million in distributions to the limited partners of Onex Partners I and II for their share of the Husky distribution paid in July 2010;
- $26 million in distributions to the limited partners of Onex Partners II, other than Onex, for their share of TMS International's early redemption of a portion of the company's promissory notes and their share of The Warranty Group dividend distributed in the first quarter of 2010;
- $66 million of share purchases by Celestica in the open market; and
- a 2 percent decrease in the value of the U.S. dollar relative to the Canadian dollar, which contributed $135 million of the decrease. The value of the U.S. dollar was 1.0290 Canadian dollars at September 30, 2010 compared to 1.0510 Canadian dollars at December 31, 2009. This amount is included in other comprehensive earnings.

Shareholders' equity

Shareholders' equity totalled $1.5 billion at September 30, 2010 compared to $1.7 billion at December 31, 2009. The $52 million of shares repurchased by Onex, the parent company, in the first nine months of 2010, and the $48 million net loss accounted for much of the change in shareholders' equity in the quarter. Table 13 provides a reconciliation of the change in shareholders' equity from December 31, 2009 to September 30, 2010.

Change in Shareholders' Equity

TABLE 13 | *(Unaudited) ($ millions)*

Shareholders' equity as at December 31, 2009	**$ 1,659**
Regular dividends declared	**(10)**
Shares repurchased and cancelled	**(52)**
Net loss	**(48)**
Other comprehensive loss for 2010	**(9)**
Shareholders' equity as at September 30, 2010	**$ 1,540**

Onex' unaudited interim consolidated statements of shareholders' equity and comprehensive earnings (loss) also show the changes to the components of shareholders' equity for the nine months ended September 30, 2010 and 2009.

Shares outstanding

At October 31, 2010, Onex had 118,279,783 Subordinate Voting Shares issued and outstanding. Table 14 shows the change in the number of Subordinate Voting Shares outstanding from December 31, 2009 to October 31, 2010.

Change in Subordinate Voting Shares Outstanding

TABLE 14 | *(Unaudited)*

Subordinate Voting Shares outstanding at December 31, 2009	**120,317,445**
Shares repurchased and cancelled under Onex' Normal Course Issuer Bid	**(2,040,750)**
Issue of shares – Dividend Reinvestment Plan	**3,088**
Subordinate Voting Shares outstanding at October 31, 2010	**118,279,783**

Onex also has 100,000 Multiple Voting Shares outstanding, which have a nominal paid-in value, and 176,078 Series 1 Senior Preferred Shares, which have no paid-in amount reflected in Onex' audited annual consolidated financial statements. Note 5 to the unaudited interim consolidated financial statements provides additional information on Onex' share capital. There was no change in the Multiple Voting Shares and Series 1 Senior Preferred Shares outstanding during the first nine months of 2010.

Dividend Reinvestment Plan

Under Onex' Dividend Reinvestment Plan, Onex issued 3,088 Subordinate Voting Shares at an average cost of $27.68 per Subordinate Voting Share, creating a cash savings of less than $1 million during the period ended October 31, 2010.

Normal Course Issuer Bids

Onex had Normal Course Issuer Bids (the "Bids") in place during the first nine months of 2010 that enable it to repurchase up to 10 percent of its public float of Subordinate Voting Shares during the periods of the relevant Bids. 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, 2010, Onex renewed its Normal Course Issuer Bid ("NCIB") following the expiry of its previous NCIB on April 13, 2010. Under the new NCIB, Onex is permitted to purchase up to 10 percent of its public float in its Subordinate Voting Shares, or 9,100,636 Subordinate Voting Shares. Onex may purchase up to 53,830 Subordinate Voting Shares during any trading day, being 25 percent of its average daily trading volume for the six-month period ended March 31, 2010. 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, 2010 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 13, 2011. 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.

For the 10-month period ended October 31, 2010, Onex, the parent company, repurchased 2,040,750 Subordinate Voting Shares under its Normal Course Issuer Bids at an average cost per share of $25.44 for a total cost of $52 million.

Management Deferred Share Unit Plan

In January 2010, Onex issued 119,967 Management Deferred Share Units ("Management DSUs") to certain Onex management members at an aggregate value of approximately $3 million on the date of grant. The Management DSUs were issued in lieu of a portion of cash compensation for the Company's 2009 fiscal year. At September 30, 2010, there were 393,911 Management DSUs outstanding. Onex has entered into forward contracts to hedge the exposure on the Management DSUs.

Management of capital

Onex considers the capital it manages to be the amounts it has in cash and near-cash investments, and the investments made by it in the operating companies, 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 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 companies. 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 companies;
- control the risk associated with capital invested in any particular business or activity. All debt financing is within the operating companies and each company is required to support its own debt. Onex does not guarantee the debt of the operating companies and there are no cross-guarantees of debt between the operating companies; 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 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 investors.

At September 30, 2010, Onex, the parent company, had $442 million of cash on hand and $157 million of near-cash items at market value. During the third quarter of 2010, Onex, the parent company, reduced its cash on hand by US$345 million for its investment in Tomkins, acquired in late September 2010. Partially offsetting this was cash received of $60 million by Onex, the parent company, from the Husky and Carestream Health distributions completed in the third quarter. 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, 2010, Onex had access to US$3.0 billion of uncalled committed third-party capital for acquisitions through the Onex Partners and ONCAP Funds. This includes approximately US$2.6 billion of uncalled committed third-party capital for Onex Partners III.

The strategy for risk management of capital did not change in the nine months ended September 30, 2010.

LIQUIDITY AND CAPITAL RESOURCES

This section should be read in conjunction with the unaudited interim consolidated statements of cash flows for the three and nine months ended September 30, 2010 and 2009 and the corresponding notes thereto. Table 15 summarizes the major consolidated cash flow components for the three and nine months ended September 30, 2010 and 2009.

Major Cash Flow Components

TABLE 15 *(Unaudited) ($ millions)*	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
Cash from operating activities	**$ 237**	$ 474	**$ 452**	$ 778
Cash from (used in) financing activities	**$ 754**	$ (128)	**$ 544**	$ (172)
Cash from (used in) investing activities	**$ (1,463)**	$ 286	**$ (2,069)**	$ 94
Consolidated cash and cash equivalents – continuing operations	**$ 2,079**	$ 3,237	**$ 2,079**	$ 3,237

Cash from operating activities

Table 16 provides a breakdown of cash from operating activities by cash generated from operations and non-cash working capital items, warranty reserves and unearned premiums and other liabilities for the three and nine months ended September 30, 2010 and 2009.

Components of Cash from (Used in) Operating Activities

TABLE 16 *(Unaudited) ($ millions)*	Three months ended September 30 2010	2009	Nine months ended September 30 2010	2009
Cash generated from operations	**$ 439**	$ 443	**$ 1,217**	$ 1,231
Changes in non-cash working capital items				
Accounts receivable	**(37)**	(58)	**(137)**	270
Inventories	**(171)**	(190)	**(434)**	(256)
Other current assets	**(11)**	22	**(62)**	(43)
Accounts payable, accrued liabilities and other current liabilities	**36**	288	**25**	(267)
Increase (decrease) in cash due to changes in non-cash working capital items	**$ (183)**	$ 62	**$ (608)**	$ (296)
Decrease in warranty reserves and unearned premiums and other liabilities	**(19)**	(31)	**(157)**	(157)
Cash from operating activities	**$ 237**	$ 474	**$ 452**	$ 778

Cash generated from operations excludes changes in non-cash working capital items, warranty reserves and unearned premiums and other liabilities. The significant changes in non-cash working capital items for the nine months ended September 30, 2010 compared to the same period last year were:

- a $137 million overall increase from accounts receivable primarily due to higher receivables at Spirit AeroSystems; and
- the $434 million increase in inventory in the first nine months of 2010 driven by higher inventory balances at Spirit AeroSystems, which continues to build up inventory associated with its various programs, as well as at Celestica and Carestream Health.

Cash from (used in) financing activities

Cash from financing activities totalled $754 million for the third quarter of 2010 compared to cash used in financing activities of $128 million for the same quarter last year. Cash from financing activities was due primarily to $736 million of cash received from the limited partners of Onex Partners III and other shareholders, other than Onex, for the investment in Tomkins completed in late September 2010.

Partially offsetting this were:

- $97 million of distributions to the limited partners of Onex Partners, other than Onex, for the distributions made by Carestream Health and Husky in the quarter;
- US$48 million of cash used by Celestica for share purchases in the open market; and
- $15 million of cash spent by Onex, the parent company, on the repurchase of 607,100 Subordinate Voting Shares under the Company's Normal Course Issuer Bid.

For the nine months ended September 30, 2010, cash from financing activities was $544 million compared to cash used in financing activities of $172 million for the first nine months of 2009. Included in cash from financing activities for the nine months ended September 30, 2010 were:

- $774 million of cash received from the limited partners of Onex Partners III and other shareholders, other than Onex, 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; and
- $28 million of cash received from the limited partners of ONCAP II for its acquisition of Sport Supply Group.

Partially offsetting this were:

- $123 million of distributions to the limited partners of Onex Partners, other than Onex, for the distributions made by TMS International, Carestream Health and Husky;
- US$232 million of cash used by Celestica to repurchase its remaining 2013 senior subordinated notes. This compares to US$150 million of cash used by Celestica in the same period of 2009 for the repurchase of its 2011 senior subordinated notes;
- $52 million of cash spent by Onex, the parent company, on the repurchase of 2,040,750 Subordinate Voting Shares under the Company's Normal Course Issuer Bid;
- US$83 million of net long-term debt repayment by Carestream Health in the first nine months of 2010; and
- US$64 million of cash used by Celestica for share purchases in the open market.

Cash from (used in) investing activities

Cash used in investing activities totalled $1.5 billion for the three months ended September 30, 2010 compared to cash from investing activities of $286 million for the quarter ended September 30, 2009. The investment in Tomkins by Onex, Onex Partners III and Onex management in late September 2010 accounted for $1.1 billion of the cash used in investing activities in the quarter.

Cash used in investing activities for the nine months ended September 30, 2010 was $2.1 billion compared to cash from investing activities of $94 million for the same period last year. Included in the cash used in investing activities for the first nine months of 2010 were:

- US$1.1 billion of cash invested by Onex, Onex Partners III and Onex management in Tomkins;
- $261 million of cash spent on acquisitions completed primarily by Carestream Health, EMSC, Skilled Healthcare Group, ONCAP II's purchase of Sport Supply Group and Celestica in the period; and
- approximately US$77 million of cash invested by Onex and/or Onex Partners II in Hawker Beechcraft debt, Onex Credit Partners and Onex Real Estate Partners.

In addition, in the first nine months of 2010, approximately $639 million of the cash used in investing activities was for property, plant and equipment expenditures by Onex' operating companies. Significant components were:

- Spirit AeroSystems invested approximately US$183 million in property, plant and equipment primarily associated with the construction of the company's new manufacturing site in North Carolina as well as to sustain existing production capacity;
- Flushing Town Center incurred US$150 million for the continued construction of the project; and
- Tropicana Las Vegas invested approximately US$56 million during the first nine months of 2010 primarily associated with the ongoing refurbishment project for the resort.

Consolidated cash resources

At September 30, 2010, consolidated cash was $2.1 billion compared to $3.2 billion at December 31, 2009. The major components at September 30, 2010 were Onex, the parent company, which represented $442 million of cash on hand, and Celestica, which had $726 million of cash. During the third quarter of 2010, Onex, the parent company, reduced its cash on hand by US$345 million with its investment in Tomkins that was made in late September 2010.

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 $442 million of cash at Onex, the parent company, at September 30, 2010, there was $157 million of near-cash items in a segregated unleveraged fund managed by Onex Credit Partners. The investment in this fund is focused on liquid senior debt securities.

Table 17 provides a reconciliation of the change in cash at Onex, the parent company, from June 30, 2010 to September 30, 2010.

Change in Cash at Onex, the Parent Company

TABLE 17 *(Unaudited) ($ millions)*	
Cash on hand at June 30, 2010	**$ 785**
Investment in Tomkins	**(354)**
Investment in Sport Supply Group	**(30)**
Onex share repurchases	**(15)**
Distribution from Husky	**37**
Distribution from Carestream Health	**23**
Exchange loss on value of USD cash held	**(28)**
Other, net, including dividends	**24**
Cash on hand at September 30, 2010	**$ 442**

Private equity funds' uncalled committed capital

At September 30, 2010, the third-party limited partners in the Onex Partners and ONCAP Funds had remaining commitments to provide funding for future Onex-sponsored acquisitions as follows:

TABLE 18 *(Unaudited) ($ millions)*	Available Uncalled Committed Capital (Excluding Onex)[a]
Onex Partners I	**US$ 78**
Onex Partners II	**US$ 255**
Onex Partners III	**US$ 2,601**
ONCAP II	**C$ 90**

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

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

Recent events and pending transactions

Proposed Onex Partners III acquisition of remaining interest in ResCare

In September 2010, Onex announced that Onex Partners III had entered into an agreement and plan of share exchange whereby it would acquire all of the outstanding common shares of ResCare currently not owned by Onex or its affiliates through a tender offer at a price of US$13.25 per share. Onex, Onex Partners III and Onex management's initial investment is expected to be approximately US$351 million, of which Onex' portion would be US$63 million. This transaction is expected to close in the fourth quarter of 2010.

ResCare is a leading U.S. provider of in-home care, job training and education support services to individuals with developmental and intellectual disabilities. In June 2004, Onex and Onex Partners I acquired a 25 percent interest in ResCare for US$84 million, or US$9.86 per share.

Spirit AeroSystems credit facilities

In October 2010, Spirit AeroSystems amended its credit agreement. The new agreement increased the company's revolving credit facility from US$409 million to US$650 million. It also extended the maturity of US$630 million of the revolving credit facility from June 2012 to September 2014. In addition, Spirit AeroSystems extended the maturity date of US$437 million of its term loans to September 2016, with US$130 million of the term loan remaining due in September 2013.

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

In February 2008, the Canadian Accounting Standards Board confirmed that the use of International Financial Reporting Standards ("IFRS") would be required for Canadian publicly accountable enterprises for years beginning on or after January 1, 2011. Onex is working to adopt IFRS as the basis for preparing its consolidated financial statements effective January 1, 2011. For the first quarter ended March 31, 2011, Onex will issue its financial results prepared on an IFRS basis with comparative data on an IFRS basis.

During the first nine months of 2010, Onex continued to work on its transition plan to IFRS. The implementation of a new financial reporting system to accommodate IFRS reporting is proceeding as planned. Included in Onex' December 31, 2009 audited annual financial statements were the accounting policies selected under IFRS by Onex, the parent company, and its operating companies. While these IFRS accounting policies have been approved by management and the Audit Committee, such approval is contingent upon those standards being effective at the time of transition. Consequently, Onex is unable to make a final determination of the full or exact impact of conversion until all of the IFRS standards applicable at the conversion date are known. Detailed below is the Company's preliminary quantitative impact on its January 1, 2010 opening balance sheet for the transition to IFRS.

IFRS 1 (First-time adoption of IFRS)

IFRS 1 requires that an entity apply all IFRS effective at the end of its first IFRS reporting period retrospectively. However, IFRS 1 does provide certain mandatory exceptions and limited optional exemptions in specific areas of certain standards that will not require retroactive application of IFRS. The following are the exceptions and exemptions under IFRS 1 that are significant to us and that we will apply in preparing our first financial statements under IFRS:

AREAS OF IFRS	SUMMARY OF EXEMPTIONS
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). **Transition impact:** None.
Employee benefits	IFRS 1 provides the option to retrospectively apply either the "corridor" approach under International Accounting Standard ("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 date of transition. Onex will elect to recognize all cumulative actuarial gains and losses that existed at the date of transition in opening retained earnings for all employee benefit plans at the operating companies. **Transition impact:** Opening equity is expected to decrease by approximately US$135 million.
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 will deem all cumulative translation differences to be zero on transition to IFRS. **Transition impact:** No impact to opening equity is expected since amounts are transferred between opening retained earnings and accumulated other comprehensive earnings, which are both within equity.
Borrowing costs	IAS 23, *Borrowing Costs*, requires an entity to capitalize the borrowing costs related to all qualifying assets. Onex plans to adopt IAS 23 prospectively. Accordingly, borrowing costs related to qualifying assets on or after January 1, 2010 will be capitalized. **Transition impact:** No expected impact.
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. **Transition impact:** No expected impact.
Hedge accounting	IFRS 1 requires hedge accounting to be applied prospectively from the date of transition 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 date of transition (January 1, 2010) 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 sheet as a non-hedging derivative financial instrument. **Transition impact:** No expected impact.

IFRS to Canadian GAAP differences

In addition to the exemptions and exceptions discussed above, the following discussion explains the significant accounting policy differences between Canadian GAAP and IFRS as they apply to Onex' consolidated financial statements.

ACCOUNTING POLICY AREAS	IMPACT OF POLICY ADOPTION
Business combinations and non-controlling interests	*Canadian GAAP* – Under Onex' application of Canadian GAAP, transaction costs are capitalized as part of the cost of the acquisition, when applicable. In addition, the non-controlling interests' share of net assets is recognized as a separate line item on the balance sheet, outside of equity, and the non-controlling interests' share of earnings is recorded on the statement of net earnings, above net earnings. Additionally, when Onex divests a portion of an operating company but retains control, a gain or loss is recorded in the statement of income for the difference between the carrying value of the portion sold and the proceeds. *IFRS* – Under IFRS, all transaction costs relating to acquisitions are expensed as incurred. In addition, the non-controlling interests' share of the net assets is considered a component of equity. As a result, the non-controlling interests' share of earnings is recorded as an allocation after arriving at net earnings. Also, when a divestiture is made on a portion of a subsidiary and control is retained, the resulting change is recorded as a transfer of equity in the statement of equity, outside of the statement of earnings. **Transition impact:** Opening equity is expected to increase by approximately US$3.5 billion due to the reclassification of non-controlling interests to equity.
Equity-accounted investments	*Canadian GAAP* – Under Canadian GAAP, investments over which Onex exercises significant influence are accounted for using the equity-accounted method. As a result, Onex records its proportionate share of earnings or loss from the investment. *IFRS* – For certain investments over which Onex holds significant influence but not control, IFRS allows the investments to be recorded at fair value. As a result, changes in the fair value of the investments will be recorded in the statement of earnings. Onex expects to record at fair value certain of its non-controlled investments, including Hawker Beechcraft, Allison Transmission, RSI, Tomkins and ResCare. **Transition impact:** Opening equity is expected to increase by approximately US$330 million with a corresponding increase to long-term investments.
Actuarial gains and losses	*Canadian GAAP* – Actuarial gains and losses that arise in calculating the present value of the defined benefit obligation and the fair value of plan assets are recognized on a systematic and consistent basis, subject to a minimum required amortization based on a "corridor" approach. The "corridor" is 10 percent of the greater of the accrued benefit obligation at the beginning of the year and the fair value of plan assets at the beginning of the year. This excess of 10 percent is amortized as a component of pension expense on a straight-line basis over the expected average service life of active participants. Actuarial gains and losses below the 10 percent corridor are deferred. *IFRS* – Onex will elect to recognize all actuarial gains and losses immediately in a separate statement of comprehensive income without recognition to the income statement in subsequent periods. As a result, actuarial gains and losses are not amortized to the income statement but rather are recorded directly to comprehensive income at the end of each reporting period. As a result, Onex' operating companies will adjust their pension expense to remove the amortization of actuarial gains and losses. **Transition impact:** No expected impact.

ACCOUNTING POLICY AREAS	IMPACT OF POLICY ADOPTION
Cash-settled share-based payments	*Canadian GAAP* – A liability for cash-settled share-based payments is accrued based on the intrinsic value of the award, with changes recognized in the income statement each period. *IFRS* – An entity must measure the liability incurred at fair value by applying an option pricing model. Until the liability is settled, the fair value of the liability is re-measured at each reporting date, with changes in fair value recognized as the awards vest. Changes in fair value of vested awards are recognized immediately in earnings. As a result, Onex and its operating companies will adjust expenses associated with cash-settled share-based payments to reflect the changes of the fair values of these awards. **Transition impact:** Opening equity is expected to decline by approximately US$55 million with a corresponding increase in other non-current liabilities.
Impairments of intangible and long-lived assets, excluding goodwill (recoverable amount)	*Canadian GAAP* – A recoverability test is performed by first comparing the undiscounted expected future cash flows to be derived from the asset to its carrying amount. If an asset's undiscounted expected future cash flows do not exceed its carrying value, an impairment loss is calculated as the excess of the asset's carrying amount over its fair value. *IFRS* – A recoverability test is performed by comparing the carrying amount to the asset's recoverable amount. The impairment loss is calculated as the excess of the asset's carrying amount over its recoverable amount. The recoverable amount is defined as the higher of the asset's fair value less costs to sell and its value-in-use. Under the value-in-use calculation, the expected future cash flows from the asset are discounted to their net present value. As a result of the change in measurement methodology, impairments under IFRS may be recognized sooner than under Canadian GAAP and the impairment amounts may differ. **Transition impact:** No expected impact.
Reversal of impairments of intangible and long-lived assets, excluding goodwill	*Canadian GAAP* – Reversal of impairment losses is not permitted. *IFRS* – Reversal of impairment losses is required if the circumstances that led to the impairment no longer exist. **Transition impact:** The expected impact is not significant.
Income taxes (deferred tax assets not previously recognized)	*Canadian GAAP* – Previously unrecognized deferred tax assets of an acquired company are recognized as part of the cost of the acquisition when such assets are more likely than not to be realized as a result of a business combination. If an unrecognized deferred tax asset becomes realizable subsequent to the acquisition date, such benefit is also recognized through goodwill. The acquirer recognizes deferred tax assets of its own that become realizable as a result of the acquisition as part of the cost of the acquisition. *IFRS* – Previously unrecognized deferred tax assets of an acquired company are recognized as part of the cost of the acquisition if realization is more likely than not as a result of the business combination. If an unrecognized deferred tax asset becomes realizable subsequent to the acquisition date, such benefit is recognized in the consolidated statement of earnings and a corresponding amount of goodwill is recognized as an operating expense. The acquirer recognizes deferred tax assets of its own that become realizable as a result of the acquisition through earnings. As a result, Onex will recognize deferred tax assets that become realizable as a result of future acquisitions in earnings. **Transition impact:** No expected impact.
Accounting for uncertainty in income tax positions (deferred tax assets not previously recognized)	*Canadian GAAP* – Benefits for uncertain tax positions are determined by reference to a two-step process. First, the company determines whether it is more likely than not that an uncertain tax position will be sustained upon examination. Where the position meets that criterion of likelihood, the amount of provision is measured as the largest amount of provision that is greater than 50 percent likely to be realized. Where the criterion of likelihood is not met, no provision is recognized for the uncertain tax position. *IFRS* – The provision for uncertain tax positions is a best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. As a result, Onex will recalculate its uncertain tax position provision under IFRS. **Transition impact:** No expected impact.

ACCOUNTING POLICY AREAS	IMPACT OF POLICY ADOPTION
Accounting for uncertainty in income taxes in business combinations	*Canadian GAAP* – Changes to provisions for uncertain tax positions relating to pre-acquisition periods are adjusted through the purchase price allocation, first reducing goodwill and intangible assets associated with the business combination and, only after exhausting those amounts, reducing income tax expense. *IFRS* – Changes to pre-acquisition provisions for uncertain tax positions beyond 12 months of the acquisition date are recorded in the income statement. As a result, Onex may be required to adjust its tax expense to reflect this difference. **Transition impact:** No expected impact.
Limited Partners' Interests	*Canadian GAAP* – The Limited Partners' Interests of net assets are recognized as a component of the overall non-controlling interests, which is disclosed as a separate line item on the balance sheet, outside of equity. The Limited Partners' share of earnings, including any gains on sale of investments, is recorded on the statement of net earnings as non-controlling interests, above net earnings. *IFRS* – The Limited Partners' Interests are classified as a financial liability due to the limited life of the Onex Partners and ONCAP Funds. The Limited Partners' Interests will be recorded at fair value. Adjustments to the future expected cash flows of the underlying investments would result in a corresponding adjustment to the Limited Partners' Interests and a gain or loss in net earnings. **Transition impact:** Opening equity is expected to decline by approximately US$1.1 billion.

The above table is intended to highlight those areas that the Company believes to be the most significant and it should not be regarded as being a comprehensive list of all changes that will result from the transition to IFRS.

Based on the work completed to date, the Company expects that a material change to its Internal Controls over Financial Reporting ("ICFR") will be required, with the addition of new key controls to accommodate the adoption of IFRS reporting for share-based payments and Limited Partners' Interests. Onex has updated its systems and processes as required in preparation for transition.

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 Canadian GAAP. 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.

There were no significant changes in internal controls over financial reporting for the quarter ended September 30, 2010 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 Canadian GAAP.

OUTLOOK

In September, Onex and Canada Pension Plan Investment Board ("CPPIB") acquired Tomkins plc for approximately US$5.0 billion. Tomkins has many of the attributes we seek in the industrial investment opportunities we pursue – attractive market positions, proprietary brands, technology and distribution, cost savings opportunities, strong free cash flow characteristics and exposure to global growth. In addition, the management team is significantly invested in the company and therefore is well aligned with Onex and our investors. We bought the business early in the economic cycle and look forward to working with CPPIB and the Tomkins' team to expand the company's international reach and to find further cost saving opportunities.

We believe the acquisition market has reached a point where it will be a good time to be a buyer of businesses for several reasons: (i) sellers are adjusting their expectations following several years of lofty pricing; (ii) credit markets are functioning well and on more sensible terms; and (iii) it is simply better to buy businesses closer to an economic trough. However, finding and acquiring great businesses with strong management teams is never easy. Consequently, the pace of our investing is always difficult to predict.

Overall, our existing businesses have performed well despite the difficult operating environment of the last few years. The strong cash flow characteristics of many of our companies have enabled a number of them to pay down debt over the last year. We will continue to monitor the credit markets and opportunistically refinance credit facilities and extend maturities. As well, two businesses – Husky International and Carestream Health – paid distributions during the third quarter and both The Warranty Group and Carestream Health expect to do so again before year-end. This is a testament to the quality of our industry-leading companies and their conservative balance sheets.

While the equity markets have rallied over the last several months, the IPO markets remain weak. While we do have several private operating companies that would be appropriate candidates for the public markets, there is no urgency to move any of them forward at this time.

Our prudent approach to managing our capital has allowed us to continue to grow through the recent downturn, to stay focused on investing and to complete a large and what we believe will be an attractive investment in Tomkins. Onex continues to be in excellent financial condition, with almost $600 million in cash and near-cash items at the end of October, no debt at the parent company and approximately US$2.7 billion of third-party uncalled capital for acquisitions through the Onex Partners and ONCAP Funds.

CONSOLIDATED BALANCE SHEETS

(in millions of dollars)	*(Unaudited)* As at September 30 **2010**	As at December 31 2009
Assets		
Current assets		
Cash and cash equivalents	**$ 2,079**	$ 3,206
Marketable securities	**757**	636
Accounts receivable	**3,192**	3,062
Inventories	**3,431**	3,085
Other current assets	**1,381**	1,384
	10,840	11,373
Property, plant and equipment	**4,211**	3,623
Investments (note 3)	**4,121**	3,255
Other long-term assets	**2,605**	2,696
Intangible assets	**2,046**	2,086
Goodwill	**2,461**	2,312
	$ 26,284	$ 25,345
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	**$ 3,865**	$ 3,819
Other current liabilities	**979**	992
Current portion of long-term debt, without recourse to Onex	**711**	425
Current portion of obligations under capital leases, without recourse to Onex	**18**	21
Current portion of warranty reserves and unearned premiums	**1,333**	1,410
	6,906	6,667
Long-term debt of operating companies, without recourse to Onex (note 4)	**5,583**	5,505
Long-term portion of obligations under capital leases of operating companies, without recourse to Onex	**47**	41
Long-term portion of warranty reserves and unearned premiums	**1,874**	2,034
Other liabilities	**1,890**	1,832
Future income taxes	**1,116**	1,237
	17,416	17,316
Non-controlling interests	**7,328**	6,370
Shareholders' equity	**1,540**	1,659
	$ 26,284	$ 25,345

See accompanying notes to unaudited interim consolidated financial statements.

These unaudited interim consolidated financial statements should be read in conjunction with the 2009 audited annual consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited) *(in millions of dollars, except per share data)*	Three months ended September 30 2010	2009	Nine months ended September 30 2010	2009
Revenues	**$ 5,981**	$ 6,078	**$ 17,822**	$ 18,678
Cost of sales	**(4,715)**	(4,738)	**(14,090)**	(14,645)
Selling, general and administrative expenses	**(659)**	(683)	**(1,927)**	(2,146)
Earnings Before the Undernoted Items	**607**	657	**1,805**	1,887
Amortization of property, plant and equipment	**(131)**	(153)	**(391)**	(483)
Amortization of intangible assets and deferred charges	**(79)**	(85)	**(245)**	(281)
Interest expense of operating companies	**(99)**	(114)	**(324)**	(398)
Interest income	**13**	10	**25**	44
Loss from equity-accounted investments (note 6)	**(58)**	(383)	**(102)**	(429)
Foreign exchange loss	**(23)**	(43)	**(32)**	(73)
Stock-based compensation expense	**(56)**	(95)	**(128)**	(152)
Other income	**5**	22	**29**	90
Gains on dispositions of operating investments, net	**–**	276	**–**	460
Acquisition, restructuring and other expenses (note 7)	**(80)**	(74)	**(157)**	(170)
Writedown of goodwill, intangible assets and long-lived assets	**–**	(1)	**(2)**	(115)
Earnings before income taxes and non-controlling interests	**99**	17	**478**	380
Provision for income taxes	**(57)**	(112)	**(256)**	(103)
Non-controlling interests	**(86)**	(85)	**(270)**	(205)
Net Earnings (Loss) for the Period	**$ (44)**	$ (180)	**$ (48)**	$ 72
Net Earnings (Loss) per Subordinate Voting Share (note 8)				
Basic and Diluted:				
Net earnings (loss)	**$ (0.37)**	$ (1.48)	**$ (0.40)**	$ 0.59

See accompanying notes to unaudited interim consolidated financial statements.

These unaudited interim consolidated financial statements should be read in conjunction with the 2009 audited annual consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE EARNINGS

(Unaudited) *(in millions of dollars, except per share data)* Nine months ended September 30	Share Capital (note 5)	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Total Shareholders' Equity
Balance – December 31, 2008	$ 515	$ 1,199	$ (161)	$ 1,553
Dividends declared[(a)]	–	(10)	–	(10)
Purchase and cancellation of shares	(1)	(5)	–	(6)
Comprehensive Earnings (Loss)				
Net earnings for the period	–	72	–	72
Other comprehensive earnings (loss) for the period:				
Currency translation adjustments	–	–	(212)	(212)
Change in fair value of derivatives designated as hedges	–	–	92	92
Other	–	–	19	19
Balance – September 30, 2009	**$ 514**	**$ 1,256**	**$ (262)[(b)]**	**$ 1,508**
Balance – December 31, 2009	**$ 508**	**$ 1,264**	**$ (113)**	**$ 1,659**
Dividends declared[(a)]	**–**	**(10)**	**–**	**(10)**
Purchase and cancellation of shares	**(8)**	**(44)**	**–**	**(52)**
Comprehensive Earnings (Loss)				
Net loss for the period	**–**	**(48)**	**–**	**(48)**
Other comprehensive earnings (loss) for the period:				
Currency translation adjustments	**–**	**–**	**(22)**	**(22)**
Change in fair value of derivatives designated as hedges	**–**	**–**	**7**	**7**
Other	**–**	**–**	**6**	**6**
Balance – September 30, 2010	**$ 500**	**$ 1,162**	**$ (122)[(c)]**	**$ 1,540**

(a) Dividends declared per Subordinate Voting Share were $0.0825 for the nine months ended September 30, 2010 and 2009.

(b) Accumulated Other Comprehensive Earnings (Loss) as at September 30, 2009 consists of currency translation adjustments of negative $227, unrealized losses on the effective portion of cash flow hedges of $50 and unrealized gains on available-for-sale financial assets and other of $15. Income taxes did not have a significant effect on these items.

(c) Accumulated Other Comprehensive Earnings (Loss) as at September 30, 2010 consists of currency translation adjustments of negative $111, unrealized losses on the effective portion of cash flow hedges of $26, and unrealized gains on available-for-sale financial assets and other of $15. 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 2009 audited annual consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited) *(in millions of dollars)*	Three months ended September 30 2010	2009	Nine months ended September 30 2010	2009
Operating Activities				
Net earnings (loss) for the period	**$ (44)**	$ (180)	**$ (48)**	$ 72
Items not affecting cash:				
Amortization of property, plant and equipment	**131**	153	**391**	483
Amortization of intangible assets and deferred charges	**79**	85	**245**	281
Amortization of deferred warranty costs	**20**	19	**61**	60
Loss from equity-accounted investments	**58**	383	**102**	429
Foreign exchange loss	**28**	42	**19**	64
Stock-based compensation expense	**56**	95	**122**	152
Gains on dispositions of operating investments, net	**–**	(276)	**–**	(460)
Writedown of goodwill, intangible assets and long-lived assets	**–**	1	**2**	115
Non-controlling interests	**86**	85	**270**	205
Future income taxes	**(15)**	(2)	**12**	(143)
Other	**40**	38	**41**	(27)
	439	443	**1,217**	1,231
Changes in non-cash working capital items:				
Accounts receivable	**(37)**	(58)	**(137)**	270
Inventories	**(171)**	(190)	**(434)**	(256)
Other current assets	**(11)**	22	**(62)**	(43)
Accounts payable, accrued liabilities and other current liabilities	**36**	288	**25**	(267)
Increase (decrease) in cash due to changes in working capital items	**(183)**	62	**(608)**	(296)
Decrease in warranty reserves and unearned premiums and other liabilities	**(19)**	(31)	**(157)**	(157)
	237	474	**452**	778
Financing Activities				
Issuance of long-term debt	**294**	492	**1,854**	1,198
Repayment of long-term debt	**(126)**	(392)	**(1,944)**	(1,363)
Cash dividends paid	**(4)**	(3)	**(10)**	(10)
Repurchase of share capital	**(15)**	(5)	**(52)**	(6)
Issuance of share capital provided by L.P. investors and operating companies	**764**	79	**911**	301
Distributions by operating companies and to L.P. investors	**(104)**	(285)	**(132)**	(289)
Decrease due to other financing activities	**(55)**	(14)	**(83)**	(3)
	754	(128)	**544**	(172)
Investing Activities				
Acquisition of operating companies, net of cash in acquired companies of $38 (2009 – $105)	**(156)**	3	**(261)**	1
Purchase of property, plant and equipment	**(229)**	(125)	**(639)**	(420)
Proceeds from sales of operating investments	**–**	385	**–**	560
Investment in Tomkins Limited	**(1,090)**	–	**(1,090)**	–
Increase (decrease) due to other investing activities	**12**	23	**(79)**	(47)
	(1,463)	286	**(2,069)**	94
Increase (Decrease) in Cash for the Period	**(472)**	632	**(1,073)**	700
Decrease in cash due to changes in foreign exchange rates	**(75)**	(262)	**(54)**	(384)
Cash and cash equivalents, beginning of the period	**2,626**	2,867	**3,206**	2,921
Cash and Cash Equivalents, End of the Period	**$ 2,079**	$ 3,237	**$ 2,079**	$ 3,237

See accompanying notes to unaudited interim consolidated financial statements.

These unaudited interim consolidated financial statements should be read in conjunction with the 2009 audited annual consolidated financial statements.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

Onex Corporation and its subsidiaries (collectively, the "Company") is a diversified company. Throughout these statements, the term "Onex" refers to the parent company. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP" or "GAAP"). All amounts are in millions of Canadian dollars unless otherwise noted.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The 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 24 to the audited annual consolidated financial statements). All significant intercompany balances and transactions have been eliminated.

The principal operating companies and Onex' economic ownership in these entities are as follows:

	September 30, 2010		December 31, 2009	
	Onex Ownership	Voting	Onex Ownership	Voting
Investments made through Onex				
Celestica Inc. ("Celestica")	8%	70%	8%	69%
Sitel Worldwide Corporation ("Sitel Worldwide")	66%	88%	66%	88%
Investments made through Onex and Onex Partners I				
Center for Diagnostic Imaging, Inc. ("CDI")	19%	100%	19%	100%
Emergency Medical Services Corporation ("EMSC")	12%	82%	12%	82%
Res-Care, Inc. ("ResCare")	6%	(a)	6%	(a)
Skilled Healthcare Group, Inc. ("Skilled Healthcare Group")	9%	89%	9%	89%
Spirit AeroSystems, Inc. ("Spirit AeroSystems")	7%	76%	7%	76%
Investments made through Onex and Onex Partners II				
Allison Transmission, Inc. ("Allison Transmission")	15%	(a)	15%	(a)
Carestream Health, Inc. ("Carestream Health")	38%	100%	38%	100%
Hawker Beechcraft Corporation ("Hawker Beechcraft")	19%	(a)	19%	(a)
RSI Home Products, Inc. ("RSI")	20%	50%(a)	20%	50%(a)
TMS International Corp. ("TMS International")	36%	100%	36%	100%
Investments made through Onex, Onex Partners I and Onex Partners II				
Husky International Ltd. ("Husky")	36%	100%	36%	100%
The Warranty Group, Inc. ("The Warranty Group")	29%	100%	29%	100%
Investments made through Onex and Onex Partners III				
Tomkins Limited ("Tomkins")	16%	(a)	–	–
Tropicana Las Vegas, Inc. ("Tropicana Las Vegas")	16%(b)	74%(b)	15%	71%
Other investments				
ONCAP II L.P. ("ONCAP II")	46%	100%	44%	100%
Onex Real Estate Partners ("Onex Real Estate")	86%	100%	86%	100%

(a) Onex exerts significant influence over these equity-accounted investments through its right to appoint members to the Board of Directors of the entities.

(b) In April 2010, Tropicana Las Vegas completed a preferred share rights offering of US$50. Onex, Onex Partners III and Onex management invested an additional US$45 in the preferred share rights offering, of which Onex' share was US$10. The preferred shares have similar terms to the 2009 preferred share rights offering 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, 2010 was 74%, of which Onex' share was 16%.

The ownership percentages are before the effect of any potential dilution relating to the Management Investment Plans (the "MIP") as described in note 24(g) to the audited annual consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its consolidated financial statements in accordance with Canadian GAAP. The disclosures contained in these unaudited interim consolidated financial statements do not include all the requirements of generally accepted accounting principles for annual financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2009. Certain amounts presented in the comparative periods have been reclassified to conform to the presentation adopted in the current period.

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

2. ACQUISITIONS

During the first nine months of 2010, the following acquisitions were completed either directly by Onex or through subsidiaries of Onex. Details of the acquisitions are as follows:

	Flushing Town Center[a]	Skilled Healthcare Group[b]	ONCAP II[c]	Carestream Health[d]	EMSC[e]	Other[f]	Total
Cash	$ 24	$ –	$ 13	$ 1	$ –	$ –	$ 38
Other current assets	–	–	92	12	4	13	121
Intangible assets with limited life	–	–	24	38	22	17	101
Intangible assets with indefinite life	–	5	55	–	–	–	60
Goodwill	–	57	94	66	38	11	266
Property, plant and equipment and other long-term assets	505	1	8	–	2	1	517
	529	63	286	117	66	42	1,103
Current liabilities	(29)	–	(52)	(6)	(8)	(18)	(113)
Long-term liabilities	(491)	–	(131)	(1)	(7)	(7)	(637)
	9	63	103	110	51	17	353
Non-controlling interests in net assets	–	–	(37)	–	–	–	(37)
Interest in net assets acquired	$ 9	$ 63	$ 66	$ 110	$ 51	$ 17	$ 316

a) In the first quarter of 2010, a subsidiary of Onex became managing partner of the Flushing Town Center joint venture, a mixed-use development located in New York City, New York. As a result, it began consolidating its interest in the first quarter of 2010. Previously, Onex accounted for its interest in Flushing Town Center using the equity method. Flushing Town Center's long-term debt, which is described in note 4, is without recourse to Onex. At September 30, 2010, Onex' carrying value in Flushing Town Center was $21.

b) In May 2010, Skilled Healthcare Group completed the acquisitions of substantially all the assets of five Medicare-certified hospice companies and four Medicare-certified home health companies in the United States, operating in Arizona, Idaho, Montana and Nevada. The total purchase price of these acquisitions was $63, which was financed by Skilled Healthcare Group, of which $17 was in the form of certain deferred and/or contingent payments.

c) In August 2010, ONCAP II completed the acquisition of Sport Supply Group, Inc. ("Sport Supply Group"). Sport Supply Group is a leading marketer, manufacturer and distributor of proprietary and third-party sporting goods equipment and branded team uniforms to the institutional and team sports market in the United States. Onex and ONCAP II have a 62% equity ownership in Sport Supply Group. Onex and ONCAP II's total equity investment in Sport Supply Group was $58, of which Onex' share was $30.

In addition, ONCAP II includes acquisitions made by Caliber Collision Centers, Mister Car Wash and Sport Supply Group.

d) In September 2010, Carestream Health completed the acquisition of Quantum Medical Imaging, LLC ("Quantum Medical Imaging"). Quantum Medical Imaging is a manufacturer of digital and conventional x-ray systems used by hospitals, imaging centres and health clinics. In addition, Carestream Health completed one other acquisition during the first nine months of 2010. The total purchase price of these acquisitions was $110, which was financed by Carestream Health.

e) During the first nine months of 2010, EMSC completed five acquisitions located in the United States for total consideration of $51.

f) Other includes acquisitions made by Celestica and TMS International.

3. INVESTMENTS

In September 2010, the Company, together with Canada Pension Plan Investment Board ("CPPIB") acquired Tomkins plc. The newly acquired business will be operating as Tomkins Limited ("Tomkins"). Tomkins is a global engineering and manufacturing group that produces a variety of products for the industrial, automotive and building products markets across North America, Europe and Asia. The equity investment of US$2,125 was split equally between the Company and CPPIB. Management of Tomkins also became investors in the business. The Company's investment of $1,090 (US$1,062) was made by Onex, Onex Partners III and Onex management. Onex' net investment in the acquisition was $354 (US$345) for an initial 16% equity ownership interest. The investment is accounted for using the equity-accounted method. The operating results of Tomkins since the effective acquisition on September 24, 2010 were not material to the Company and are excluded from these consolidated financial statements.

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

The following describes the significant changes to Onex' consolidated long-term debt from the information provided in the December 31, 2009 audited annual consolidated financial statements.

a) Celestica

During the first quarter of 2010, Celestica redeemed all of its outstanding 7.625% Senior Subordinated Notes due 2013. Celestica paid US$232 to redeem notes with a principal amount of US$223. As a result of redeeming the notes, Celestica recognized a charge of US$9, which is included in interest expense in the unaudited interim consolidated statement of earnings.

b) Sitel Worldwide

In March 2010, Sitel Worldwide issued US$300 in aggregate principal amount of new senior notes due December 2018. The notes bear interest at an annual rate of 11.50% with no principal payments due until maturity. Proceeds were primarily used to repay a portion of the indebtedness outstanding under the senior secured credit facility. In conjunction with this repayment, the debt covenants of the senior secured credit facility were amended to reduce the minimum adjusted EBITDA to interest ratio requirement and to change the total debt to adjusted EBITDA covenant to a senior secured debt to adjusted EBITDA covenant. The amended senior secured credit facility also contains certain customary affirmative and negative covenants.

c) Tropicana Las Vegas

In March 2010, Tropicana Las Vegas entered into a new credit agreement. The new agreement consists of a US$50 revolving credit facility and a delayed draw US$10 term loan. The revolving credit facility and term loan bear interest at a fixed annual rate of 4.00% and 6.00%, respectively, and mature in March 2014. The proceeds from the revolving credit facility, when drawn, will be used to finance current ongoing capital improvement projects and other general corporate purposes. The proceeds from the term loan, when drawn, will be used to finance the completion of the capital improvement project. At September 30, 2010, no amounts were outstanding under the revolving credit facility or the term loan. Substantially all of Tropicana Las Vegas' assets are pledged as collateral under the agreement.

d) Flushing Town Center

In the first quarter of 2010, Onex began consolidating Flushing Town Center, as described in note 2. As a result, Onex' consolidated long-term debt includes US$537 of long-term debt of Flushing Town Center. Flushing Town Center's long-term debt consists primarily of a senior construction loan and a mezzanine loan, both of which mature in April 2011. Accordingly, the long-term debt has been classified as current in the September 30, 2010 unaudited interim consolidated balance sheet. Onex has a carrying value of $21 in the equity of Flushing Town Center at September 30, 2010.

e) EMSC

In April 2010, EMSC completed the financing of new senior secured credit facilities consisting of a US$425 term loan and a US$150 revolving facility. The term loan bears interest at LIBOR plus a margin of 3.00%, and requires quarterly principal repayments until maturity in 2015. The revolving facility bears interest at LIBOR plus a margin of 3.00%, and is repayable at maturity in 2015. The senior secured credit facilities can be expanded and the interest rate margins stepped down to 2.75% upon achieving certain leverage ratios. Substantially all of EMSC's assets are pledged as collateral under the new senior secured credit facilities.

The proceeds from the new facilities were used to repay the US$200 term loan and its US$250 senior subordinated notes. At September 30, 2010, US$422 and nil were outstanding under the term loan and revolving facility, respectively.

f) Skilled Healthcare Group

In April 2010, Skilled Healthcare Group entered into a new US$330 term loan and US$100 revolving credit facility. The term loan bears interest at LIBOR (subject to a floor of 1.50%) plus a margin of 3.75%, and requires quarterly principal repayments of US$1 until maturity in 2016. The term loan was increased by an additional US$30 to fund acquisitions completed in the second quarter of 2010. The revolving credit facility bears interest at LIBOR (subject to a floor of 1.50%) plus a margin of 3.75%, and is repayable at maturity in 2015. Substantially all of Skilled Healthcare Group's assets 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. At September 30, 2010, US$356 and US$45 were outstanding under the term loan and revolving credit facility, respectively.

g) Husky

In July 2010, Husky amended and restated its senior credit agreement that governs its term loan and revolving credit facility. The amendments included extending the maturity date of the term loan and revolving credit facility from December 2012 to December 2014. In addition, the credit agreement was amended to lessen the restrictions for capital expenditures and acquisitions, restructuring and integration costs.

5. SHARE CAPITAL

a) At September 30, 2010, the issued and outstanding share capital consisted of 100,000 Multiple Voting Shares (December 31, 2009 – 100,000), 118,278,591 Subordinate Voting Shares (December 31, 2009 – 120,317,445) and 176,078 Series 1 Senior Preferred Shares (December 31, 2009 – 176,078). The Series 1 Senior Preferred Shares have no paid-in amount reflected in these consolidated financial statements and the Multiple Voting Shares have nominal paid-in value.

b) During the first nine months of 2010, under the Dividend Reinvestment Plan, the Company issued 1,896 Subordinate Voting Shares (2009 – 2,357) at a total value of less than $1 (2009 – less than $1). In the first nine months of both 2010 and 2009, no Subordinate Voting Shares were issued upon the exercise of stock options.

Onex renewed its Normal Course Issuer Bid in April 2010 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 9.1 million shares.

In the first nine months of 2010, under the Normal Course Issuer Bids, the Company repurchased and cancelled 2,040,750 Subordinate Voting Shares (2009 – 313,300) at a cash cost of $52 (2009 – $6), of which 607,100 shares (2009 – 274,700) were in the third quarter of 2010 at a cost of $15 (2009 – $5). The excess of the purchase cost of these shares over the average paid-in amount was $44 (2009 – $5), which was charged to retained earnings.

c) During the first nine months of 2010, 171,450 options were surrendered for total cash consideration of approximately $2, of which 37,900 options were surrendered in the third quarter for cash consideration of $1. 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 15 to the December 31, 2009 audited annual consolidated financial statements. In the first nine months of 2009, 196,400 options were surrendered for total cash consideration of $1, all of which was in the third quarter of 2009. In addition, 12,350 options (2009 – 10,667) expired during the first nine months of 2010. At September 30, 2010, the Company had 13,266,250 options outstanding (December 31, 2009 – 13,450,050) to acquire Subordinate Voting Shares, of which 11,320,500 options were vested, and of those, 10,883,000 options were exercisable. The exercisable options have a weighted average exercise price of $16.59.

d) During the second quarter of 2010, an annual grant of 40,000 Deferred Share Units ("DSUs") (2009 – 40,000) was issued to directors. In addition, certain directors have chosen to receive their directors' fees in DSUs in lieu of cash. At September 30, 2010, there were 385,062 director DSUs outstanding (December 31, 2009 – 369,019). In the first nine months of 2010, 38,705 DSUs were redeemed at a total cash cost of $1, all of which was in the first quarter of 2010.

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. At September 30, 2010, there were 393,911 Management DSUs outstanding (December 31, 2009 – 272,880). In January 2010, 119,967 DSUs were issued to certain members of Onex management in lieu of a portion of cash compensation for the 2009 fiscal year. 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 December 31, 2009 audited annual consolidated financial statements.

6. EARNINGS (LOSS) FROM EQUITY-ACCOUNTED INVESTMENTS

	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
Allison Transmission	**$ (3)**	$ (25)	**$ 5**	$ (203)
Hawker Beechcraft	**(60)**	(363)	**(120)**	(241)
Other	**5**	5	**13**	15
	$ (58)	$ (383)	**$ (102)**	$ (429)

7. ACQUISITION, RESTRUCTURING AND OTHER EXPENSES

	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
Celestica	**$ 6**	$ 46	**$ 39**	$ 78
Carestream Health	**4**	11	**21**	35
Husky	**3**	9	**11**	34
Sitel Worldwide	**6**	6	**15**	15
Skilled Healthcare Group[a]	**55**	–	**55**	–
Other	**6**	2	**16**	8
	$ 80	$ 74	**$ 157**	$ 170

a) On July 7, 2010, Skilled Healthcare Group announced that a jury had returned a verdict against the company in California state court related to a complaint filed more than four years ago. In the complaint, the plaintiffs alleged, among other matters, that certain California-based facilities operated by Skilled Healthcare Group's wholly owned operating companies failed to provide the prescribed number of qualified personnel to care for their residents. In the first phase of deliberations, the jury awarded the plaintiffs more than US$650 in damages. During the third quarter of 2010, Skilled Healthcare Group came to a settlement agreement on this complaint and recorded US$53 in other expenses. The settlement contains no admission or concession of wrongdoing by Skilled Healthcare Group.

b) Acquisition, restructuring and other expenses are typically to provide for the costs of facility consolidations, workforce reductions and transition costs incurred at the operating companies.

The table below provides a summary of acquisition, restructuring and other expenses undertaken by the operating companies, excluding Skilled Healthcare Group as described above, detailing the components of the charges and movement in accrued liabilities. This summary is presented by the year in which the restructuring activities were first initiated.

Years prior to 2009	Employee Termination Costs	Lease and Other Contractual Obligations	Facility Exit Costs and Other	Non-cash Charges	Total
Total estimated expected costs	$ 835	$ 206	$ 117	$ 404	$ 1,562[a]
Cumulative costs expensed to date	$ 822	$ 200	$ 110	$ 404	$ 1,536[b]
Expense for the period ended September 30, 2010	$ 30	$ 7	$ 22	$ –	$ 59
Reconciliation of accrued liability					
Closing balance – December 31, 2009	$ 41	$ 29	$ 3		$ 73
Cash payments	(51)	(15)	(24)		(90)
Charges	30	7	22		59
Other adjustments	(3)	(1)	2		(2)
Closing balance – September 30, 2010	$ 17	$ 20	$ 3		$ 40

(a) Includes Celestica $1,454.
(b) Includes Celestica $1,444.

Initiated in 2009	Employee Termination Costs	Lease and Other Contractual Obligations	Facility Exit Costs and Other	Non-cash Charges	Total
Total estimated expected costs	$ 10	$ 5	$ 21	$ 1	$ 37[a]
Cumulative costs expensed to date	$ 10	$ 5	$ 21	$ 1	$ 37[b]
Expense for the period ended September 30, 2010	$ (1)	$ –	$ 9	$ 1	$ 9
Reconciliation of accrued liability					
Closing balance – December 31, 2009	$ 11	$ 4	$ 5		$ 20
Cash payments	(8)	(1)	(11)		(20)
Charges	(1)	–	9		8
Other adjustments	1	1	(1)		1
Closing balance – September 30, 2010	$ 3	$ 4	$ 2		$ 9

(a) Includes Sitel Worldwide $15 and Husky $13.
(b) Includes Sitel Worldwide $15 and Husky $13.

7. ACQUISITION, RESTRUCTURING AND OTHER EXPENSES (cont'd)

Initiated in 2010	Employee Termination Costs	Lease and Other Contractual Obligations	Facility Exit Costs and Other	Non-cash Charges	Total
Total estimated expected costs	$ 19	$ 5	$ 17	$ –	$ 41[a]
Cumulative costs expensed to date	$ 16	$ 3	$ 15	$ –	$ 34[b]
Expense for the period ended September 30, 2010	$ 16	$ 3	$ 15	$ –	$ 34
Reconciliation of accrued liability					
Cash payments	$ (12)	$ (1)	$ (11)		$ (24)
Charges	16	3	15		34
Closing balance – September 30, 2010	$ 4	$ 2	$ 4		$ 10

(a) Includes Sitel Worldwide $21.
(b) Includes Sitel Worldwide $16.

Total	Employee Termination Costs	Lease and Other Contractual Obligations	Facility Exit Costs and Other	Non-cash Charges	Total
Total estimated expected costs	$ 864	$ 216	$ 155	$ 405	$ 1,640
Cumulative costs expensed to date	$ 848	$ 208	$ 146	$ 405	$ 1,607
Expense for the period ended September 30, 2010	$ 45	$ 10	$ 46	$ 1	$ 102
Reconciliation of accrued liability					
Closing balance – December 31, 2009	$ 52	$ 33	$ 8		$ 93
Cash payments	(71)	(17)	(46)		(134)
Charges	45	10	46		101
Other adjustments	(2)	–	1		(1)
Closing balance – September 30, 2010	$ 24	$ 26	$ 9		$ 59

8. EARNINGS PER 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	
	2010	2009	**2010**	2009
Weighted average number of shares outstanding *(in millions)*				
Basic	**118**	122	**120**	122
Diluted	**118**	122	**120**	122

9. SUPPLEMENTAL CASH FLOW INFORMATION

Paid during the period:

	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
Interest	**$ 85**	$ 135	**$ 279**	$ 431
Taxes	**$ 66**	$ 44	**$ 194**	$ 221

10. PENSION

The following expense (income) has been recorded related to defined benefit pension plans at certain of the operating companies:

	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
Defined benefit expense (income)	**$ (1)**	$ 7	**$ (2)**	$ 15

11. RELATED PARTY TRANSACTIONS

In April 2010, Onex entered into the sale of an entity, whose sole assets were certain tax losses, to a public company controlled by Mr. Gerald W. Schwartz, who is also Onex' controlling shareholder. Onex received $8 in cash for tax losses of $70. The entire $8 was recorded as a gain and was included in other income in the consolidated statement of earnings in the second quarter of 2010. Onex has significant Canadian non-capital and capital losses available and valuation allowances have been established against the benefit of all of these losses in the 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 this transaction, Onex obtained a tax ruling from the Canada Revenue Agency and Deloitte & Touche LLP, an independent accounting firm retained by Onex' Audit and Corporate Governance Committee, provided an opinion that the value received by Onex for the tax losses was fair. The Audit and Corporate Governance Committee, all the members of which are independent directors, unanimously approved the transaction.

12. SUBSEQUENT EVENTS

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, on the consolidated financial position of Onex is not known at this time.

a) ResCare

In September 2010, Onex announced that Onex Partners III had entered into an agreement and plan of share exchange whereby it would acquire all of the outstanding common shares of ResCare currently not owned by Onex or its affiliates through a tender offer at a price of US$13.25 per share. Onex, Onex Partners III and Onex management's initial investment is expected to be approximately US$351, of which Onex' portion will be US$63. This transaction is expected to close in the fourth quarter of 2010.

b) Spirit AeroSystems

In October 2010, Spirit AeroSystems amended its credit agreement to extend the maturity of the revolving credit facility from June 2012 to September 2014 as well as increase the amount available under the facility to US$650 from US$409 through June 2012 before stepping down to US$630 through September 2014. In addition, Spirit AeroSystems extended the maturity date with respect to US$437 of its term loan to September 2016, with US$130 of the term loan remaining due in September 2013. The borrowings under the term loan for which the maturity was extended will bear interest based on LIBOR or a base rate plus an interest rate margin of up to 3.25%.

13. INFORMATION BY INDUSTRY SEGMENT

(Unaudited) *(in millions of dollars)* **Three months ended September 30, 2010**	Electronics Manufacturing Services	Aero-structures	Healthcare	Financial Services	Customer Support Services	Metal Services	Other[a]	Consolidated Total
Revenues	$ 1,604	$ 1,053	$ 1,625	$ 306	$ 333	$ 497	$ 563	$ 5,981
Cost of sales	(1,472)	(885)	(1,208)	(153)	(208)	(451)	(338)	(4,715)
Selling, general and administrative expenses	(57)	(49)	(180)	(108)	(90)	(14)	(161)	(659)
Earnings before the undernoted items	75	119	237	45	35	32	64	607
Amortization of property, plant and equipment	(18)	(30)	(39)	(3)	(8)	(12)	(21)	(131)
Amortization of intangible assets and deferred charges	(4)	1	(52)	(4)	(4)	(3)	(13)	(79)
Interest expense of operating companies	–	(13)	(35)	(1)	(23)	(10)	(17)	(99)
Interest income	–	–	1	–	1	–	11	13
Earnings (loss) from equity-accounted investments	–	(1)	3	–	–	–	(60)	(58)
Foreign exchange gains (loss)	–	1	4	–	3	–	(31)	(23)
Stock-based compensation expense	(9)	(2)	(3)	–	–	–	(42)	(56)
Other income	–	2	–	3	–	–	–	5
Acquisition, restructuring and other expenses	(6)	–	(59)	–	(6)	–	(9)	(80)
Earnings (loss) before income taxes and non-controlling interests	38	77	57	40	(2)	7	(118)	99
Recovery of (provision for) income taxes	(1)	(28)	(15)	(14)	13	(5)	(7)	(57)
Non-controlling interests	(34)	(46)	(31)	(18)	–	(1)	44	(86)
Net earnings (loss)	$ 3	$ 3	$ 11	$ 8	$ 11	$ 1	$ (81)	$ (44)

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

(Unaudited) *(in millions of dollars)* Three months ended September 30, 2009	Electronics Manufacturing Services	Aero-structures	Healthcare	Financial Services	Customer Support Services	Metal Services	Other[a]	Consolidated Total
Revenues	$ 1,700	$ 1,157	$ 1,605	$ 322	$ 417	$ 434	$ 443	$ 6,078
Cost of sales	(1,560)	(933)	(1,166)	(149)	(263)	(396)	(271)	(4,738)
Selling, general and administrative expenses	(54)	(43)	(200)	(118)	(118)	(15)	(135)	(683)
Earnings before the undernoted items	86	181	239	55	36	23	37	657
Amortization of property, plant and equipment	(20)	(32)	(46)	(3)	(14)	(16)	(22)	(153)
Amortization of intangible assets and deferred charges	(5)	(2)	(52)	(5)	(6)	(3)	(12)	(85)
Interest expense of operating companies	(10)	(11)	(53)	(1)	(19)	(12)	(8)	(114)
Interest income (expense)	(1)	1	2	–	–	–	8	10
Earnings (loss) from equity-accounted investments	–	–	3	–	–	–	(386)	(383)
Foreign exchange gains (loss)	–	(2)	2	1	(6)	(1)	(37)	(43)
Stock-based compensation expense	(7)	(4)	(1)	–	–	–	(83)	(95)
Other income (expense)	(1)	2	(1)	(1)	–	–	23	22
Gains on dispositions of operating investments, net	–	–	–	–	–	–	276	276
Acquisition, restructuring and other expenses	(46)	–	(11)	–	(6)	–	(11)	(74)
Writedown of goodwill, intangible assets and long-lived assets	–	–	–	–	–	–	(1)	(1)
Earnings (loss) before income taxes and non-controlling interests	(4)	133	82	46	(15)	(9)	(216)	17
Recovery of (provision for) income taxes	2	(43)	(35)	(17)	(3)	5	(21)	(112)
Non-controlling interests	2	(84)	(38)	(21)	–	3	53	(85)
Net earnings (loss)	$ –	$ 6	$ 9	$ 8	$ (18)	$ (1)	$ (184)	$ (180)

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

13. INFORMATION BY INDUSTRY SEGMENT (cont'd)

(Unaudited) *(in millions of dollars)* **Nine months ended September 30, 2010**	Electronics Manufacturing Services	Aero-structures	Healthcare	Financial Services	Customer Support Services	Metal Services	Other[a]	Consolidated Total
Revenues	$ 4,820	$ 3,212	$ 4,685	$ 925	$ 1,032	$ 1,632	$ 1,516	$ 17,822
Cost of sales	(4,421)	(2,686)	(3,464)	(448)	(661)	(1,496)	(914)	(14,090)
Selling, general and administrative expenses	(166)	(135)	(522)	(337)	(284)	(42)	(441)	(1,927)
Earnings before the undernoted items	233	391	699	140	87	94	161	1,805
Amortization of property, plant and equipment	(57)	(85)	(118)	(9)	(27)	(38)	(57)	(391)
Amortization of intangible assets and deferred charges	(12)	(1)	(159)	(13)	(14)	(9)	(37)	(245)
Interest expense of operating companies	(14)	(42)	(131)	(2)	(65)	(32)	(38)	(324)
Interest income	–	–	3	–	1	–	21	25
Earnings (loss) from equity-accounted investments	–	(1)	6	–	–	–	(107)	(102)
Foreign exchange loss	(1)	(4)	(4)	(1)	(3)	–	(19)	(32)
Stock-based compensation expense	(29)	(24)	(7)	–	–	–	(68)	(128)
Other income (expense)	–	4	–	19	(3)	–	9	29
Acquisition, restructuring and other expenses	(39)	(2)	(76)	(1)	(15)	–	(24)	(157)
Writedown of goodwill, intangible assets and long-lived assets	–	–	–	–	–	–	(2)	(2)
Earnings (loss) before income taxes and non-controlling interests	81	236	213	133	(39)	15	(161)	478
Recovery of (provision for) income taxes	(23)	(74)	(73)	(50)	4	(10)	(30)	(256)
Non-controlling interests	(53)	(151)	(112)	(59)	–	(3)	108	(270)
Net earnings (loss)	$ 5	$ 11	$ 28	$ 24	$ (35)	$ 2	$ (83)	$ (48)
Total assets[b]	$ 3,003	$ 4,754	$ 5,506	$ 5,136	$ 730	$ 864	$ 6,291	$ 26,284
Long-term debt[c]	$ –	$ 1,015	$ 2,702	$ 197	$ 683	$ 388	$ 1,309	$ 6,294

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

(b) Total assets for the other segment at September 30, 2010 includes the assets of Tomkins, acquired in September 2010.

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

(Unaudited) *(in millions of dollars)* Nine months ended September 30, 2009	Electronics Manufacturing Services	Aero-structures	Healthcare	Financial Services	Customer Support Services	Metal Services	Other[a]	Consolidated Total
Revenues	$ 5,151	$ 3,502	$ 4,966	$ 1,029	$ 1,365	$ 1,093	$ 1,572	$ 18,678
Cost of sales	(4,705)	(2,975)	(3,616)	(498)	(870)	(986)	(995)	(14,645)
Selling, general and administrative expenses	(195)	(153)	(595)	(384)	(374)	(39)	(406)	(2,146)
Earnings before the undernoted items	251	374	755	147	121	68	171	1,887
Amortization of property, plant and equipment	(66)	(99)	(148)	(10)	(44)	(52)	(64)	(483)
Amortization of intangible assets and deferred charges	(18)	(4)	(174)	(17)	(18)	(11)	(39)	(281)
Interest expense of operating companies	(43)	(34)	(183)	(3)	(63)	(36)	(36)	(398)
Interest income	–	7	5	–	1	–	31	44
Earnings (loss) from equity-accounted investments	–	–	14	–	–	–	(443)	(429)
Foreign exchange gains (loss)	(2)	3	(2)	1	(12)	–	(61)	(73)
Stock-based compensation expense	(25)	(11)	(5)	–	–	–	(111)	(152)
Other income (expense)	(1)	4	(10)	(2)	1	–	98	90
Gains on dispositions of operating investments, net	–	–	–	–	–	–	460	460
Acquisition, restructuring and other expenses	(78)	(1)	(35)	–	(15)	–	(41)	(170)
Writedown of goodwill, intangible assets and long-lived assets	–	–	–	–	(52)	(62)	(1)	(115)
Earnings (loss) before income taxes and non-controlling interests	18	239	217	116	(81)	(93)	(36)	380
Recovery of (provision for) income taxes	9	(79)	(77)	(33)	(9)	10	76	(103)
Non-controlling interests	(23)	(149)	(109)	(59)	–	55	80	(205)
Net earnings (loss)	$ 4	$ 11	$ 31	$ 24	$ (90)	$ (28)	$ 120	$ 72
Total assets at December 31, 2009	$ 3,265	$ 4,685	$ 5,616	$ 5,206	$ 745	$ 891	$ 4,937	$ 25,345
Long-term debt at December 31, 2009[b]	$ 234	$ 902	$ 2,792	$ 203	$ 660	$ 401	$ 738	$ 5,930

(a) Includes Allison Transmission, CEI, Cineplex Entertainment, Hawker Beechcraft, Husky, RSI, Tropicana Las Vegas, ONCAP II, Onex Real Estate and the parent company.

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

SHAREHOLDER INFORMATION

Third Quarter Dividend

A dividend of $0.0275 per Subordinate Voting Share was paid on October 29, 2010 to shareholders of record as of October 8, 2010.

Shares

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.

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 or 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

SPIRIT AEROSYSTEMS

SITEL

EMSC

Hawker Beechcraft

Allison Transmission

Carestream

the warranty group

Skilled Healthcare Group

TMS International We Create Value

CDI CENTER FOR DIAGNOSTIC IMAGING

Tomkins

Celestica

ResCare Building Lives · Reaching Potential

HUSKY

Tropicana LAS VEGAS

RSI