ONEX CORPORATION

Annual Information Form

for the Year Ended December 31, 2012

February 21, 2013

TABLE OF CONTENTS

TABLE OF CONTENTS *(continued)*

KEY DEFINITIONS

The following is a list of defined terms and names used throughout this Annual Information Form:

AIF	This Annual Information Form for Onex Corporation dated February 21, 2013
Allison Transmission	Allison Transmission, Inc. and all of its subsidiaries
BBAM	BBAM Limited Partnership and all of its subsidiaries
Bradshaw	Bradshaw International, Inc. and all of its subsidiaries
BSN SPORTS	BSN SPORTS, Inc. and all of its subsidiaries
Caliber	Caliber Holdings Corporation and all of its subsidiaries
Carestream Health	Carestream Health, Inc. and all of its subsidiaries
Casino ABS	Crown Amusements Ltd. and all of its subsidiaries
Celestica	Celestica Inc. and all of its subsidiaries
CiCi's Pizza	CiCi's Holdings, Inc. and all of its subsidiaries
CLO	Collateralized Loan Obligation
Consolidated Financial Information	The consolidated financial information in respect of Onex and its subsidiaries or investees as set out in this AIF
Davis-Standard	Davis-Standard Holdings, Inc. and all of its subsidiaries
EnGlobe	EnGlobe Corp. and all of its subsidiaries
FLY	FLY Leasing Limited and all of its subsidiaries
Hopkins	Hopkins Manufacturing Corporation and all of its subsidiaries
IFRS	International Financial Reporting Standards
JELD-WEN	JELD-WEN Holding, inc. and all its subsidiaries
KraussMaffei	KraussMaffei GmbH and all of its subsidiaries
Meridian Aviation	Meridian Aviation Partners Limited and all of its subsidiaries
Mister Car Wash	Mister Car Wash Holdings, Inc. and all of its subsidiaries
OEM	Original equipment manufacturer
ONCAP II	ONCAP II L.P., ONCAP (US) II L.P., ONCAP (US) II-A L.P. and Onex Parallel Investment (ONCAP) L.P.
ONCAP III	ONCAP III LP, ONCAP III (CANADA) LP, ONCAP Investment Partners III LP and Onex Parallel (ONCAP) III LP
Onex or Company	Onex Corporation
Onex Credit Partners	Onex Credit Holdings LLC and all of its subsidiaries
Onex Partners I	Onex Partners LP
Onex Partners II	Onex Partners II LP
Onex Partners III	Onex Partners III LP
Onex Real Estate Partners	Onex Real Estate Holdings Inc., all of its subsidiaries and its affiliates
Pinnacle Renewable Energy Group	Pinnacle Pellet, Inc. and all of its subsidiaries
ResCare	Res-Care, Inc. and all of its subsidiaries
RSI	RSI Home Products, Inc. and all its subsidiaries
SGS or SGS International	SGS International, Inc. and all of its subsidiaries

Sitel Worldwide or ClientLogic	SITEL Worldwide Corporation and all of its subsidiaries
Skilled Healthcare Group	Skilled Healthcare Group, Inc. and all of its subsidiaries
Spirit AeroSystems	Spirit AeroSystems, Inc. and all of its subsidiaries
The Warranty Group	The Warranty Group, Inc. and all of its subsidiaries
Tomkins	Tomkins Limited and all of its subsidiaries
Tropicana Las Vegas	Tropicana Las Vegas, Inc. and all of its subsidiaries
TMS International	TMS International Corp. and all of its subsidiaries
USI	USI, Inc. and all of its subsidiaries
2012 Information Circular	Notice of Annual Meeting of Shareholders and Information Circular of Onex dated March 16, 2012
2013 Information Circular	Notice of Annual and Special Meeting of Shareholders and Information Circular of Onex dated March 18, 2013

ITEM 1 Background of Onex

A Leading Private Equity Firm

Founded in 1984, Onex is one of North America's oldest and most successful private equity firms committed to acquiring and building high-quality businesses in partnership with talented management teams. As an active owner, the Company has built more than 70 businesses, completing approximately 400 acquisitions with a total value of approximately $49 billion. Onex' long-term project returns have generated a multiple of invested capital of 2.9 times from its core private equity activities since inception, resulting in a 28 percent compound IRR on realized, substantially realized and publicly traded investments. The Company is guided by an ownership culture focused on achieving strong absolute growth, with an emphasis on capital preservation. With an experienced management team, significant financial resources and no debt at the parent company, Onex is well-positioned to continue to acquire and build businesses.

In addition to Onex' $5.0 billion of proprietary capital, the Company currently manages approximately $10.0 billion of invested and committed capital on behalf of its investors and partners. The management of third-party capital provides two significant benefits to Onex. First, Onex receives a committed stream of annual management fees on a majority of third-party assets under management. Second, Onex has the opportunity to share in the profits of its third-party investors through the carried interest participation.

Incorporation and Principal Office

Onex was incorporated under the Business Corporations Act (Ontario) on December 30, 1980 and its corporate name was changed to its present name by articles of amendment dated March 11, 1987. The business of Onex commenced in January 1984 through a related private equity company, Onex Capital Corporation. On March 13, 1987, through a series of transactions, substantially all the business interests of Onex Capital Corporation at that date were acquired by Onex.

The share provisions of Onex were established by articles of amendment dated April 16, 1987, and amended on August 5, 1993 to remove all dividend rights attaching to the Multiple Voting Shares. The articles were subsequently restated on August 13, 1993. On December 3, 1998, the articles were further amended to create Senior Preferred Shares, Series 1. A summary of the Company's share provisions can be found in the 2011 and 2012 Information Circular.

For convenience, references to "Onex" or the "Company" for any period prior to March 13, 1987 shall refer to Onex Capital Corporation and, unless the context otherwise requires, references to the "Company" include its subsidiaries.

Onex' registered and principal office is located on the 49th Floor, 161 Bay Street, P.O. Box 700, Toronto, Ontario, Canada M5J 2S1.

ITEM 2 General Development of Onex

Business Development Highlights

This section reviews the major events in the development of the businesses that currently form Onex.

Principal Businesses

The following are the principal operating companies of Onex and the percentage equity interest held:

		Onex' Ownership	Onex' and Limited Partners' Ownership	Voting
Principal Operating Companies	Organized under the laws of	At December 31, 2012 (a)	At December 31, 2012	At December 31, 2012
Investments made through Onex				
Celestica	Ontario	10%	10%	74%
Sitel Worldwide	Delaware	70%	70%	89%
Investments made through Onex and Onex Partners I				
Skilled Healthcare Group	Delaware	9%	39%	87%
Spirit AeroSystems	Delaware	5%	16%	63%
Investments made through Onex, Onex Partners I and Onex Partners II				
The Warranty Group	Delaware	29%	91%	100%
Investments made through Onex and Onex Partners II				
Allison Transmission	Delaware	13%	41%	(b)
Carestream Health	Delaware	37%	93%	100%
RSI	Delaware	20%	50%	50%(b)
TMS International	Delaware	24%	60%	90%
Investments made through Onex and Onex Partners III				
BBAM	Cayman Islands	13%	50%	50%(b)
JELD-WEN	Oregon	16%(c)	64%(c)	64%(c)
KraussMaffei	Germany	25%	97%	100%
SGS	Delaware	24%	94%	94%
Tomkins	Wales	14%	56%	50%(b)
Tropicana Las Vegas	Nevada	18%	83%	83%
USI	Delaware	37%	93%	100%
Investments made through Onex, Onex Partners I and Onex Partners III				
ResCare	Kentucky	20%	98%	100%

(a) On a fully-diluted basis, equity ownership at December 31, 2012 was as follows: Allison Transmission - 11%, BBAM - 12%, Carestream Health - 34%, Celestica - 9%, JELD-WEN - 14%, KraussMaffei - 23%, ResCare - 17%, RSI - 17%, SGS - 20%, Sitel Worldwide - 68%, Skilled Healthcare Group - 8%, Spirit AeroSystems - 4%, The Warranty Group - 26%, TMS International - 21%, Tomkins - 11%, Tropicana Las Vegas - 16% and USI - 34%.

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

(c) Economic ownership and voting interests are presented on an as-converted basis.

Celestica

In October 1996, Onex acquired Celestica, a global provider of electronics manufacturing services. Celestica offers innovative supply chain services and solutions to customers in the communications (comprised of enterprise communications and telecommunications), consumer enterprise computing (comprised of servers and storage), and diversified (comprised of industrial, aerospace and defence, healthcare, solar, green technology, semiconductor equipment and other) end markets. Celestica's services include: design, engineering services, supply chain management, new product introduction, component sourcing, electronics manufacturing, assembly and test, complex mechanical assembly, systems integration, precision machining, order fulfillment, logistics and after-market repair and return services.

Celestica has completed numerous acquisitions since its purchase by Onex, which has expanded its customer base, service offerings and manufacturing capabilities in Asia, the Americas and Europe.

In July 1998, Celestica completed its initial public offering of shares with secondary offerings completed in March 1999, November 1999, March 2000 and May 2001. The shares are listed on the New York (NYSE: CLS) and Toronto (TSX: CLS) Stock Exchanges.

At December 31, 2012, Onex had an economic interest of 10% and a 74% voting interest in Celestica.

Spirit AeroSystems

In June 2005, Onex' subsidiary, Mid-Western Aircraft Systems, Inc., purchased assets and assumed certain liabilities of The Boeing Company's ("Boeing") Wichita-Tulsa commercial aerostructures manufacturing operations in a transaction valued at approximately $1.2 billion. The equity investment of $375 million was funded by Onex, Onex Partners I, certain limited partners and Onex management, of which Onex' initial share of the investment was approximately $108 million for an approximate 29% ownership interest.

On July 19, 2005, Mid-Western Aircraft Systems, Inc. changed its name to Spirit AeroSystems, Inc. ("Spirit AeroSystems").

Spirit AeroSystems, headquartered in Wichita, Kansas, is one of the largest independent non-OEM parts designers and manufacturers of commercial aerostructures in the world, based on annual revenues, as well as the largest independent supplier of aerostructures to Boeing. In addition, Spirit AeroSystems is one of the largest independent suppliers of aerostructures to Airbus. The company's core competencies are designing and manufacturing large-scale structural components for commercial and military aircraft. Spirit AeroSystems' core products include fuselage structures, nacelles (the structure that houses the engine and contains the thrust reverser), struts/pylons (structure that attaches the engine to the airplane wing) and wing components. It has leading design and manufacturing capabilities using both metal and composite materials. Spirit AeroSystems has long-term, life of the aircraft program contracts to manufacture components for Boeing's B737, B747, B767, B777 and B787 aircraft and Airbus' A320 family and A330/A340. In addition, it has long-term requirements contracts with Airbus for the A350 XWB and A380 programs that cover a fixed number of product units at established prices. Since Spirit AeroSystems' inception, it has won several new contracts with various business and regional jet customers to build aerostructure and wing components. In addition, Spirit AeroSystems entered into an agreement with Sikorsky to build test unit articles on the CH-53K helicopter program.

In November 2006, Spirit AeroSystems Holdings, Inc. (NYSE:SPR) became a publicly traded company with an initial public offering of 63.4 million shares, of which 10.4 million shares were sold by Spirit AeroSystems and 53.0 million shares by existing stockholders, including Onex. In May 2007, existing stockholders, including Onex, sold an additional 34.3 million shares. Onex, Onex Partners I, certain limited partners and Onex management's equity and voting interests were diluted to 24% and

76%, respectively, as a result of these offerings. Onex' share of the equity and voting interests was diluted to 7% and 76%, respectively. In April 2011, Onex, Onex Partners I, certain limited partners and Onex management sold a further 10.0 million shares diluting this group's economic and voting interests to 16% and 64%, respectively, as a result of the offering. Onex' share of the economic and voting interests was diluted to 5% and 64%, respectively.

At December 31, 2012, Onex had an economic interest of 5% and a 63% voting interest in Spirit AeroSystems.

ResCare, Skilled Healthcare Group and Carestream Health

Res-Care, Inc. ("ResCare") is a human service company that provides residential, therapeutic, job training and educational supports to people with developmental or other disabilities, to elderly people who need in-home care assistance, to youth with special needs and to adults who are experiencing barriers to employment. ResCare offers services to some 61,000 persons daily in 47 locations, including 44 states, Washington, D.C., Puerto Rico and Canada.

In June 2004, Onex, Onex Partners I and Onex management invested $84 million for a 28% ownership interest in ResCare, of which Onex' initial share of that investment was $19 million for an initial 7% ownership interest.

In November 2010, Onex, Onex Partners III and Onex management invested $120 million to acquire the remaining shares of ResCare. With this investment, Onex, Onex Partners I, Onex Partners III and Onex management collectively hold a 98% economic interest in ResCare. Onex' share of the November 2010 investment was $22 million, bringing its total investment in ResCare to $41 million and increasing its economic interest to 20% and voting interest to 100%.

At December 31, 2012, Onex had an economic interest of 20% and a 100% voting interest in ResCare.

Skilled Healthcare Group, Inc. ("Skilled Healthcare Group") based in Orange County, California, is a leading provider of integrated long-term healthcare services through its skilled nursing and assisted living companies, as well as rehabilitation and other related healthcare services. Skilled Healthcare Group's operations are comprised of 74 skilled nursing facilities and 22 assisted living facilities in eight states, which are generally clustered in large urban or suburban markets. In December 2005, Onex, Onex Partners I and Onex management invested $207 million for a 93% ownership interest in Skilled Healthcare Group. This investment was funded by Onex, Onex Partners I and Onex management, of which Onex' initial share of that investment was $49 million for an initial 22% economic interest.

In May 2007, Skilled Healthcare Group completed an initial public offering of 8.3 million new common shares. As part of that offering, Onex, Onex Partners I and Onex management sold 10.6 million shares, of which Onex' portion was 2.5 million shares. Onex, Onex Partners I and Onex management's economic and voting interests were diluted to 40% and 90%, respectively. Onex' share of the economic and voting interests was diluted to 9% and 90%, respectively.

At December 31, 2012, Onex had an economic interest of 9% and an 87% voting interest in Skilled Healthcare Group.

In late April 2007, Onex completed the $2.4 billion acquisition of the Health Group of Eastman Kodak Company. Following the purchase, the business continued operations under the new name of Carestream Health, Inc. ("Carestream Health"). Onex, Onex Partners II and Onex management invested $471 million in the equity of Carestream Health for a 98% economic interest, after giving effect to Carestream management's investment. Onex' share of the total equity was $186 million for an initial 39% economic interest. Carestream Health is a leading provider of medical and dental imaging products and services and healthcare information technology solutions. In September2009, the company redeemed $22 million of its preferred stock. Onex' share of this redemption was $8 million. In 2010, Carestream Health redeemed an additional $31 million of its preferred stock, of which Onex' share was $12 million. In 2011, the company redeemed $193 million of its preferred stock, of which Onex' share was $76 million. In 2012, the company redeemed $86 million of its preferred stock, of which Onex' share was $33 million.

At December 31, 2012, Onex had an economic interest of 37% and a 100% voting interest in Carestream Health.

The Warranty Group

In late November 2006, Onex acquired The Warranty Group, Inc. ("The Warranty Group") in a transaction valued at approximately $710 million. The Warranty Group is one of the world's largest providers of extended warranty contracts. The company operates in 31 countries and has over 1,900 employees. It underwrites and administers extended warranties on a wide variety of consumer goods including automobiles, consumer electronics and major home appliances. The Warranty Group also provides consumer credit and other specialty insurance products in connection with consumer loans. This acquisition was completed through Onex, Onex Partners I, Onex Partners II and Onex management, which collectively invested approximately $498 million in the equity of the business for an initial 98% economic interest. Onex' share of this investment was $157 million for an approximate 31% initial economic interest. In June 2007, a $10 million purchase price adjustment was received by Onex, Onex Partners I, Onex Partners II and Onex management, of which Onex' share was $3 million. During 2012, the company redeemed $96 million of its preferred stock, of which Onex' share was $30 million.

At December 31, 2012, Onex had an economic interest of 29% and a 100% voting interest in The Warranty Group.

Sitel Worldwide

On February 1, 2007, ClientLogic Corporation ("ClientLogic") changed its name to SITEL Worldwide Corporation ("Sitel Worldwide") following the January 2007 acquisition of SITEL Corporation. Sitel Worldwide is one of the world's largest and most diversified providers of customer care outsourcing services. Sitel Worldwide serves approximately 260 clients covering a broad range of industry end-markets including technology, financial services, wireless, retail and consumer products, telecommunications, media and entertainment, energy and utilities, internet service providers, travel and transportation, insurance, healthcare, and government. Sitel Worldwide's global and flexible operating platform is one of the industry's most geographically diverse, with services delivered in 40 languages through its network of over 120 customer care centres in 25 countries. Onex formed ClientLogic Corporation in September 1998, following the purchase of North Direct Response, Inc. and SOFTBANK Services Group. Onex' initial investment in ClientLogic was $54 million for an 83% economic interest.

ClientLogic completed several add-on acquisitions from January 1999 to December 2008. As part of the funding of those acquisitions, Onex invested $112 million.

In August 2000, ClientLogic completed a $105 million equity offering, of which Onex invested an additional $25 million and the balance was from a large Canadian pension fund.

In January 2007, ClientLogic acquired 100% of the issued and outstanding voting stock of SITEL Corporation (NYSE:SWW), a global provider of outsourced customer support services. The aggregate purchase price was $4.25 per outstanding share, or approximately $450 million in cash, funded through ClientLogic's credit facility.

During 2008, Onex invested $51 million in preferred shares of Sitel Worldwide.

At December 31, 2012, Onex had an economic interest of 70% and an 89% voting interest in Sitel Worldwide.

TMS International

In late January 2007, Onex acquired TMS International Corp. ("TMS International"), formerly known as Tube City IMS Corporation, in a transaction valued at approximately $620 million. Onex, Onex Partners II and Onex management invested $199 million in the equity of TMS International for an 87% economic interest, after giving effect to TMS International management's investment. Onex' share of the equity investment was $79 million for an initial 35% economic interest. TMS International is a leading provider of outsourced services to steel mills. The company provides services at 80 mill sites throughout the United States, Canada, Europe, Asia, the Middle East, Latin America and Africa through its Raw Materials and Optimization Group and Mill Services Group, which provide raw materials procurement, raw materials optimization, scrap and materials management, surface conditioning and slag processing services.

During the fourth quarter of 2008 and early 2009, Onex, Onex Partners II and Onex management made an additional investment of $50 million in promissory notes of TMS International. TMS International used the funds for capital expenditures, including capital expenditures at new facilities required pursuant to new customer contracts.

In March 2010, TMS International repaid $23 million of the promissory notes held by Onex, Onex Partners II and Onex management, including accrued interest. Onex' share of this repayment was $9 million.

In April 2011, TMS International completed an initial public offering of approximately 12.9 million common shares. As part of the offering, Onex, Onex Partners II and Onex management sold approximately 1.9 million shares, of which Onex' portion was approximately 0.7 million shares. Onex, Onex Partners II and Onex management's economic and voting interests were diluted to 60% and 85%, respectively. Onex' share of the economic and voting interests was diluted to 24% and 85%, respectively.

At December 31, 2012, Onex had an economic interest of 24% and a 90% voting interest in TMS International.

JELD-WEN

In early October 2011, Onex, Onex Partners III, Onex management and certain limited partners invested an initial $871 million in JELD-WEN Holding, inc. ("JELD-WEN") consisting of $700 million of convertible preferred stock and $171 million of convertible notes. The convertible notes may be redeemed within 18 months of the issue date with proceeds from the sale of certain non-core assets and, to the extent not redeemed, will convert into additional convertible preferred stock. Onex' initial share of this investment was $298 million, including $240 million in convertible preferred stock and $58 million of the convertible notes. In October 2011, $42 million of the convertible notes were redeemed, Onex' share of which was $14 million.

In February 2012, Onex sold a total of $83 million of its original investment in JELD-WEN to certain limited partners and others at the same cost basis as Onex' original investment. Onex received proceeds of $79 million, reflecting the cost reduction from JELD-WEN's convertible notes redemption prior to the sale. As a result of the sale, Onex' investment was reduced to $205 million consisting of $173 million of convertible preferred stock and $32 million of the convertible notes. During 2012, a further $16 million of the convertible notes were redeemed, Onex' share of which was $4 million. In February 2013, the company redeemed an additional $5 million of the convertible notes, Onex' share of which was $1 million. After the redemptions and at February 21, 2013, $124 million of convertible notes were outstanding, including accrued interest, Onex' share of which was $31 million.

In October 2012, JELD-WEN acquired CM Holdings, Inc., the parent company of CraftMaster Manufacturing, Inc. ("CMI") for approximately $80 million. CMI is a manufacturer and marketer of doors, door facings, and exterior composite trim and panels. In conjunction with this transaction, Onex, Onex Partners III, Onex management and certain limited partners invested an additional $50 million in JELD-WEN, Onex' share of which was $12 million.

At December 31, 2012, Onex had an economic interest of 16% and a 64% voting interest in JELD-WEN, on an as-converted basis.

Allison Transmission

In August 2007, Onex, Onex Partners II, certain limited partners and Onex management, in partnership with The Carlyle Group, acquired Allison Transmission, Inc. ("Allison Transmission") from General Motors Corporation in a transaction valued at $5.6 billion. Onex Partners II and The Carlyle Group equally split the total equity investment of $1.5 billion. Onex, Onex Partners II, certain limited partners and Onex management invested approximately $763 million for an initial 50% economic interest. Onex' portion of that investment was $237 million for an initial 16% economic interest and a 49% voting interest. Allison Transmission is the world leader in the design and manufacture of automatic transmissions for commercial vehicles, including on-highway trucks and buses, off-highway and military vehicles.

In March 2012, Allison Transmission completed an initial public offering of approximately 30.0 million shares of common stock, including the over-allotment option. As part of the offering, Onex, Onex Partners II, certain limited partners and Onex management sold approximately 15.0 million shares, of which Onex' portion was approximately 4.7 million shares. Onex, Onex Partners II, certain limited partners and Onex management's economic interest was diluted to 41%. Onex' share of the economic interest was diluted to 13%.

During the second quarter of 2012, Allison Transmission entered into two separate agreements with Fallbrook Technologies, Inc. and Odyne Systems LLC to obtain advanced technology intended to complement the company's existing portfolio of products and product initiatives.

At December 31, 2012, Onex had an economic interest of 13% and significant influence through its right to appoint members of the Board of Directors of Allison Transmission.

BBAM

In December 2012, Onex, Onex Partners III and Onex management invested $165 million in BBAM Limited Partnership ("BBAM") for a 50% economic and voting interest in the company. Onex' share of this investment was $42 million for a 13% economic interest. BBAM is one of the world's leading managers of commercial jet aircraft.

As part of the transaction, Onex, Onex Partners III and Onex management invested a further $20 million in FLY Leasing Limited ("FLY") (NYSE: FLY), Onex' share of which was $5 million. FLY is a Dublin-based lessor of commercial jet aircraft, for which BBAM acts as the exclusive manager.

At December 31, 2012, Onex had an economic interest of 13% and a 50% voting interest in BBAM.

Meridian Aviation

In February 2013, Onex established Meridian Aviation Partners Limited ("Meridian Aviation") to invest in commercial jet aircraft to be leased to airlines. At February 21, 2013, Onex, Onex Partners III and Onex management invested $32 million in the equity of Meridian Aviation to fund the deposits on six commercial jet aircraft which will be leased to a major airline. Onex' share of the deposits was $8 million.

At February 21, 2013, Onex had an economic interest of 25% and a 100% voting interest in Meridian Aviation.

KraussMaffei

In December 2012, Onex, Onex Partners III and Onex management acquired KraussMaffei GmbH ("KraussMaffei") in a transaction valued at €568 million. Onex, Onex Partners III and Onex management invested $358 million for a 97% economic interest. Onex' share of this investment was $90 million for a 25% economic ownership and a 100% voting ownership.

At December 31, 2012, Onex continued to hold a 25% economic interest and a 100% voting interest in KraussMaffei.

SGS International

In October 2012, Onex, Onex Partners III and Onex management acquired SGS in a transaction valued at $813 million. Onex, Onex Partners III and Onex management invested $260 million for a 95% economic interest. Onex' share of this investment was $66 million for a 24% economic interest.

In October 2012, SGS acquired Stevenson Color, Inc., an integrated provider of graphic services to branded consumer products companies and retailers.

At December 31, 2012, Onex had an economic interest of 24% and a 94% voting interest in SGS.

Tomkins

In September 2010, Onex, Onex Partners III and Onex management, in partnership with the Canadian Pension Plan Investment Board ("CPPIB"), acquired Tomkins plc in a transaction valued at $5.0 billion. The acquired company operates as Tomkins Limited ("Tomkins"). Tomkins is a global engineering and manufacturing group that manufactures a variety of products for the industrial, automotive and building products markets. Onex Partners III and CPPIB split equally the total equity investment of $2.1 billion. Onex, Onex Partners III and Onex management invested approximately $1.1 billion. Onex’ portion of that investment was $345 million.

In early December 2010, Onex, Onex Partners III, Onex management and CPPIB sold $314 million of their investment in Tomkins to various co-investors. Those co-investors were primarily limited partners of Onex Partners III. Therefore, at December 31, 2010, Onex, Onex Partners III, Onex management and the co-investors had invested approximately $1.2 billion in Tomkins for a 56% economic interest, of which Onex’ portion was $315 million for a 14% economic interest and significant influence through its right to appoint members of the Board of Directors of Tomkins.

In December 2012, the company returned $1.2 billion of capital. Onex, Onex Partners III, Onex management and the co-investors’ share of the distribution was $663 million, of which Onex’ share was $171 million.

At December 31, 2012, Onex had an economic interest of 14% and significant influence through its right to appoint members of the Board of Directors of Tomkins.

RSI

In early October 2008, Onex, Onex Partners II and Onex management invested $318 million to acquire a 50% economic interest in RSI Home Products, Inc. (“RSI”) from the company’s founder, CEO and other existing shareholders. Onex’ share of this investment was $126 million for an approximate 20% economic interest. Onex invested in a convertible Series A Preferred Stock that, in a downside scenario, provides for a priority return of capital and a 10% compound annual return, but otherwise participates equally with the common shareholders.

In December 2010, RSI completed a refinancing transaction. As a part of this transaction, the Series A Preferred Stock was converted to Series B Preferred Stock, Series C Redeemable Preferred Stock and Class B Common Stock. Following the conversion, RSI redeemed all of Onex’ Series C Redeemable Preferred stock and Onex’ investment was reduced to $78 million.

RSI is a leading manufacturer of kitchen, bathroom and home organization cabinetry sold through home centre retailers and distributors.

At December 31, 2012, Onex had an economic interest of 20% and significant influence through its right to appoint members of the Board of Directors of RSI.

Tropicana Las Vegas

Tropicana Las Vegas is a casino resort with 1,375 rooms, situated on 34 acres and located directly on the Las Vegas Strip.

In May 2008, Tropicana Entertainment, LLC and its Las Vegas subsidiaries (collectively, “Tropicana”) filed for relief under Chapter 11 of the U.S. Bankruptcy Code. While in bankruptcy, Onex, Onex Partners III and Onex management, through a special purpose entity, acquired a majority interest in the company’s $440 million term loan secured against Tropicana Las Vegas, its Las Vegas property. Onex worked with Tropicana’s management and bankruptcy advisors as well as the other debt holders on a restructuring plan that provided for the debt holders to gain control of the Las Vegas property upon emergence from bankruptcy.

On May 5, 2009, the U.S. Bankruptcy Court confirmed the company’s plan of reorganization, and on July 1, 2009, the newly restructured company, now operating as Tropicana Las Vegas, Inc., (“Tropicana Las Vegas”) emerged from bankruptcy with no debt. The plan converted all the debt of the secured creditors, including Onex, Onex Partners III, Onex management and the other holders of the $440 million term loan, into 100% of the equity in the Las Vegas property. The plan named Alex Yemenidjian, Onex’ operating partner in this investment, CEO and Chairman of the new company and appointed a five-member board of directors, including Mr. Yemenidjian, Tim Duncanson of Onex, two independent directors appointed by Onex and one independent director appointed by the other debt holders. Onex, Onex Partners III and Onex management converted their debt for an initial 59% economic interest in the company, of which Onex’ share was an initial 13% economic interest in the company.

In August 2009, Tropicana Las Vegas raised $75 million of additional capital through a rights offering, which was subscribed for as part of the reorganization plan. Onex backstopped this offering and as a result increased its ownership. Onex, Onex Partners III and Onex management’s share of the investment was $60 million. Onex’ portion of the investment was $13 million.

In April 2010, the company raised an additional $50 million through a second rights offering. Onex, Onex Partners III and Onex management contributed $45 million through the rights offering. Onex’ portion of this investment was $10 million.

Effective December 1, 2010, Onex Corporation was granted a gaming license in the state of Nevada.

In May 2011, the company raised an additional $35 million through a third rights offering. Onex, Onex Partners III and Onex management contributed $29 million through the rights offering. Onex’ portion of the investment was $6 million.

In November 2012, the company raised an additional $40 million through a fourth rights offering. Onex, Onex Partners III and Onex management funded the entire amount of the offering, Onex’ portion of which was $9 million.

In total at December 31, 2012, Onex, Onex Partners III and Onex management had $319 million invested in Tropicana Las Vegas, of which Onex’ share was $70 million. This represents an 83% as-converted economic interest in the company including Alex Yemenidjian’s 4% economic interest. Onex had an economic interest of 18% and held an 83% voting interest in Tropicana Las Vegas, on an as-converted basis.

USI

In December 2012, Onex, Onex Partners III and Onex management acquired USI, Inc. (“USI”) in a transaction valued at $2.3 billion. Onex, Onex Partners III and Onex management invested $636 million for a 93% economic interest. Onex’ share of this investment was $254 million, including $126 million as a co-investment, for a 37% economic interest.

At December 31, 2012, Onex had an economic interest of 37% and a 100% voting interest in USI.

ONCAP

In 2005, Onex formed ONCAP II L.P. (“ONCAP II”), a C$574 million private equity fund, of which Onex has committed approximately C$252 million. A subsidiary of Onex is the General Partner of ONCAP II. At December 31, 2012, Onex had a 46% economic interest in ONCAP II and votes 100% as the General Partner of the fund.

In 2011, Onex formed ONCAP III, its third mid-market private equity fund. ONCAP III is a C$800 million private equity fund, of which Onex has committed approximately C$252 million. A subsidiary of Onex is the General Partner of ONCAP III. At December 31, 2012, Onex had a 29% economic interest in ONCAP III and votes 100% as the General Partner of the fund.

In March 2006, ONCAP II made an investment in EnGlobe Corp. ("EnGlobe"), a leading environmental services company specializing in the management, treatment, reuse and disposal of organic waste and contaminated soil, with an emphasis on beneficial reuse. ONCAP II invested $18 million (C$20 million) in Series 1 Preferred Shares and convertible debentures of EnGlobe, of which Onex' share was approximately $8 million (C$9 million). In November 2006, ONCAP II made a $9 million (C$10 million) add-on investment in EnGlobe, of which Onex' share was $4 million (C$4 million) in connection with EnGlobe's acquisition of Biogenie S.R.D.C. In March 2008, ONCAP II made a further $10 million (C$10 million) investment in EnGlobe, of which Onex' share was $4million (C$4 million). The company used the proceeds to repay existing debt and to partially finance EnGlobe's acquisition of Celtic Technologies Ltd. In December 2008, ONCAP II invested an additional $14 million (C$18 million) of equity in EnGlobe, of which Onex' share was $6 million (C$8 million). The company used the proceeds to reduce existing debt.

On September 30, 2010, holders of EnGlobe's Class A convertible debentures and Series 1 Preferred Shares (collectively the "Units"), including ONCAP II, agreed to an early conversion of their Units to common shares. Accordingly, ONCAP II converted its Units to common shares.

In January 2011, EnGlobe and ONCAP, together with management shareholders, completed the purchase of all of the outstanding common shares of EnGlobe that they did not currently own at a price of C$0.265 per share. Subsequent to this transaction, EnGlobe completed a refinancing. The proceeds from the new credit facilities were used to: (i) repurchase all of the outstanding common shares, not previously held by ONCAP and management shareholders; (ii) repay the outstanding Class B Debentures plus accrued interest; and (iii) pay all accrued interest and dividends associated with the Convertible Units and Series 2 Preferred Shares. As a result of this purchase, EnGlobe is no longer a publicly traded company.

In April 2007, ONCAP II completed its $44 million acquisition of Mister Car Wash Holdings, Inc. ("Mister Car Wash"), based in Tucson, Arizona. Mister Car Wash is a leading car wash operator with 105 car washes and 32 lube centres in thirteen regional markets throughout the United States. Onex' share of the investment was $19 million, which included $7 million in debt. In August and December 2008, ONCAP II invested an additional $8 million in total in Mister Car Wash primarily relating to add-on acquisitions completed by the company. Onex' share of these investments was $4 million. In July 2009, ONCAP II purchased less than $1 million in additional debt of Mister Car Wash with cash on hand. In May 2012, Mister Car Wash repurchased its subordinary notes, which were primarily held by ONCAP II. ONCAP II received approximately $28 million, of which Onex' share was $12 million including accrued interest.

In June 2007, ONCAP II completed its $50 million investment in CiCi's Pizza, based in Coppell, Texas. CiCi's Pizza is a franchisor of family-oriented "all you want" buffet style restaurants serving fresh pizza, pasta, salads and desserts. CiCi's Pizza operates approximately 520 restaurants in 34 states serving over 70 million guests annually. Onex' share of the investment was $22 million.

In October 2008, ONCAP II completed a $57 million investment in Caliber Collision Centers (“Caliber”), based in Lewisville, Texas. Caliber is a leading provider of auto repair services with 123 collision centres located in Texas, Southern California, Oklahoma, Arizona and Nevada. Onex’ share of the investment was $25 million in Caliber. In October 2009, ONCAP II invested an additional $1 million in Caliber; Onex’ share of this transaction was approximately half.

In August 2010, ONCAP II completed its $56 million investment in BSN SPORTS, Inc. (“BSN SPORTS”), formerly known as Sport Supply Group, Inc., based in Dallas, Texas. BSN SPORTS is a leading marketer, manufacturer and distributor of sporting goods products, athletic equipment and apparel and footwear products directly to the institutional and team sports marketplace in the United States. Onex’ share of the investment was $29 million.

In May 2011, ONCAP II invested $63 million (C$61 million) to acquire Pinnacle Pellet, Inc. (“Pinnacle Renewable Energy Group”), based in Vancouver, British Columbia. Pinnacle Renewable Energy Group is one of the largest producers of wood pellets in the world. During 2012, Pinnacle Pellet, Inc. changed its name to Pinnacle Renewable Energy Inc. Onex’ share of the investment was $30 million (C$29 million).

In May 2011, ONCAP II invested $114 million (C$111 million) to acquire Alberta Bingo Supplies Ltd. (“Casino ABS”), based in Edmonton, Alberta. Casino ABS is the largest casino operator in Alberta, with four casinos. As contemplated at the time of the original investment, ONCAP III subsequently purchased a share of the investment in Casino ABS from ONCAP II in December 2011 for $25 million (C$25 million). After giving effect to the ONCAP III purchase, Onex’ share of the investment was $50 million (C$49 million), including $42 million (C$41 million) through ONCAP II and $8 million (C$8 million) through ONCAP III.

In June 2011, ONCAP III invested $44 million to acquire Hopkins Manufacturing Corporation (“Hopkins”), based in Emporia, Kansas. Hopkins designs, manufactures and markets a diverse range of more than 4,400 SKUs across six primary product categories in the automotive aftermarket industry. Onex’ share of the investment was $13 million.

In December 2011, ONCAP III invested $103 million to acquire Davis-Standard Holdings, Inc. (“Davis-Standard”), based in Pawcatuck, Connecticut. Davis-Standard is a global leader in the manufacture of highly engineered extrusion and converting systems and operates six manufacturing facilities in the United States, China and Germany. Onex’ share of the investment was $30 million.

In December 2012, ONCAP III invested $80 million to acquire Bradshaw International, Inc. (“Bradshaw”), based in Rancho Cucamonga, California. Bradshaw is a leading designer, marketer and category manager of everyday houseware products for supermarket, mass merchant, value, specialty and other channels. Onex’ share of the investment was $24 million.

Onex Real Estate Partners

In January 2005, Onex established Onex Real Estate Partners, a partnership dedicated to acquiring and improving real estate assets in North America.

During 2006, Onex Real Estate Partners formed three partnerships with Camden Property Trust: Camden Norfolk Plaza, LP, Camden Jamboree, LP and Camden College Park, LP (collectively “Camden Partnerships”). Prior to 2010, Onex Real Estate Partners had a 70% partner in the Camden Partnerships. Onex Real Estate Partners invested $24 million in the Camden Partnerships, of which Onex’ portion was $20 million. In 2010, Onex Real Estate Partners negotiated an amendment to the partnership reducing its economic ownership to under 1% and acquiring a put right to sell the properties. In December 2012, Onex Real Estate Partners exercised its put right to sell Camden Norfolk Plaza, LP for proceeds of $5 million, Onex' share of which was $4 million.

In December 2006, Onex Real Estate Partners formed a partnership with Cronus Capital to acquire rent-regulated housing communities in New York City. The business plan is to acquire assets and through capital investment and active property management, decrease the gap between in-place and market rents and improve the quality of the assets. Onex Real Estate Partners is a 70% partner in this partnership. Onex Real Estate Partners has invested $78 million in this partnership. Onex' portion if the investments was $69 million. As of February 21, 2013, the partnership had completed the acquisition of 30 properties.

During 2007, Onex Real Estate Partners partnered with Muss Development to construct the Flushing Town Center project (also known as Sky View Parc), a three million square foot development located on approximately 14 acres in Flushing, New York. The project is being developed in two phases and will ultimately consist of 1,074 condominium units constructed above approximately 800,000 square feet of retail space and a 2,500 space parking garage. In the first quarter of 2010, a subsidiary of Onex became the managing partner of the Flushing Town Center project.

In December 2010, Onex made additional investments in Flushing Town Center through the following transactions: (i) the purchase of senior debt positions in Flushing Town Center for $37. million; and (ii) the purchase of a mezzanine position in Flushing Town Center for $25 million. Subsequently, Onex Real Estate Partners made additional equity investments in Flushing Town Center and, as of February 21, 2013, Onex Real Estate Partners had invested $189 million in Flushing Town Center, representing a 100% economic interest. Onex' share of these investments was $164 million.

During 2007, Onex initially had invested $50 million into NY Credit Operating Partnership LP ("NY Credit") for a 33% economic interest. NY Credit is an externally managed specialty finance company based in New York with operations around the United States. In December 2008, Onex invested an additional $6 million in NY Credit. After a reorganization of investments in 2011, Onex Real Estate's remaining investment in NY Credit principally consists of three apartment building complexes with an initial value of $12 million.

Onex Credit Partners

In November 2007, Onex acquired a 50% interest in GK Capital, an investment advisor that manages an event driven long/short stressed and distressed strategy with a historical track record of achieving attractive risk-adjusted returns while focusing on capital preservation. Following this acquisition, GK Capital was renamed Onex Credit Partners and launched a leveraged investment strategy in December 2007 to take advantage of the dislocation in the leveraged loan market that occurred as a result of the sub-prime and structured finance crisis. In 2009 and 2010, Onex Credit Partners launched closed-end investment funds listed on the Toronto Stock Exchange (TSX: OCS-UN and OSL-UN). In 2011, Onex Credit Partners completed a follow-on offering for OCP Credit Strategy Fund (TSX: OCS-UN). Onex Credit Partners is registered as an investment adviser with the U.S. Securities and Exchange Commission, as a portfolio manager and exempt market dealer in the Canadian province of Ontario and an exempt market dealer in the Canadian provinces of Alberta, Manitoba and Quebec. The business specializes in managing credit-related investments, including event-driven, long/short, long only, and market dislocation strategies.

Onex made an aggregate investment of $80 million in 2007 in the acquisition of a 50% interest in GK Capital and in strategies managed by Onex Credit Partners. Since the initial acquisition, Onex has acquired an additional 20% interest in Onex Credit Partners and its related general partner entities and has made further investments totalling $329 million in strategies managed by the business, excluding the investments made in Onex Credit Partners' Collateralized Loan Obligation platform detailed below.

Collateralized Loan Obligation Platform

During 2012, Onex Credit Partners established its new Collateralized Loan Obligation ("CLO") platform. A CLO is a leveraged structured vehicle that holds a widely diversified collateral asset portfolio that is funded through the issuance of long-term debt in a series of rated tranches of secured notes and equity.

In March 2012, Onex Credit Partners closed its first CLO, OCP CLO 2012-1, Ltd. ("OCP CLO-1"). Onex invested $32 million in equity, the most subordinated capital, of OCP CLO-1.

In November 2012, Onex Credit Partners closed a second CLO, OCP CLO 2012-2, Ltd. ("OCP CLO-2"). Onex invested $26 million in subordinated notes, the most subordinated capital, of OCP CLO-2.

At February 21, 2013, Onex continued to hold investments of $58 million in the Onex Credit Partners CLO platform.

In total, at February 21, 2013, Onex Credit Partners had approximately $2.3 billion of assets under management.

ITEM 3 Business of Onex

Overview

Onex makes private equity investments through the Onex Partners and ONCAP Funds. Through these Funds, which have third-party capital and Onex proprietary capital, Onex generates annual management fee income, and is entitled to a carried interest on, a majority of the third-party capital. It also has Real Estate and Credit Strategies investing platforms.

Onex' businesses had 2012 annual revenues of $37 billion, assets of $43 billion and approximately 250,000 employees worldwide. These companies are in a variety of industries, including electronics manufacturing services, aerostructures, healthcare, insurance provider, customer care services, metal services, building products, commercial vehicles, aircraft management, plastics processing equipment, business services/packaging, industrial products, cabinetry products, gaming, insurance brokerage and real estate. Onex works in partnership with the management teams of our operating companies to build the value of these businesses.

Management's objective is to build substantial value for its shareholders, customers, partners and employees. Onex' compound annual return on its invested capital for all its realized, substantially realized and publicly traded businesses is 28% from inception in 1984 to December 31, 2012.

Since early 2004, Onex has completed its large-cap private equity acquisitions with funding from the Onex Partners Funds. The Onex Partners Funds collectively refers to Onex Partners I, Onex Partners II and Onex Partners III. Onex Partners I has total capital commitments of $1.7 billion (including Onex' commitment of $400 million), and was initiated in November 2003. Onex Partners II, which closed in August 2006, has total capital commitments of $3.5 billion (including Onex' commitment of $1.4 billion). Onex Partners III, which closed in December 2009, has total capital commitments of $4.7 billion (including Onex' commitment of $1.2 billion). Onex initially had a $1.0 billion commitment to Onex Partners III for the period from January 1, 2009 to June 30, 2009. On December 31, 2008, Onex gave notice to the investors of Onex Partners III that Onex' commitment would be decreasing to $500 million effective July 1, 2009. In December 2009, Onex notified the investors of Onex Partners III that it would be increasing its commitment to $800 million effective June 16, 2010. In November 2011, Onex notified the investors of Onex Partners III that it would be further increasing its commitment to $1.2 billion effective May 15, 2012. This commitment may be increased up to approximately $1.5 billion, at the option of Onex but may not be decreased.

New investments generally include a meaningful amount of third-party debt. This debt is serviced or supported by the cash flow, profitability and assets of the acquired company. All debt financing of the operating companies is without recourse to Onex, and there are no cross-guarantees of such debt between the operating companies. Management of an acquired company generally purchase equity ownership in such company at the time of the acquisition, and the vendor or outside investors may take an equity interest. The major operating companies at February 21, 2013 are as follows:

- ***Electronics Manufacturing Services Segment:*** Celestica is a global provider of electronics manufacturing services.
- ***Aerostructures Segment:*** Spirit AeroSystems the world's largest independent designer and manufacturer of aerostructures.

• ***Healthcare Segment:*** ResCare is a leading U.S. provider of residential, training, educational and support services for people with disabilities and special needs. Skilled Healthcare Group is an organization of skilled nursing and assisted living facility operators in the United States. Carestream Health is a global provider of medical and dental imaging and healthcare information technology solutions.

• ***Insurance Provider Segment:*** The Warranty Group is one of the world's largest providers of extended warranty contracts.

• ***Customer Care Services Segment:*** Sitel Worldwide is a global provider of outsourced customer care services.

• ***Metal Services Segment:*** TMS International is a leading provider of outsourced industrial services to steel mills globally.

• ***Building Products Segment:*** JELD-WEN is one of the world's largest manufacturers of interior and exterior doors, windows and related products for use primarily in the residential and light commercial new construction and remodelling markets.

• ***Commercial Vehicles Business:*** Allison Transmission is the world leader in the design and manufacture of fully-automatic transmissions for on-highway trucks and buses, off-highway equipment and military vehicles.

• ***Aircraft Management Business:*** BBAM is one of the world's leading managers of commercial jet aircraft. Meridian Aviation Partners Limited invests in commercial jet aircraft to be leased to airlines.

• ***Plastics Processing Equipment Business:*** KraussMaffei is a leading manufacturer of plastics and rubber processing equipment.

• ***Business Services/Packaging Business:*** SGS is a global leader in design-to-print graphic services to branded consumer products companies, retailers and the printers that service them.

• ***Industrial Products Business:*** Tomkins is a global manufacturer of belts and hoses for the industrial and automotive markets.

• ***Cabinetry Products Business:*** RSI is a leading manufacturer of kitchen, bathroom and home organization cabinetry sold through home centre retailers and distributors.

• ***Gaming Business:*** Tropicana Las Vegas is a casino resort with 1,375 rooms, situated on 34 acres and located directly on the Las Vegas strip.

• ***Insurance Brokerage Business:*** USI is a leading U.S. provider of insurance brokerage services.

• ***Mid-Market Opportunities Business:*** ONCAP II and ONCAP III are private equity funds focused on acquiring and building the value of mid-market companies based in North America.

• ***Real Estate Business:*** Onex Real Estate Partners is a platform dedicated to acquiring and improving real estate assets in North America.

• ***Credit Strategies Business:*** Onex Credit Partners specializes in managing credit-related investments, including event-driven, long/short and market dislocation strategies.

Revenues of Onex by industry segment for the years ended December 31, 2012 and 2011 are presented in the following tables in accordance with IFRS:

($ millions)	Year Ended December 31, **2012**	2011
Electronics Manufacturing Services	**$6,507**	$7,213
Aerostructures	**5,404**	4,864
Healthcare (1)	**4,947**	5,030
Insurance Provider	**1,205**	1,184
Customer Care Services	**1,429**	1,416
Metal Services	**2,526**	2,661
Building Products (2)	**3,168**	774
Other (3)	**2,257**	1,500
Total Revenues	**$27,443**	$ 24,642

(1) Healthcare includes revenues of CDI up to its sale in July 2012.
(2) JELD-WEN acquired in October 2011.
(3) 2012 other includes revenues of SGS, USI, Tropicana Las Vegas, Flushing Town Center, operating companies of ONCAP II and ONCAP III and the parent company. 2011 other includes revenues of Tropicana Las Vegas, Flushing Town Center, operating companies of ONCAP II and ONCAP III and the parent company.

During 2012, Onex operated primarily in the geographical areas of North America, Europe and Asia and Oceania. The following table shows 2012 consolidated revenues by industry segment and geography.

	Consolidated Revenues ($ millions)	North America	Europe	Asia and Oceania	Other
Electronics Manufacturing Services	$6,507	52%	17%	27%	4%
Aerostructures	5,404	86%	10%	4%	-
Healthcare (1)	4,947	65%	11%	17%	7%
Insurance Provider	1,205	50%	25%	13%	12%
Customer Care Services	1,429	31%	37%	16%	16%
Metal Services	2,526	85%	6%	8%	1%
Building Products	3,168	52%	34%	13%	1%
Other (2)	2,257	84%	12%	3%	1%
Total	$27,443				

(1) 2012 healthcare includes revenues of CDI up to its sale in July 2012.
(2) 2012 other includes revenues of SGS, USI, Tropicana Las Vegas, Flushing Town Center, operating companies of ONCAP II and ONCAP III and the parent company.

The following sections set out the industry segments in which Onex has operating companies and a description of those companies. Within each description, the operating company is referred to as the “company”.

Electronics Manufacturing Services Segment

The Electronics Manufacturing Services (“EMS”) segment consists of the business of Celestica Inc. and its subsidiaries.

Overview of the Business

Celestica is a global provider of electronics manufacturing services with revenues of $6.5 billion for 2012. The company has a global operating network that spans Asia, the Americas and Europe and offers a range of services including design, engineering services, supply chain management, new product introduction, component sourcing, electronics manufacturing, assembly and test, complex mechanical assembly, systems integration, precision machining, order fulfillment, logistics and after-market repair and return services.

The EMS industry is highly competitive with multiple global EMS providers competing for the same customers and programs. Although the industry is characterized by a large revenue base and new business opportunities, the revenue is volatile on a quarterly basis, the business environment is highly competitive, and aggressive pricing is a common business dynamic. Capacity utilization, customer mix and the types of products or services provided will impact operating margins, among other factors. The EMS industry is also working capital intensive. Return-on-invested-capital, which incorporates operating margin and investments in working capital and equipment, is an important metric for measuring an EMS provider’s financial performance.

EMS companies are exposed to a variety of customers and end markets. Demand visibility is limited, making revenue from customers and by end markets difficult to predict. Shorter product lifecycles inherent in technology markets, short production lead times expected by customers, rapid shifts in technology for end products, frequent changes in preference by the end customer, model obsolescence and general volatility in economic conditions are contributing factors. The global economy and financial markets continue to be uncertain and may continue to negatively impact the operations of major EMS providers, such as Celestica.

External factors, such as natural disasters, political instability, labour conditions and social unrest, criminal activity and other local risks could disrupt operations of the EMS provider or those of its customers, component suppliers or logistics partners. These events could lead to higher costs or supply shortages or may disrupt the delivery of components to EMS providers or products or services to their destination. An EMS provider’s operations are also impacted by customers who will sometimes shift production between EMS providers for a number of reasons. Customers may also choose to accelerate the amount of business they outsource, insource previously outsourced business, or change the concentration or location of their EMS suppliers.

Development of the Business

In October 1996, Onex acquired Celestica in a transaction valued at approximately $560 million. Onex initially invested $114 million for a 55% equity interest. The acquisition was financed through equity of $200 million, a U.S. private placement of Senior Subordinated Notes of $200 million and secured credit facilities. The debt of Celestica was without recourse to Onex.

Equity Offerings

In January 1997, the total equity of Celestica was increased to provide a pool of capital for acquisitions by Celestica. In conjunction with this, Onex increased its investment in Celestica's equity from $114 million to $148 million. Onex' ownership interest at December 31, 1997 was 41% .

In July 1998, Celestica completed an initial public offering of equity resulting in net after-tax proceeds to Celestica of $399 million. The shares are listed on the New York Stock Exchange (NYSE: CLS) and Toronto Stock Exchange (TSX: CLS). In December 1998, additional shares were also issued for the acquisition of International Manufacturing Services, Inc. Onex' ownership interest at December 31, 1998 was 27%.

Celestica completed several other public offerings and a substantial issuer bid as detailed below:

- March 1999 – 18.4 million shares at $14.325 per share;
- November 1999 – 16.1 million shares at $30.313 per share;
- March 2000 – 16.6 million shares at $45.625 per share;
- March 2000 – Onex purchased additional shares of Celestica at a market value of $40 million;
- May 2001 – 12.0 million shares at $59.50 per share;
- October 2009 – Onex sold 11 million shares of Celestica for $101 million; and
- December 2012 – Celestica completed a $175 million substantial issuer bid for 22.4 million shares at $7.80 per share.

At December 31, 2012, Onex had an economic interest of 10% and a 74% voting interest in Celestica.

Principal Products/Operations

Celestica delivers innovative supply chain solutions globally to customers in the communications, consumer, enterprise computing and diversified end markets. The products and services that Celestica provides serve a wide variety of applications, including servers; networking, wireless and telecommunications equipment; storage devices; aerospace and defence electronics, such as in-flight entertainment and guidance systems; healthcare products for diagnostic imaging; audio-visual equipment; set top boxes; printer supplies; peripherals; semiconductor equipment; and a range of industrial and green technology electronic equipment, including solar panels and inverters. Celestica's services include design, engineering services, supply chain management, new product introduction, component sourcing, electronics manufacturing, assembly and test, complex mechanical assembly, systems integration, precision machining, order fulfillment, logistics and after-market repair and return services. Celestica has been focused on expanding these service offerings across its major markets with existing and new customers and on growing its diversified end market. During the last several years, Celestica has completed a number of acquisitions, enhancing and adding new capabilities to their offerings and expanding their customer base. During 2012, Celestica wound down its manufacturing services with a significant customer in the consumer end market.

Celestica employed approximately 29,000 permanent and temporary (contract) employees worldwide at December 31, 2012. The variable nature of Celestica's project flows requires its plants to employ a skilled temporary work force. This provides flexibility to quickly respond to its customers' demand, allowing them to quickly adjust production up or down to maximize efficiency. Some of Celestica's employees in Austria, China, Japan, Mexico, Romania, Singapore and Spain are represented by unions or covered by collective bargaining agreements.

Celestica operates facilities around the world with specialized supply chain management, including high-mix/low-volume manufacturing capabilities, to meet the specific market and product lifecycle requirements of its customers. Celestica operates the majority of its business through centres of excellence strategically located throughout the world. Celestica strives to align a network of preferred suppliers in close proximity to these centres to increase the velocity and flexibility in its supply chain, to deliver higher quality and shorter product lead times to its customers and to reduce its inventory.

Celestica is subject to various federal, national, provincial, state, local and multi-national environmental laws and regulations, including health and safety measures related to practices and procedures applicable to the construction and operation of its facilities. Celestica is also subject to various regulations related to safety and design measures for products it manufactures for the healthcare and aerospace and defence end markets. Most of Celestica's facilities are ISO 14001 registrants (International Standards Organization, Environmental Standards). The company believes it is currently in compliance, in all material respects, with applicable laws and has management systems in place to maintain compliance.

Environmental legislation continues to be imposed at the product level, including laws which place increased responsibility and requirements on the 'producers' of electronic equipment and in turn, their providers and suppliers. These laws include the European Union's Restrictions of Hazardous Substances ("RoHS") legislation and Waste Electrical and Electronic Equipment ("WEEE") directives, and similar restrictions in China. Celestica continuously monitors these legislative changes and through its Green Services™ offering, helps its customers comply with or prepare for these environmental changes.

Celestica holds licenses to various technologies, which were acquired in connection with prior acquisitions. The company believes they have secured access to all required technology that is material to the current conduct of its business.

During 2012, Celestica invested approximately $15 million in research and development.

Markets and Competition

The EMS industry is comprised of companies that offer a broad range of electronics manufacturing services to OEMs and service providers. Leading EMS companies have global networks delivering worldwide supply chain management solutions and offer end-to-end services for the entire product lifecycle, including design and engineering, supply chain management, manufacturing and systems integration, fulfillment and after-market services.

Some OEMs have elected to focus on their core competencies and have outsourced significant amounts of their manufacturing and supply chain management services to EMS companies. In addition, a number of OEMs have divested their manufacturing facilities to EMS companies as part of their outsourcing strategies. Large EMS providers are focused on expanding their service offerings and capabilities to support the evolving needs of their customers.

Large EMS companies with global networks can help their customers become more efficient, reduce their time-to-market and enhance the competitive positions in their respective business environments.

The EMS industry is highly competitive. Celestica's competitors include a number of large domestic and foreign companies, such as Benchmark Electronics, Flextronics International, Hon Hai Precision Industry, Jabil Circuit, Plexus and Sanmina-SCI, as well as smaller EMS companies that have a regional, product, service or industry-specific focus. EMS companies also face competition from original design manufacturers, companies that provide internally designed products and manufacturing services.

Customer or program transfers between EMS providers are part of the competitive nature of the EMS industry. Customers will sometimes shift production to other EMS providers for a number of reasons, including pricing concessions, more favourable terms or their preference to consolidate the supply chain partners. Customers may also choose to insource previously outsourced business, particularly where internal excess capacity exists.

Celestica supplies products and services to over 100 customers. Celestica depends upon a relatively small number of customers for a significant portion of its revenue. Celestica's top ten customers accounted for 67% and 71% of revenues in 2012 and 2011, respectively. In June 2012, Celestica announced it would wind down its manufacturing services for one significant customer in their consumer end market. This customer accounted for 12% of its total 2012 revenue (2011 – 19%). Revenue can vary from period-to-period as a result of changes in end market demand and the mix of customers and types of products or services it provides, the success in the marketplace of its customers' end products, seasonality of business, the extent, timing and rate of new program wins, follow-on business or losses from customers, the phasing in or out of programs, general economic conditions, price competition, and changes in the customers' manufacturing strategies, amongst other factors.

Properties

The location, size and nature of the ownership of Celestica's principal facilities are summarized as follows:

Location	Square Feet	Owned/Leased
Canada (1)	888,000	Owned
California (2)	428,000	Leased
Oregon	188,000	Leased
Texas	51,000	Leased
Mexico (2)	504,000	Leased
Ireland	241,000	Leased
Austria	54,000	Leased
Spain	100,000	Owned
Romania	186,000	Owned
Scotland	58,000	Leased
China (2)	1,162,000	Owned/Leased
Japan	274,000	Owned
Thailand (2)	1,085,000	Leased
Malaysia (2)	1,292,000	Owned/Leased
Singapore (2)	360,000	Leased

(1) Includes Celestica's corporate office.
(2) This represents multiple facilities.

The land and facility leases above expire at various dates from 2013 through 2060.

Aerostructures Segment

The Aerostructures segment consists of the business of Spirit AeroSystems, Inc. and its subsidiaries.

Overview of the Business

Spirit AeroSystems, Inc. (“Spirit AeroSystems”) is one of the largest independent non-OEM designers and manufacturers of commercial aerostructures in the world, based on annual revenues. Spirit AeroSystems’ core products include fuselage structures, nacelles (the structure that houses the engine and contains the thrust reverser), struts/pylons (structure that attaches the engine to the airplane wing) and wing components. It has leading design and manufacturing capabilities using both metal and composite materials. The company is the largest independent supplier of aerostructures to The Boeing Company (“Boeing”). Spirit AeroSystems manufactures aerostructures for all current Boeing commercial aircraft, including the majority of the airframe content for the B737. In addition, Spirit AeroSystems is the largest content supplier on Boeing’s new, next-generation, twin-aisle 787 Dreamliner aircraft, which received certification for entry into service by the Federal Aviation Authority (FAA) in 2011.

Spirit AeroSystems conducts U.S. manufacturing operations in Wichita, Kansas, Tulsa, Oklahoma and McAlester, Oklahoma, all of which were acquired in the original acquisition. Through its 2006 acquisition of the aerostructures division of BAE Systems, Spirit AeroSystems became one of the largest independent suppliers to Airbus S.A.S. (“Airbus”), providing wing components for the A320, A330/A340 and A380 aircraft families. This business operates as Spirit AeroSystems (Europe) Ltd. (“Spirit Europe”) and its principal manufacturing facility is located in Prestwick, Scotland with supporting operations in Preston, England. In 2009, Spirit AeroSystems opened a manufacturing facility in Subang, Malaysia for the assembly of composite panels for wing components. In 2010, Spirit AeroSystems opened a new manufacturing facility in Kinston, North Carolina to produce components for the Airbus A350 XWB (Xtra Wide-Body) aircraft and opened a component assembly plant for portions of the A350 XWB aircraft in Saint-Nazaire, France. In 2012, Spirit AeroSystems opened a manufacturing facility in Chanute, Kansas to work on sub-assembly for Boeing’s B737 aircraft.

Development of the Business

In June 2005, Onex’ subsidiary, Mid-Western Aircraft Systems, Inc. purchased assets and certain liabilities of Boeing’s commercial aerostructures manufacturing operations in Kansas and Oklahoma in a transaction valued at approximately $1.2 billion. Onex, Onex Partners I, Onex management and certain limited partners invested $375 million for a 100% economic interest. Onex’ initial share of the investment was $108 million for a 29% economic interest.

In July 2005, Mid-Western Aircraft Systems, Inc. changed its name to Spirit AeroSystems, Inc.

In April 2006, Spirit AeroSystems completed the purchase of Spirit Europe, which has manufacturing operations in Prestwick, Scotland with supporting operations in England.

In November 2006, Spirit AeroSystems Holdings, Inc., the parent company of Spirit AeroSystems, became a publicly traded company with an initial public offering of 63.4 million shares, of which Spirit AeroSystems sold 10.4 million new shares and existing stockholders sold 53.0 million.

shares. Onex, Onex Partners I, Onex management and certain limited partners' equity and voting interests were diluted to 50% and 90%, respectively. Onex' share of the equity and voting interest was diluted to 14% and 90%, respectively.

In May 2007, existing stockholders, including Onex, sold an additional 34.3 million shares. Onex, Onex Partners I, Onex management and certain limited partners' equity and voting interests were diluted to 24% and 76%, respectively, as a result of this offering. Onex' share of the equity and voting interests was diluted to 7% and 76%, respectively.

In April 2011, Onex, Onex Partners I, certain limited partners and Onex management sold a further 10.0 million shares diluting this group's economic and voting interests to 16% and 64%, respectively, as a result of the offering. Onex' share of the economic and voting interests was diluted to 5% and 64%, respectively.

At December 31, 2012, Onex had an economic interest of 5% and a 63% voting interest in Spirit AeroSystems.

Principal Products/Operations

Spirit AeroSystems' expertise is in designing, engineering and manufacturing large-scale, complex aerostructures. The company maintains seven manufacturing facilities in Wichita and Chanute, Kansas, Tulsa and McAlester, Oklahoma, Kinston, North Carolina, Prestwick, Scotland, and Subang, Malaysia. The company also maintains an assembly plant for portions of the A350 XWB aircraft in Saint-Nazaire, France.

Spirit AeroSystems' operations are organized through three principal reporting segments: (1) Fuselage Systems, which include the forward, mid and rear fuselage sections, (2) Propulsion Systems, which include nacelles, struts/pylons and engine structural components, and (3) Wing Systems, which include facilities in Tulsa and McAlester, Oklahoma, Prestwick, Scotland and Subang, Malaysia that manufacture wings, wing components, flight control surfaces and other miscellaneous structural parts. All other activities fall within the All Other segment, principally made up of sundry sales of miscellaneous services, tooling contracts and sales of natural gas through a tenancy-in-common with other Wichita companies. The business units, process centres and support organizations work together as one cohesive team with a view to maximizing performance and efficiency throughout the manufacturing process.

Large Commercial Aircraft

The company designs, engineers and manufactures commercial aircraft structures such as fuselages, nacelles (including thrust reversers), struts/pylons, wings and wing assemblies and flight control surfaces. Spirit AeroSystems' structural components, in particular the forward fuselage and nacelles, are among the most complex and highly engineered structural components and represent a significant percentage of the costs of each aircraft. The company is currently the sole source supplier of 97% of the products it sells to Boeing and Airbus, as measured by dollar value of products sold. The company manufactures components for Boeing's B737, B747, B767, B777 and B787 aircraft, Airbus' A320 family (A318/A319/A320/A321), A330/A340 and A380 aircraft. Sales related to the large commercial aircraft market, some of which may be used in military applications, represent approximately 99% of Spirit AeroSystems' combined revenues for the 12 months ended December 31, 2012.

In May 2008, Spirit AeroSystems announced that it had signed a contract with Airbus to design and manufacture a major composite fuselage structure for the A350 XWB program. To accommodate this and other work, Spirit AeroSystems expanded its operations with a new facility in Kinston, North Carolina, which opened in 2010. Spirit AeroSystems also built a component assembly plant for portions of the A350 XWB program in Saint-Nazaire, France, which became operational in 2011.

In July 2008, Spirit Europe announced that it had signed a contract with Airbus to design and manufacture a major wing structure for the A350 XWB program. As part of this contract Spirit Europe designs and assembles the wing leading structure at its facility in Prestwick, Scotland. The composite front spar is built at the company's facility in Kinston, North Carolina. The facility in Saint-Nazaire, France receives center fuselage frame sections from the facility in Kinston, North Carolina. Sections designed and manufactured in North Carolina are shipped across the Atlantic, received in Saint-Nazaire, and assembled before being transported to Airbus.

Business & Regional Jets

Spirit AeroSystems manufactures products for medium to large cabin business jet aircraft including horizontal stabilizers, vertical fin spar assemblies and wing components. Spirit AeroSystems also designs and builds the nacelles, thrust reversers and engine build-up components for the Rolls Royce BR725 Engine powering the Gulfstream G650 business jet at its Wichita, Kansas plant. The Wichita facility will also design and build the pylon for the Mitsubishi Aircraft Corporation's new next-generation regional jetliner known as the Mitsubishi Regional Jet (MRJ). Its Tulsa, Oklahoma plant designs and manufactures an integrated flight-ready wing for the Gulfstream G650 business jet, as well as the wing for the Gulfstream G280 business jet.

Since July 2009, Spirit AeroSystems has designed and built the pylon for the Bombardier Cseries commercial jet. In addition to the pylon, the work package for both the CS100 and CS300 aircraft models includes systems, strut-to-wing hardware, and the aft fairing package.

Military Equipment

Spirit AeroSystems designs, engineers and manufactures structural components for military aircraft. Spirit AeroSystems has received security clearances, including necessary Defense Department and Department of Commerce approvals, to work on classified military-related work. The company provides a significant amount of work for the P-8A Poseidon and 737 C-40. The P-8A Poseidon and 737 C-40 are commercial aircraft modified for military use. Other military programs for which Spirit AeroSystems provides products are AWACS (E-6), the Sikorsky CH-53 and various other programs.

Aftermarket

Spirit AeroSystems has obtained parts manufacturing approvals from the FAA for approximately 14,000 parts. This allows the company to sell spare parts directly to airlines and maintenance, repair and overhaul ("MRO") organizations. In addition, all of Spirit AeroSystems' U.S. facilities are FAA repair station certified and have full technical capability to provide MRO services. In 2009, Spirit AeroSystems commenced direct international parts sales and distribution. Spirit AeroSystems' sales and distribution network has developed and matured since its separation from Boeing in 2005. The company is now fully capable of engaging directly with international customers and has opened sales offices in Ireland, Singapore, and Shanghai, China.

Spirit AeroSystems also participates in a joint venture partnership called Taikoo Spirit AeroSystems Composite Co. with several major aviation companies to develop a state-of-the-art composite and metal bond component repair station in the Asia-Pacific region. The new service centre in Jinjiang, China, which opened in November 2009, and received FAA approval in 2010, provides repair services for airlines and aircraft operators across the Asia-Pacific region. In addition, Spirit AeroSystems operates an MRO station in Europe, which has received its European Aviation Safety Agency Certification. The Europe site is performing composite repairs and overhauls for customers in Europe, Africa and the Middle East. The initial scope of work for the Europe site is focused on engine nacelles and components for Boeing 737NG and 777 aircraft.

In addition, Spirit AeroSystems has signed supply agreements with Southwest Airlines, American Airlines, Continental Airlines and British Airways. These contracts allow for the supply of thrust reverser, fuselage and wing components of their Boeing Aircraft fleets.

Spirit AeroSystems had approximately 16,200 employees at December 31, 2012, of which 79% were unionized.

Markets and Competition

The global aerostructures market, defined as structures, including wings, fuselage, empennage and nacelles, is estimated to be over $43 billion. Currently, OEMs outsource approximately half of the aerostructures market to independent third parties such as Spirit AeroSystems. The original equipment aerostructures market can be divided by end market application into three major market sectors: (1) commercial (including large transport, regional and business jets), (2) military and (3) modifications, upgrades, repairs and spares. While Spirit AeroSystems serves all three market sectors, the company primarily derives its current revenues from the commercial market sector. The commercial aerostructures market is the largest of the three market sectors, representing approximately 64% of the total aerostructures market.

Spirit AeroSystems has entered into life-of-platform contracts with Boeing to manufacture the same statement of work that Boeing’s Wichita, Tulsa and McAlester commercial operations produced prior to the acquisition for the B737, B747, B767 and B777 aircraft, and future derivatives of these platforms, as well as the life-of-platform contract for Boeing’s newest aircraft, the B787. Spirit AeroSystems is Boeing’s largest aerostructures supplier. Under the supply agreements with Boeing, average unit prices vary inversely with volume, except for the B787 where the agreement includes a specific step down unit pricing applied to a specified number of units.

Spirit Europe also has life-of-platform contracts with Airbus to manufacture the same statement of work that the BAE Systems’ aerostructures business produced prior to its acquisition for the A320 family, A330/A340 and A380 aircraft and future derivatives of these platforms. Spirit Europe also has contracts with Boeing for fixed quantities of the pre-acquisition statement of work on the B767 and B777 platforms, and has signed a contract with Airbus to design and manufacture a major wing structure for the A350 XWB program.

Spirit AeroSystems faces competition from OEM and non-OEM aerostructures suppliers when bidding on new contracts. Its principal competitors among non-OEM aerostructures suppliers are Alenia Aeronautica, Fuji Heavy Industries, Ltd., GKN Aerospace, Kawasaki Heavy Industries, Inc., Mitsubishi Heavy Industries, Triumph Group, Inc., Aircelle S.A., Latecoere S.A., Premium Aerotech GmbH, Sonoca and Nexcelle.

Properties

The location, size and nature of the ownership of Spirit AeroSystems' principal facilities are summarized as follows:

Location	Square Feet *(in thousands)*	Owned/Leased
Wichita, Kansas	11,138	Owned/Leased
Chanute, Kansas	60	Leased
Kinston, North Carolina	762	Leased
McAlester, Oklahoma	135	Owned
Tulsa, Oklahoma	1,900	Leased
Nashville, Tennessee	15	Leased
Prestwick, Scotland,	901	Owned
Preston, England	28	Leased
Subang, Malaysia	337	Leased
Saint-Nazaire, France	59	Leased
Toulouse, France	3	Leased

Spirit AeroSystems' physical assets consist of 15 million square feet of building space located on approximately 1,335 acres in eleven facilities. The company provides aerostructures and parts from manufacturing facilities located in Wichita and Chanute, Kansas, Tulsa and McAlester, Oklahoma, Prestwick, Scotland and Subang, Malaysia. The Wichita facilities are owned or leased through an industrial revenue bonds structure, the Chanute facility is leased from the City of Chanute, the Tulsa facility is leased from the City of Tulsa and the Tulsa Airport Authority, the Preston facility is leased from Fourward Properties Limited, the Kinston facility is leased from The North Carolina Global TransPark Authority, the Saint-Nazaire facility is leased from Natiocredibail, the Subang facility is leased from Malaysia Airports Holdings Berhad, and the McAlester and Prestwick facilities are owned.

The Malaysian manufacturing plant is located at the Malaysia International Aerospace Center (MIAC) in Subang, Malaysia. The leased facility is centrally located with easy access to Kuala Lumpur, Malaysia's capital city as well as the sea and airports.

In 2010, Spirit AeroSystems opened a manufacturing facility in Kinston, North Carolina to produce components for the Airbus A350 XWB (Xtra Wide-Body) aircraft and opened a component assembly plant for portions of the A350 XWB aircraft in Saint-Nazaire, France.

Healthcare Segment

The Healthcare segment consists of the operations of Res-Care, Inc. and its subsidiaries, Skilled Healthcare Group, Inc. and its subsidiaries and Carestream Health, Inc. and its subsidiaries.

Res-Care, Inc.

Overview of the Business

Res-Care, Inc. ("ResCare") is a human service company that provides residential, therapeutic, job training and educational supports to people with developmental or other disabilities, to elderly people who need in-home care assistance, to youth with special needs and to adults who are experiencing barriers to employment. ResCare offers services to some 61,000 persons daily in 47 locations, including 44 states, Washington, D.C., Puerto Rico and Canada.

Development of the Business

In June 2004, Onex, Onex Partners I and Onex management invested $84 million for a 28% economic interest in ResCare, of which Onex' initial share of that investment was $19 million for an initial 7% economic interest.

In November 2010, Onex, Onex Partners III and Onex management invested $120 million to acquire the remaining shares of ResCare. With this investment, Onex, Onex Partners I, Onex Partners III and Onex management collectively hold a 98% economic interest in ResCare. Onex' share of the November 2010 investment was $22 million, bringing its total investment in ResCare to $41 million and increasing its economic and voting interests to 20% and 100%, respectively.

At December 31, 2012, Onex had economic interest of 20% and a 100% voting interest in ResCare.

Principal Products/Operations

ResCare's programs include an array of services provided in both residential and non-residential settings to people with developmental or other disabilities, to youth with special needs, to adults who are experiencing barriers to employment and to elderly people who need in-home care assistance. ResCare also offers, through drop-in or live-in services, personal care, meal preparation, housekeeping, transportation and some skilled nursing care to the elderly in their own homes. Additionally, ResCare provides services to transition welfare recipients, young people and people who have been laid off or have special barriers to employment, into the workforce and become productive employees. ResCare provides these services through a workforce of approximately 46,000 employees.

ResCare operates under four reportable operating segments: (i) Residential Services; (ii) ResCare HomeCare; (iii) Youth Services; and (iv) Workforce Services.

Residential Services

ResCare is the nation's largest private provider of services for individuals with cognitive, intellectual, and other developmental disabilities. Services include group homes, supported living, in-home, foster or companion care and vocational and habilitation. The programs in ResCare's Residential Services segment are based predominantly on individual support plans designed to encourage greater independence and the development or maintenance of daily living skills. These goals are achieved through tailored application of ResCare's different services including social, functional and vocational skills training and emotional and psychological counselling. ResCare's Residential Services include:

- *Disability Services*: Helping people of all ages with cognitive, intellectual, developmental and physical disabilities to develop and enhance the quality of their lives. ResCare offers individuals, families and guardians support in a variety of settings including the home, supported living arrangements, group homes and vocational and day habilitation programs.
- *Mental Health/Mental Illness*: Providing adults with serious emotional disorders or severe and persistent mental illness with comprehensive, community-based residential supports and services.
- *Acquired Brain Injury*: Providing individual-tailored options that incorporate traditional therapies into community-based skill training to people with a broad range of activities, behaviors and resources. The services are designed to help transition toward a more active, community-oriented lifestyle.
- *Pharmacy Services*: Pharmacy Alternatives, LLC ("PAL") is a limited, closed-door pharmacy focused on serving individuals with cognitive, intellectual and developmental disabilities who are receiving support and services from ResCare or other private providers. PAL currently provides services in 15 states and Washington, D.C.

ResCare HomeCare

ResCare HomeCare provides personalized home care services to people of all ages, physical conditions and cognitive abilities. The company offers professional nursing, personal care, Alzheimer's care, dementia care, homemaking, companionship and respite in the home, the hospital, long-term assisted living facilities and other places of residence. HomeCare services include:

- *Periodic In-Home Services:* Programs designed to offer periodic and customized support for individuals and primary caregivers to assist and provide respite care. These services enable individuals to return home and receive care away from large, state-run institutions.
- *Supported Living*: Services tailored to the specific needs of one, two or three individuals living in a home or an apartment in the community. Individuals may need only a few hours of staff supervision or support each week or they may require services 24 hours a day.
- *Rest Assured*: ResCare has a partnership with the non-profit Wabash Center and Purdue University in Indiana that provides remote "telecare" services to people in their homes. Rest Assured is a remote monitoring and support service link between caregiver and client giving the clients more independence and providing a more cost effective method of providing care either 24 hours a day (seven days a week) or by the hour.
- *Skilled Nursing*: Providing assistance by a registered professional nurse at an individual's residence in helping an individual improve conditions and avoid a current condition from getting worse. Skilled nursing helps the individual feel better, function more independently and learn to take care of their health needs.

Youth Services

ResCare supports many young adults and children through services specifically tailored to meet their unique needs. The company provides life-changing programs to help young people succeed in school, obtain meaningful and gainful employment and become productive members of their community. ResCare also excels at assisting children find safe, secure environments through our foster care programs. Youth Services include:

- *Youth Residential Services:* ResCare serves young people with emotional and behavioral issues or other special needs as well as juveniles in the justice system. Services offer intense supports which teach young people strategies for independent living as well as social and academic skills within residential treatment facilities, group homes and foster care settings.
- *Job Corp Centers:* Operated by ResCare and administered by the United States Department of Labor ("DOL"), Job Corps is a residential, educational and training program for unemployed and undereducated youth ages 16 through 24 to enable disadvantaged youths to become responsible working adults. ResCare operates 14 Job Corps centres in six states and Puerto Rico. ResCare also operates six centres under sub-contracts. Its centres currently operate at approximately 96% of capacity. Each centre offers training in several vocational areas depending upon the particular needs and job market opportunities in the region.
- *Educational Services:* ResCare partners with a variety of public and private entities to provide education to youth. It offers academic choices for youth through individualized learning environments, including private, charter, online schools and other education programs.

Workforce Services

ResCare's Workforce Services matches job seekers with employers. ResCare contracts with local, city, and state governments to prepare people for work then place them in jobs, specifically job seekers who have significant barriers to employment, have lost their job or are just entering the workforce. ResCare contracts with employers to assist them in placing job seekers as permanent employees and also employs job seekers directly to supply to employers who require temporary labour. ResCare is the expert in workforce services and, as a result, is the largest private provider of workforce services in the U.S. At February 21, 2013, ResCare operated approximately 240 government funded career centres in 22 states and Washington, D.C., and has begun direct employer services in three states. The government funded services include offering information on the local labour market, vocational assessments, career counseling, workshops to prepare people for success in the job market, referrals to occupational skill training for high-demand occupations, job search assistance, job placement and help with job retention and career advancement. In addition to job seekers, these centres serve the business community by providing job matching, screening, referral, and other specialized services for employers. Workforce Services include:

- *One-Stop Services*: ResCare is the leading provider of One-Stop services in the U.S. It offers comprehensive services that prepare workers for high-growth, high-demand industries.
- *Human Services*: Through Temporary Assistance for Needy Families ("TANF"), Workforce Investment Act ("WIA"), Supplemental Nutrition Assistance Program ("SNAP"), Vocational Rehabilitation and other programs, ResCare provides case management, career assessment and planning, job search and job placement services that help individuals reach their potential and achieve economic self-sufficiency.
- *Employer Services*: Provides information, linkages and customized services connecting employers to ResCare's local career programs and job-ready graduates.
- *Subsidized Child Care*: Programs assisting parents and guardians who work, go to school or participate in training to find and afford quality child care for their children.

Markets and Competition

ResCare's Residential Services, HomeCare, Youth Services and Workforce Services segments are subject to a number of competitive factors, including range and quality of services provided, cost-effectiveness, reporting and regulatory expertise, reputation in the community, and the location and appearance of facilities and programs. These markets are highly fragmented, with no single company or entity holding a dominant market share. ResCare competes with other for-profit companies, not-for-profit entities and governmental agencies.

Individual states are also providers of support services, primarily through the operation of large institutions. Not-for-profit organizations are also active in all states and range from small agencies serving a limited area with specific programs to multi-state organizations.

For Job Corps, only a limited number of companies actively seek Job Corps contracts because the bidding process is highly specialized and technical and requires a significant investment of personnel and other resources over a period of several months. Management and Training Corporation, ResCare and Adams and Associates, Inc. are the three largest operators, which operate approximately one-half of the privately operated centres.

For Workforce Services, there are a small number of large for-profit service providers and many smaller providers, primarily local non-profits. This segment is one that many businesses may enter without substantial capital investment.

Certain proprietary competitors operate in multiple jurisdictions and may be well capitalized. ResCare also competes in some markets with smaller local companies that may have a better understanding of the local conditions and may be better able to gain political and public acceptance. Such competition may adversely affect ResCare's ability to obtain new contracts and complete transactions on favourable terms. ResCare faces significant competition from all of these providers in the states in which it now operates and expects to face similar competition in any state that it may enter in the future.

Properties

The location and nature of ownership of ResCare's facilities are summarized as follows:

Location (Facilities)	Square Feet	Owned/Leased
United States		
Alabama (15)	31,498	Leased
Alaska (12)	24,660	Leased
Arizona (22)	95,179	Owned/Leased
California (169)	562,562	Owned/Leased
Colorado (25)	76,082	Owned/Leased
Connecticut (1)	12,515	Leased
Delaware (13)	26,567	Leased
Florida (28)	36,460	Leased
Georgia (89)	224,911	Owned/Leased
Hawaii (8)	17,408	Leased
Idaho (1)	2,200	Leased
Illinois (32)	95,737	Owned/Leased
Indiana (265)	884,994	Owned/Leased
Iowa (6)	20,600	Leased
Kansas (90)	318,259	Owned/Leased
Kentucky* (253)	906,014	Owned/Leased
Louisiana (103)	223,334	Owned/Leased
Maryland (17)	50,850	Leased
Michigan (18)	35,847	Owned/Leased
Minnesota (45)	90,000	Leased
Mississippi (1)	169	Leased
Missouri (13)	29,381	Leased
Montana (1)	1,700	Leased
Nebraska (32)	112,647	Leased
Nevada (4)	7,634	Leased
New Jersey (8)	25,150	Leased
New York (8)	139,008	Leased
North Carolina (110)	270,447	Owned/Leased
Ohio (63)	253,251	Owned/Leased
Oklahoma (58)	195,718	Leased
Oregon (1)	999	Leased
Pennsylvania (11)	26,066	Leased
South Carolina (19)	41,203	Leased
Tennessee (9)	15,082	Owned/Leased
Texas (347)	1,064,421	Owned/Leased
Utah (2)	5,110	Leased
Virginia (44)	114,973	Owned/Leased
Washington (29)	73,207	Leased
West Virginia (74)	190,712	Owned/Leased
Wisconsin (16)	22,134	Leased
District of Columbia (10)	29,940	Leased
Canada (1)	2,000	Leased
Puerto Rico (1)	2,000	Leased

* Includes 110,000 square feet of an office building in Louisville, Kentucky, which serves as ResCare's corporate offices.

Skilled Healthcare Group, Inc.

Overview of the Business

Skilled Healthcare Group, Inc. ("Skilled Healthcare Group") based in Orange County, California, is a leading provider of integrated long-term healthcare services through its skilled nursing and assisted living companies, as well as rehabilitation and other related healthcare services. Skilled Healthcare Group's operations are comprised of 74 skilled nursing facilities and 22 assisted living facilities in eight states, which are generally clustered in large urban or suburban markets.

Development of the Business

In late December 2005, Onex, Onex Partners I and Onex management completed the acquisition of Skilled Healthcare Group in a transaction valued at $640 million. Onex, Onex Partners I and Onex management invested $207 million for a 93% economic interest. Onex' net investment in this acquisition was $49 million for an initial 22% economic interest. The remainder of the purchase price was provided through a refinancing of Skilled Healthcare Group's long-term indebtedness, including the issuance of $200 million of senior subordinated notes.

In June 2006, Skilled Healthcare Group companies purchased a long-term leasehold interest in a skilled nursing facility in Las Vegas, Nevada for $3 million and in March 2006, the companies purchased two skilled nursing facilities and one skilled nursing and residential care facility in Missouri for $37 million. These facilities added approximately 536 beds to the existing Skilled Healthcare Group's operations. In December 2006, Skilled Healthcare Group purchased an additional skilled nursing facility in Missouri for $10 million. This facility added 130 additional beds.

In May 2007, Skilled Healthcare Group completed an initial public offering of 8.3 million new common shares. As part of the offering, Onex, Onex Partners I and Onex management sold 10.6 million shares, of which Onex' portion was 2.5 million shares. Onex, Onex Partners I and Onex management's economic and voting interests were diluted to 40% and 90%, respectively. Onex' share of the economic and voting interests was diluted to 9% and 90%, respectively.

In September 2007, Skilled Healthcare Group acquired substantially all the assets and assumed the operations of 10 skilled nursing facilities and a hospice company, all of which are located in or around Albuquerque, New Mexico, for approximately $55 million. The acquired facilities added 1,180 beds to the company's operations.

In April 2008, Skilled Healthcare Group acquired the real property and assets of a 152-bed skilled nursing facility and an adjacent 34-unit assisted living facility located in Wichita, Kansas for approximately $13 million. The acquired facilities added 192 beds to the company's operations.

In September 2008, Skilled Healthcare Group acquired seven assisted living facilities located in Kansas for an aggregate purchase price of $9 million. The acquired facilities added 208 units to the company's operations.

In April 2009, Skilled Healthcare Group purchased a skilled nursing facility located in Des Moines, Iowa for approximately $2 million in cash. In December 2009, Skilled Healthcare Group purchased a skilled nursing facility located Davenport, Iowa, for approximately $2 million. The two facilities added a total of 192 beds to the company's operations.

On May 1, 2010, the company acquired substantially all of the assets of five Medicare-certified hospice companies and four Medicare-certified home health companies located in Arizona, Idaho, Montana and Nevada (the "Hospice/Home Health Acquisition") for total consideration of approximately $63 million.

In July 2010, Skilled Healthcare Group admitted its first patients to the Fort Worth Center of Rehabilitation, the company's newly constructed skilled nursing facility in Fort Worth, Texas. The centre is a state-of-the-art, Leadership in Environmental and Energy Design ("LEED") gold certified facility.

In April 2011, five of the company's subsidiaries that operated skilled nursing facilities in northern California transferred their operations to an unaffiliated third party skilled nursing facility operator. The company retained ownership of the real estate for these facilities and has entered into a 10 year lease with the new operator, with two 10 year extension options.

In July 2011, the company acquired Altura Homecare & Rehab, which is a home health care agency serving the Albuquerque, New Mexico market.

In July 2011, the company acquired the real property and related operations of Willow Creek Memory Care at San Martin in Las Vegas, Nevada, which is currently licensed for 62 memory care assisted living beds. The newly acquired facility now operates as Vintage Park at San Martin.

In October 2011, the Company acquired substantially all of the assets of Cornerstone Hospice, Inc., which provides hospices services in the Colton, California and Phoenix, Arizona areas.

At December 31, 2012, Onex had an economic interest of 9% and an 87% voting interest in Skilled Healthcare Group.

Principal Products/Operations

Skilled Healthcare Group's services focus primarily on the medical and physical issues facing elderly, high-acuity patients and are provided through its skilled nursing facilities, assisted living facilities, integrated and third-party rehabilitation therapy business, hospice and home health.

Skilled Healthcare Group has three reportable operating segments – long-term care services, which includes the operations of skilled nursing and assisted living facilities and represents the largest portion of its business, therapy services, which includes its integrated and third-party rehabilitation therapy, and hospice and home health services, which includes the company's hospice and home health businesses.

Skilled Healthcare Group had approximately 15,000 employees at December 31, 2012.

Long-Term Care Services

Skilled Nursing Facilities

Skilled Healthcare Group provides skilled nursing care at 74 regionally clustered facilities, having 9,181 licensed beds, in California, Texas, Iowa, Kansas, Missouri, Nebraska, Nevada and New Mexico. The Skilled Healthcare Group has developed programs for and actively markets services to high-acuity patients, who are typically admitted to their facilities as they recover from strokes, other neurological conditions, cardiovascular and respiratory ailments, single joint replacements and other muscular or skeletal disorders.

Skilled Healthcare Group uses interdisciplinary teams of experienced medical professionals, including therapists, to provide services prescribed by physicians. These teams include registered nurses, licensed practical nurses, certified nursing assistants and other professionals who provide individualized comprehensive nursing care 24 hours a day. Many of its skilled nursing facilities are equipped to provide specialty care, such as chemotherapy, dialysis, enteral/parenteral nutrition, tracheotomy care and ventilator care. The companies also provide standard services to each of its skilled nursing patients, including room and board, special nutritional programs, social services, recreational activities and related healthcare and other services.

In December 2004, Skilled Healthcare Group introduced its Express Recovery™ program, which uses a dedicated unit within a skilled nursing facility to deliver a comprehensive rehabilitation regimen to high-acuity patients. Each Express Recovery™ unit typically has 12 to 36 beds and provides skilled nursing care and rehabilitation therapy for patients recovering from conditions such as joint replacement surgery, and cardiac and respiratory ailments. Since introducing its Express Recovery™ program at several of Skilled Healthcare Group's skilled nursing facilities, Skilled Healthcare Group's skilled mix at these facilities has increased, resulting in higher reimbursement rates. As of December 31, 2012, Skilled Healthcare Group operated 63 Express Recovery™ units with 2,259 beds.

Assisted Living Facilities

Skilled Healthcare Group complements its skilled nursing care business with its assisted living business including 22 facilities with 1,228 licensed beds. Skilled Healthcare Group's assisted living facilities provide residential accommodations, activities, meals, security, housekeeping and assistance in the activities of daily living to seniors who are independent or who require support, but not the level of nursing care provided in a skilled nursing facility.

Therapy Services

Rehabilitation-Therapy Services

Skilled Healthcare Group's rehabilitation company, Hallmark Rehabilitation GP, LLC. ("Hallmark"), provides physical, occupational and speech therapy services in 195 healthcare facilities, including 64 of Skilled Healthcare Group facilities. In addition, Hallmark has contracts to manage the rehabilitation-therapy services for the 10 Skilled Healthcare Group facilities in New Mexico. Hallmark provides rehabilitation-therapy services at Skilled Healthcare Group's skilled nursing facilities as part of an integrated service offering in connection with its skilled nursing company's care. Skilled Healthcare Group believes that an integrated approach to treating high-acuity patients enhances its ability to achieve successful patient outcomes and enables it to identify and treat patients who can benefit from Hallmark's rehabilitation therapy services. Skilled Healthcare Group believes hospitals and physician groups refer high-acuity patients to its skilled nursing facilities because they recognize the value of an integrated approach to providing skilled nursing care and rehabilitation-therapy services.

Hallmark also believes that it has established a strong reputation as a premium provider of rehabilitation therapy services to third-party skilled nursing operators in its local markets, with a recognized ability to provide these services to high-acuity patients. Hallmark's partnership-like approach to providing rehabilitation therapy services for its third-party operators is in contrast to a low-cost strategy and emphasizes high-quality treatment and successful clinical outcomes.

Hospice and Home Health Services

Hospice Services

Skilled Healthcare Group provides hospice care services in Arizona, California, Nevada, Idaho, Montana, and New Mexico. Hospice services focus on the physical, spiritual and psychosocial needs of terminally ill individuals and their families, and consist primarily of palliative and clinical care, education and counselling.

Home Health Services

Skilled Healthcare Group provides home health care services in Arizona, California, Nevada, Idaho, Montana and New Mexico. Home Health services derive substantially all of the revenue from Medicare. Additionally, Home Health care services generally consist of providing some combination of the services of registered nurses, speech, occupational and physical therapists, medical social workers and certified home health aides. Home Health care is often a cost-effective solution for patients, and can also increase their quality of life and allow them to receive quality medical care in the comfort and convenience of a familiar setting.

Markets and Competition

Skilled Healthcare Group's facilities compete primarily on a local and regional basis with many long-term care providers, in-patient rehabilitation facilities and long-term acute care hospitals. Skilled Healthcare Group's ability to compete successfully varies from location to location and depends on a variety of factors that include the number of competing facilities in the local market, the types of services available, quality of care, reputation, age and appearance of each facility and the cost of care in each location with respect to private pay residents. Skilled Healthcare Group's other businesses such as rehabilitation therapy provided to third-party facilities and hospice care, also compete with local, regional and national companies.

Skilled Healthcare Group believes that its competitive strengths in providing quality care for high-acuity patients and its strong reputation in concentrated markets with significant facility ownership will allow it to capitalize on the growing demand for services from an aging population.

Properties

The following table summarizes Skilled Healthcare Group's facilities:

Location (Facilities)	Square Feet	Owned/Leased
California (12)	392,346	Owned
California (14)*	462,480	Leased
Kansas (26)	611,981	Owned
Nevada (2)	50,888	Owned
Nevada (1)	94,061	Leased
Texas (22)	942,821	Owned
Iowa (2)	69,648	Owned
Missouri (7)	392,993	Owned
Nebraska (1)	20,952	Leased
New Mexico (2)	104,241	Owned
New Mexico (8)	330,671	Leased

* Includes Skilled Healthcare Group's corporate office.

Carestream Health, Inc.

Overview of the Business

Carestream Health, Inc. ("Carestream Health") is a leading global provider of medical and dental imaging products and services and healthcare information technology solutions. The company's offerings include digital x-ray systems, x-ray film and dental imaging products, software and services. Carestream Health also has a non-destructive testing business, which sells x-ray film and digital x-ray products to the non-destructive testing market.

Development of the Business

In late April 2007, Onex completed the $2.4 billion acquisition of the Health Group of Eastman Kodak Company. Following the purchase, the business continued operations under the new name of Carestream Health. Onex, Onex Partners II and Onex management invested $471 million in the equity of Carestream Health for a 98% economic interest, after giving effect to Carestream management's investment. Onex' share of the total equity was $186 million for an initial 39% economic interest. In September 2009, the company redeemed $22 million of its preferred stock. Onex' share of this redemption was $8 million. In 2010, the company redeemed $31 million of its preferred stock, of which Onex' share was $12 million. In 2011, the company redeemed $193 million of its preferred stock, of which Onex' share was $76 million. In 2012, the company redeemed $86 million of its preferred stock, of which Onex' share was $33 million.

At December 31, 2012, Onex had an economic interest of 37% and a 100% voting interest in Carestream Health.

Principal Products/Operations

Carestream Health sells digital products including computed radiography and digital radiography equipment, picture archiving and communication systems, radiology information systems, information management solutions, dental practice management software and services, as well as traditional medical products, including x-ray film, printers and media, equipment, chemistry and services. Carestream Health has three reportable segments: Medical Film, Dental and Medical Digital. The balance of Carestream Health's operations, which do not meet the criteria of a reportable segment, are reported in Other.

Medical Film

Medical Film provides printing and film products to the medical industry as well as toll coating products and services. The digital and film products include printing equipment, media and service, x-ray film, chemistry and service, and mammography and oncology film. Mostly centered on coating and polyester film making, toll coating is currently producing for the photographic, imaging, display, electronic, medical and agricultural markets.

Dental

Dental provides film and digital products and dental practice management software and services to the dental industry. These products include intra-oral and extra-oral film and processing supplies, injectable dental anesthetics, digital cameras, digital imaging equipment, intra-oral x-ray generators and dental practice management software products and services.

Medical Digital

Medical Digital provides computed radiography and digital radiography systems and service to the medical industry. In addition, the segment also provides solutions that address radiology and healthcare information technology needs. These products include Picture Archiving and Communication Systems, Radiology Information Systems, Information Management Solutions and related professional service offerings.

Other

Other is composed of the Non-Destructive Testing ("NDT") business and Molecular Imaging business ("CMI"). NDT manufactures and sells x-ray film and digital x-ray products to the non-destructive testing market. CMI manufactures and markets traditional imaging tools that capture pictures of specific molecular pathways, particularly those that are key targets in disease processes.

Carestream Health's products are manufactured in the United States, China, France, Germany, Israel and Mexico. Carestream Health's products are marketed and sold in many countries throughout the world.

Carestream Health had approximately 7,500 employees at December 31, 2012.

Markets and Competition

Carestream Health is a leading global provider of medical and dental imaging products and services and information technology solutions, offering a comprehensive suite of traditional and digital product lines in its target markets.

Primary competitors, by reportable segment, are as follows:

Carestream Health Reportable Segment	Primary Competitors
Medical Film	• Fuji • Agfa • Konica
Dental	• Danaher • Sirona • Agfa • Henry Schein
Medical Digital	• Fuji • Agfa • General Electric • Phillips Medical Systems • Siemens
Other (CMI & NDT)	• GEIT/Agfa • Fuji • Durr • VMI • Foma

Properties

The location, size and nature of ownership of Carestream Health's facilities are summarized as follows:

Location (Facilities)	Square Feet	Owned/Leased/Licensed
United States		
California (1)	1,620	Leased
Colorado (1)	1,345,511	Owned
Connecticut (1)	30,000	Leased
Georgia (1)	88,678	Leased
Maryland (1)	15,751	Leased
Minnesota (1)	97,365	Leased
New York (7)	296,671	Leased
New York (2) *	746,512	Owned
Oregon (1)	253,794	Owned
Texas (1)	8,100	Leased
Canada		
Ontario (1)	7,698	Leased
Prince Edward Island (1)	8,500	Leased
International		
Belgium (1)	3,056	Leased
Denmark (1)	492	Leased
Finland (1)	1,184	Leased
France (4)	147,803	Leased
Germany (3)	202,212	Leased
Greece (1)	2,658	Leased

Properties (continued)

Location (Facilities)	Square Feet	Owned/Leased/Licensed
International ***(continued)***		
Israel (3)	45,267	Leased
Italy (1)	32,570	Leased
Netherlands (1)	1,614	Leased
Norway (1)	807	Leased
Poland (1)	2,851	Leased
Russia (1)	3,896	Leased
Spain (2)	8,188	Leased
Sweden (2)	6,413	Leased
Switzerland (1)	7,188	Leased
Turkey (1)	3,228	Leased
UAE (1)	22,894	Leased
United Kingdom (3)	11,590	Leased
Australia (4)	22,746	Leased
China (22)	295,682	Leased
India (4)	16,606	Leased
Japan (12)	27,517	Leased
Korea (1)	8,132	Leased
Malaysia (1)	1,798	Leased
Philippines (1)	3,058	Leased
Singapore (1)	5,562	Leased
Taiwan (1)	3,550	Leased
Thailand (1)	4,714	Leased
Argentina (1)	4,799	Leased
Brazil (2)	62,313	Leased
Chile (1)	3,229	Leased
Colombia (1)	1,615	Leased
Mexico (2)	145,285	Leased
Puerto Rico (1)	1,842	Leased

* Includes Carestream Health's corporate office, located in Rochester, NY.

Insurance Provider Segment

The Insurance Provider segment consists of the business of The Warranty Group, Inc. and its subsidiaries.

Overview of the Business

The Warranty Group, Inc. ("The Warranty Group") is one of the world's largest integrated underwriters and administrators of extended warranties. With over 1,900 employees and operations in 31 countries, The Warranty Group offers extended warranties on a wide variety of consumer goods including automobiles, consumer electronics and major home appliances. The company also provides ancillary warranty products and other specialty insurance products. Through an internal sales force and independent agents and brokers, The Warranty Group markets its products to a network of automobile dealerships, consumer electronics retailers and manufacturers, financial service providers, third party administrators and affinity marketing companies, which sell the company's products along with the underlying warranty coverage. The Warranty Group serves its customers, clients and distributors by operating in two capacities: (i) as an administrator responsible for customer care and processing claims; and (ii) as an underwriter responsible for pricing the products and ensuring future claim payments.

An extended warranty is a contract between a consumer and the company that, upon expiration of the original manufacturer's warranty, if applicable, guarantees repair or replacement in the event of product failure. The company's products range in term from one month to ten years, although most cover two to five years.

Development of the Business

On November 30, 2006, Onex, Onex Partners I, Onex Partners II and Onex management completed the acquisition of The Warranty Group in a transaction valued at approximately $710 million. Onex, Onex Partners I, Onex Partners II and Onex management invested approximately $498 million for an initial 98% economic interest. Onex' initial share of that investment was $157 million for an initial 31% economic interest. On December 28, 2006, Onex filed a Business Acquisition Report for this acquisition, which is available on www.sedar.com. In June 2007, Onex, Onex Partners I, Onex Partners II and Onex management received a $10 million purchase price adjustment, of which Onex' share was $3 million. During 2012, the company redeemed $96 million of its preferred stock, of which Onex' share was $30 million.

At December 31, 2012, Onex had an economic interest of 29% and a 100% voting interest in The Warranty Group.

Principal Products/Operations

The Warranty Group is managed by geography as discussed below.

North America

Automotive

The Warranty Group's North American Automotive division is the largest third-party provider of automotive extended service contracts in North America. Acting as both an extended warranty underwriter and administrator, The Warranty Group serves several thousand dealerships in North

America, including more than half of the 100 largest. The company's products are sold through finance and insurance departments ("F&I") of auto dealerships, and include extended service contracts and guaranteed asset protection. The Warranty Group also provides training and consulting services to dealers and manufacturers to enhance the sale of warranty products and the overall profitability of their operations.

Consumer Products and TPA ("Third Party Administrator")

The Warranty Group's Consumer Products and TPA division is one of the largest providers of extended warranties on consumer products and specialty insurance products. Acting as both an extended warranty underwriter and administrator, The Warranty Group serves numerous traditional electronics and appliance retailers as well as specialty finance companies.

The Warranty Group also underwrites and administers specialty insurance products for financial services firms and travel companies. The company offers credit card enhancement products such as collision/loss damage waiver and product return guarantee benefits. The Warranty Group provides travel companies with trip cancellation/interruption insurance and evacuation and repatriation services for sale to the consumer. The company also offers a collection of miscellaneous products such as involuntary unemployment insurance and deductible reimbursement products related to insured mortgage loans.

In addition, The Warranty Group provides extended warranty coverage for non-structural home systems (e.g., major appliances and systems such as heating and air conditioning). The Warranty Group's home warranty products are distributed through real estate brokers, TPAs and utilities and financial services companies.

Europe

Automotive

The Warranty Group can provide automotive extended warranties to the majority of the European Union ("EU") countries. The company offers extended warranties and related administrative products on used and new cars through manufacturers, manufacturer-owned/franchised dealer groups, and independent dealerships throughout Europe. The majority of used car warranties are typically of 12-month duration or less, whereas, new car warranties are multi-year, either through choice or because of legislative requirements.

Electronics

The Warranty Group's European Appliance and Technology (A&T) division underwrites and administers extended warranty, accidental damage and theft contracts (primarily electrical appliances, cell phones and personal computers) for electronic and technology retailers, distributors and manufacturers throughout Europe. The Warranty Group continues to focus on growing A&T business geographically across the less mature EU countries, as well as through product diversification (away from general appliance cover) in more mature markets.

Credit Insurance

With over 25 years of market and underwriting experience, The Warranty Group continues to be a market leader in providing credit insurance contracts in Ireland and the Netherlands. The products, principally life, disability and involuntary unemployment policies, are sold by retail banks and finance companies in conjunction with personal and automotive loans and credit cards. These policies are written as both multi-year and monthly cover contracts.

Latin America and Asia Pacific

With initial expansion into Asia Pacific and Latin America in 1996, The Warranty Group has been, and remains, very active in emerging markets. The primary countries in which the company operates are Japan, South Korea, Malaysia, China, Australia, Brazil, Argentina, Mexico, Columbia and Peru. A significant growth opportunity exists for the company as overall demand continues to grow in these markets.

The Warranty Group has been operating in many of these markets for a number of years, often as the first provider of extended warranties, and has established strong customer relationships and local market knowledge. The Warranty Group's typical strategy when entering new international markets is to offer warranty products for consumer electronics, given their predictable loss patterns. As The Warranty Group develops a better understanding of local consumer behavior and product pricing, additional products are introduced.

Markets and Competition

North America

Automotive

The Warranty Group, through its multi channel distribution model, is one of the nation's largest underwriters of automotive extended service contracts. It distributes its products through a direct sales force (to a large network of individual dealers), national consolidators, financial services firms, OEM manufacturers, agents and third party administrators. Other providers include automotive manufacturers and third parties such as Jim Moran & Associates and Universal Underwriters. Third-party programs generally compete with manufacturer's programs by offering better economics through a lower-cost product and, typically, dealer participation in the underwriting profitability of the program. The consolidation in the automotive dealership industry over the last decade and the recent decline in dealership margins from vehicle sales have provided support to third-party programs that drive overall profitability for the dealerships.

Consumer Products and TPA

The Warranty Group's Consumer Products and TPA products are marketed to retailers and manufacturers of electronics, appliances and other consumer goods. Dealers have traditionally included consumer electronics retailers and electronics and appliance manufacturers such as Samsung and Vizio; newer channels include retailers and manufacturers of other consumer products such as fitness equipment or furniture. The Warranty Group also partners with N.E.W. Customer Service Companies, a leading TPA in the electronics industry to underwrite programs for their customers.

The commission earned by The Warranty Group's distribution partners on extended warranty sales often supplements thin profit margins on the sale of the underlying consumer products. For larger clients that service their own claims, The Warranty Group provides extended warranties on a "wholesale" basis, assuming the underwriting risk but not administering claims. The Warranty Group competes in this market with other large insurers such as AIG and Assurant, in addition to local and national TPAs.

Europe

Automotive

In Europe, The Warranty Group's largest distribution channel is through automotive manufacturer approved warranty programs. The Warranty Group has a number of major global automotive manufacturer clients, including several Pan European relationships. In Continental Europe, there is a clear distinction between new car manufacturer programs and non-manufacturer used car programs, as the manufacturer does not dictate the used car terms. In the United Kingdom (UK), manufacturers generally have a new and used car program in place and have more influence on the dealer groups in this respect. In the UK, almost all used cars come with a 12-month warranty included in the sale of the car at no additional cost. The reputation that The Warranty Group has for increasing penetration rates through training the sales personnel of distributors, and its market leading technology, continues to provide further growth opportunities. The Warranty Group's European footprint continues to attract a growing list of Pan European motor manufacturer programs, and with the unfavorable impact of the economic and regulatory changes on creditor insurance, The Warranty Group has increased its growth focus in this area.

The Warranty Group's principal competitors are Car Care Plan (recently acquired by AmTrust), Allianz, Europe Assistance, Mondial, QBE and client self-insured programs.

Electronics

The Warranty Group's strongest European electronics market is the United Kingdom where it provides insurance, service contracts and/or administrative services to several of the top electrical retailers as well as being the insurer to one of the largest UK mobile phone groups. The Warranty Group provides Personal Computer ("PC") insurance products across over 20 European countries to two of the world's largest PC manufacturers. In addition, The Warranty Group has established insurance programs with several major banks and is looking to expand these services to the other financial institutions. In Poland, new business acquisitions will make The Warranty Group a top three provider. With the unfavorable impact of the economic and regulatory changes on its credit insurance business, The Warranty Group has increased its growth focus in this area.

The Warranty Group's principal competitors are Domestic and General, Ace, Allianz, and client self-insured programs.

Credit Insurance

Credit insurance products are typically offered or sold with the underlying loans and mortgages from finance companies, banks and other financial institutions. The Warranty Group maintains good relations with a number of the largest distributors. The enviable reputation that The Warranty Group has for increasing penetration rates through training the sales personnel of distributors continues to provide growth opportunities. The Warranty Group's growth strategy is to focus on those EU territories outside of its existing UK, Ireland and the Netherlands markets where economic and market regulation challenges have reduced growth opportunities.

The Warranty Group's principal competitors are Aviva, bank-owned insurers, Axa, Cardif, Pinnacle, Assurant and Genworth.

Latin America and Asia Pacific

Distribution in Latin American markets varies by country. Argentina's distribution is through large consumer electronics and home appliance retailers. Brazil's distribution is through consumer electronics, furniture and appliance retailers, and the auto retail channel. Mexico's distribution is through the larger consumer electronics and home appliance retailers and automobile manufacturers. Colombia's distribution is primarily through the automotive retail dealers and consumer electronics and home appliance retailers. Peru's distribution is primarily through consumer electronics and home appliance retailers as well as one automotive dealer.

Product distribution in Asia Pacific varies by country. In Japan, the primary distribution channel is the sale of extended warranties through large electronics and appliance retailers. In Korea, the distribution channels are the sale of automobile extended warranties through Hyundai and Kia as well as Hyundai Capital and cellular phone warranties through service providers. In Malaysia, automobile manufacturers and distributors offer variations of a blanket extended warranty on select vehicles through programs underwritten by local insurance companies and reinsured to The Warranty Group. Product distribution in Australia and New Zealand include consumer product warranties sold through retailers, and automobile extended warranties sold through automobile dealerships and finance companies. In China, The Warranty Group distributes through appliance and electronics retailers and manufacturers, and offers optional extended warranties on automobiles through dealerships.

Properties

The location, size and nature of ownership of The Warranty Group's principal facilities are summarized as follows:

Location	Square Feet	Owned/Leased
United States *	142,093	Leased
Argentina	14,004	Leased
Australia	7,761	Leased
Brazil	19,913	Leased
Canada	180	Leased
China	11,497	Leased
Columbia	2,110	Leased
France	2,325	Leased
Germany	430	Leased
Ireland	323	Leased
Italy	1,991	Leased
Japan	5,116	Leased
Malaysia	1,089	Leased
Mexico	11,374	Leased
Netherlands	16,933	Leased
New Zealand	65	Leased
Peru	1,865	Leased
Poland	2,067	Leased
South Korea	4,270	Leased
Spain	2,261	Leased
Sweden	4,112	Leased
United Kingdom	66,511	Leased

* Includes The Warranty Group's corporate office in Chicago, Illinois.

Customer Care Services Segment

The Customer Care Services segment consists of the business of SITEL Worldwide Corporation and its subsidiaries. This business was formerly known as ClientLogic Corporation.

Overview of the Business

In January 2007, ClientLogic acquired 100% of the issued and outstanding voting stock of SITEL Corporation (NYSE: SWW), a global provider of outsourced customer care services that handled more than two million customer interactions daily. Following the acquisition, ClientLogic changed its name to SITEL Worldwide Corporation (“Sitel Worldwide”).

Sitel Worldwide is one of the world’s largest and most diversified providers of customer care outsourcing services. The company offers its clients a wide array of services, including customer service, technical support, customer acquisition, retention and revenue generation services and back office support. The majority of its customer care services are inbound and delivered telephonically, but an increasing portion of services are being provided through other communication channels including email, online chat, interactive voice response ("IVR") and social media channels. The company serves a broad range of industry end–markets, including financial services, technology, wireless, retail and consumer products, telecommunications, media and entertainment, energy and utilities, travel and transportation, internet service providers, insurance, government, and healthcare. The company currently operates one of the industry’s most geographically diverse operating platforms through approximately 120 customer contact centres and related facilities in 25 countries. As of December 31, 2012, the company serviced its clients’ customers in 40 languages.

Development of the Business

The building of ClientLogic began in April 1998 with the acquisition of North Direct Response, Inc. (“NDR”). NDR was a Toronto-based contact centre company with clients in the technology, consumer products and insurance industries. Onex invested $10 million for an initial 68% economic interest.

In September 1998, ClientLogic Corporation (“ClientLogic”) was formed. In October 1998, ClientLogic acquired SOFTBANK Services Group (“SSG”). SSG, headquartered in Buffalo, New York, was a leading provider of outsourced customer management services to the technology sector. It had contact centres in Buffalo, New York; Las Vegas, Nevada; Bartlesville, Oklahoma; Kingstree, South Carolina; Albuquerque, New Mexico; Oak Ridge, Tennessee; Yakima, Washington; Dublin, Ireland and London, England. It also had a 393,000 square foot distribution facility near Columbus, Ohio. Onex invested $44 million in the equity of ClientLogic as part of this transaction, increasing its economic interest to 83%.

In January 1999, ClientLogic acquired LCS Industries, Inc. (“LCS”). LCS provided a complete range of outsourced services for companies engaged in direct marketing activities. These services included continuity programs, catalog services, list management and database design. Onex invested a further $28 million in the equity of ClientLogic as part of the funding for this transaction. The LCS marketing/list services business was sold in November 2005.

In March 1999, ClientLogic acquired from Canadian Access Insurance Services certain software and technology assets for the sale and servicing of insurance worldwide. ClientLogic subsequently divested this insurance business by dividending its share ownership to InsLogic, an Onex subsidiary.

In October 1999, ClientLogic acquired Cordena Call Management ("Cordena"), a leading European outsourced customer service provider headquartered in The Hague, Netherlands. Cordena had integrated systems that handled every aspect of distribution, from order receipt (by telephone, internet, fax or mail) to the distribution process (pick, pack, ship and payment). Onex invested $31 million in the equity of ClientLogic to provide part of the acquisition funding. Distribution operations in The Netherlands ceased in 2001.

In December 1999, ClientLogic acquired MarketVision, Inc., a pioneering creator of marketing solutions that included advanced campaign management, contact management and outsourced database marketing technology. Onex invested $11 million in the equity of ClientLogic to provide part of the acquisition funding. MarketVision ceased operations in 2001.

In August 2000, ClientLogic completed a $105 million private equity offering. Onex invested $25 million and a large Canadian pension fund invested $80 million. The offering diluted Onex' economic interest from 81% to 72%.

In October 2000, ClientLogic acquired the TeleServices division of Associates Commerce Solutions, Inc. ("ACS"), a wholly owned subsidiary of Associates First Capital Corporation (now Citigroup). ClientLogic issued common shares valued at $20 million as part of the $23 million total purchase price. ACS TeleServices was a North Carolina-based provider of integrated customer management services. This transaction further reduced Onex' economic interest from 72% to 70%.

In 2001, ClientLogic entered into a strategic alliance with Ignite Solutions, formerly British Telecom's Syncordia Solutions, a subsidiary of British Telecom. Under the agreement, ClientLogic assumed management of Ignite Solutions' outsourced customer care centres in the United Kingdom, and Ignite assumed management of the technology and network infrastructure at all of ClientLogic's European locations.

In July 2003, ClientLogic formed a venture with ITC Infotech Ltd., a company based in India, (the "ITC Joint Venture"), then known as CLI3L e-Services Limited (and now known as Sitel Operating Corporation India Limited). The venture managed and operated a customer care facility in Bangalore, India, which was majority owned by ClientLogic. The Bangalore India site ceased operations in 2011.

In late December 2003, ClientLogic acquired Service Zone Holdings, Inc., a provider of high-quality contact centre operations. The acquisition brought ClientLogic new customers, a skilled management team and contact centres in the United States and the Philippines. Onex invested $18 million in additional equity in ClientLogic as part of this acquisition.

As a result of the above transactions, issuances of equity to management under ClientLogic's incentive compensation programs, and management purchases of equity, Onex' economic interest in ClientLogic decreased to 67% at December 31, 2006.

In January 2007, ClientLogic acquired 100% of the issued and outstanding voting stock of SITEL Corporation ("SITEL"), a global provider of outsourced customer care services. SITEL was acquired to increase ClientLogic's competitiveness in the market, expand ClientLogic's geographic footprint, and increase offerings of ancillary services. The purchase price for SITEL was $4.25 per outstanding share or approximately $450 million in cash, funded through ClientLogic's new credit facility. The merged organization was named SITEL Worldwide Corporation.

In January 2007, Sitel Worldwide acquired the remaining 49% equity interest in Contact World, Inc. (“Contact World”), a joint venture company providing contact centre services through several facilities in the Philippines that Sitel Worldwide did not already own, for approximately $21 million. The transaction was funded through Sitel Worldwide’s credit facility. Sitel Worldwide acquired the remaining minority interest to give it full control over Contact World’s operations since nearly all of the clients serviced through Contact World are Sitel Worldwide clients. The company had previously acquired its 51% interest in Contact World through its 2003 Service Zone acquisition.

In March 2007, Sitel Worldwide acquired the remaining 51% equity interest in Sitel India Limited (“Sitel India”) for approximately $22 million. The transaction was funded through Sitel Worldwide’s credit facility. Sitel Worldwide acquired the majority interest to give it full control over the operations since nearly all of the clients serviced through Sitel India are Sitel Worldwide clients.

In August 2007, Sitel Worldwide divested its Mexico joint venture and in the same transaction acquired the remaining portion of the Sitel Panama and Sitel Columbia joint ventures that it did not already own.

In September 2008, Sitel Worldwide acquired an additional 8% equity interest in the ITC Joint Venture (reducing ITC Limited’s equity ownership interest to 42%), in accordance with the terms of an amendment to the parties’ original joint venture agreement. In November 2008, Sitel Worldwide acquired an additional 8% equity interest in the ITC Joint Venture from ITC Limited. In 2009 Sitel Worldwide acquired the remaining 34% of ITC Limited’s equity interest in the ITC Joint Venture and now owns 100% of the outstanding equity of that company, which is operating as Sitel Operating Corporation India Limited.

During 2008, Onex invested $51 million in preferred shares of Sitel Worldwide.

At December 31, 2012, Onex had an economic interest of 70% and an 89% voting interest in Sitel Worldwide.

Principal Products/Operations

Sitel Worldwide is one of the world’s largest and most diversified providers of customer care outsourcing services. The company offers its clients a wide array of services including customer service, technical support, customer acquisition, retention and revenue generation services, and back office support. The majority of the company’s customer care services are inbound and delivered telephonically. The company also increasingly delivers services through other communication channels, including email, online chat, IVR, and social media channels. The company serves a broad range of industry end–markets, including financial services, technology, wireless, retail and consumer products, telecommunications, media and entertainment, energy and utilities, travel and transportation, internet service providers, insurance, government, and healthcare. It currently operates one of the industry’s most geographically diverse operating platforms through approximately 120 customer contact centres and related facilities in 25 countries. As of December 31, 2012, the company serviced its clients’ customers in 40 languages.

Sitel Worldwide services are generally provided under discrete, multi-year contracts that are individually negotiated. The company often has multiple contracts and/or lines of business with clients, particularly its larger clients. Contact centre activities are typically billed monthly generally based upon either a per minute/hour, per call or per transaction basis. Contracts often specify minimum call volumes and require minimum quality and service levels. In some cases, the company also receives incentive based compensation from clients that is directly connected to its performance and/or its ability to generate sales for its clients.

Sitel Worldwide's operations are highly labour intensive. The company has a workforce of approximately 60,000 employees. The company operates in a number of jurisdictions with works council and union collective bargaining requirements and is a party to collective bargaining and other agreements, which stipulate work rules and restrict its ability to hire and fire employees without recourse, severance or adherence to certain due process and grievance procedures.

Markets and Competition

According to International Data Corporation ("IDC"), an industry analyst, customer care outsourcing service is defined as any outsourcing or consulting service that supports customer care activities and business processes such as customer service, sales, marketing and technical support. IDC estimates that the global customer care services market in which Sitel Worldwide competes is expected to grow from $48 billion in 2012 to $61 billion in 2016, a 4.9% compound annual growth rate. Sitel Worldwide believes this growth will be driven by the increasing need for high quality customer care services as more businesses make the decision to outsource non-core competencies and leverage the capabilities of specialized third-party outsourcing providers. Further, Sitel Worldwide believes that companies are increasingly limiting the number of outsourcing relationships they maintain, focusing their relationships on selected providers that can manage and handle all aspects of their daily customer interactions on a globally coordinated basis. The company believes that its comprehensive customer care service offerings, global footprint, extensive client base and experience serving a variety of end-markets position the company well to participate in the growth of the customer care outsourcing services industry.

The customer care outsourcing services industry is a highly fragmented and competitive industry. Sitel Worldwide's principal competition stems from existing and prospective clients with the resources and ability to provide the same or similar services in-house. Sitel Worldwide also faces competition from customer care outsourcing companies, large multi-national information technology services providers and smaller, niche service providers that provide services in a specific geographic market, industry segment or service area. Many of these providers offer one or more of the same services as Sitel Worldwide. The company expects the intensity of competition to continue to increase in the future as existing competitors enhance and expand their service offerings and as new participants enter the market.

Properties

Sitel Worldwide's facilities are both owned and leased and are summarized as follows:

	Space *(Square Feet)*	
Location (Facilities)	**Contact Centre**	**Office**
United States		
Alabama (3)	126,768	-
Delaware (1)	72,113	-
Florida(2)	89,068	-
Georgia (1)	49,500	-
Iowa (1)	10,050	-
Kentucky (1)	45,000	-
Maine (1)	25,000	-
Mississippi (1)	43,736	-
Nebraska (2)	38,000	36,121
Nevada (2)	58,536	-
New Mexico (2)	68,736	-
New York (3)	45,000	25,983
North Carolina (1)	39,900	-
Oklahoma (2)	76,699	-
Tennessee (3)	97,051	45,430
Texas (3)	138,256	-
Canada		
New Brunswick (2)	111,986	-
Ontario (1)	56,765	-
Mexico (1)	**65,539**	**-**
Panama (3)	**108,352**	**-**
North America (including Mexico and Panama)	**1,366,055**	**107,534**
Australia (1)	27,253	-
Belgium (3)	70,855	3,820
Brazil (4)	107,921	6,315
Bulgaria (1)	35,145	-
Chile (1)	40,888	-
Colombia (2)	62,354	-
Denmark (1)	19,354	-
France (3)	101,998	-
Germany (7)	247,803	-
India (4)	252,727	-
Italy (2)	17,345	2,959
Morocco (3)	74,523	-
Netherlands (3)	87,681	-
New Zealand (2)	25,218	2,042
Nicaragua (2)	99,029	-
Philippines (12)	513,185	26,338
Poland (1)	48,572	-
Portugal (2)	22,981	-
Serbia (1)	31,472	-
Spain (8)	237,177	15,630
United Kingdom (6)	183,033	-
United Kingdom, Europe and Other	**2,306,514**	**57,104**
Total	**3,672,569**	**164,638**

* Includes Sitel Worldwide's corporate office.

Metal Services Segment

The Metal Services segment consists of the business of TMS International Corp. and its subsidiaries.

Overview of the Business

TMS International Corp. ("TMS International") is a leading provider by revenue of outsourced industrial services to steel mills in North America with a substantial international presence. The company operates at 80 mills sites throughout the United States, Canada, Europe, Asia, the Middle East, Latin America and Africa and has a raw materials procurement network that extends to five continents. The company's primary services include: (i) scrap management and preparation; (ii) semi-finished and finished material handling; (iii) metal recovery and slag handling, processing and sales; (iv) surface conditioning; (v) raw materials procurement and logistics; and (vi) proprietary software-based raw materials cost optimization.

Development of the Business

In late January 2007, Onex acquired TMS International, formerly known as Tube City IMS Corporation, in a transaction valued at approximately $620 million. Onex, Onex Partners II and Onex management invested $199 million for an 87% economic interest, after giving effect to TMS International management's investment. Onex' share of this investment was $79 million for an initial 35% economic interest.

During the fourth quarter of 2008 and early 2009, Onex, Onex Partners II and Onex management made an additional investment of $50 million in TMS International. The company used the funds for capital expenditures, including capital expenditures at new facilities required pursuant to new customer contracts.

In March 2010, TMS International repaid $23 million of the promissory notes held by Onex, Onex Partners II and Onex management including accrued interest. Onex' share of this repayment was $9 million.

In April 2011, TMS International completed an initial public offering of approximately 12.9 million common shares. As part of the offering, Onex, Onex Partners II and Onex management sold approximately 1.9 million shares, of which Onex' portion was approximately 0.7 million shares. Onex, Onex Partners II and Onex management's economic and voting interests were diluted to 60% and 85%, respectively. Onex' share of the economic and voting interests was diluted to 24% and 85%, respectively.

At December 31, 2012, Onex had an economic interest of 24% and a 90% voting interest in TMS International.

Principals Products/Operations

TMS International provides outsourced services to steel mills, offering a comprehensive array of services critical to steel mill operations. The company does not produce steel, but rather provides services in nearly every other stage of the steel making process, from initial raw material procurement through finished goods handling. TMS International's services are typically provided on a fee-per-tonne basis under exclusive long-term customer contracts that normally range from five to ten years in length.

The services that TMS International provides are generally divided into services that are performed in the process prior to the production of raw steel ("pre-production services") and services performed after the production of raw steel ("post-production services").

Raw Material and Optimization services

Raw Materials Procurement and Logistics
TMS International operates on a worldwide basis and acts on behalf of customers to purchase or handle more than twelve million tonnes of raw materials inputs annually including scrap metal and scrap substitutes for use in the steel production process. TMS International earns a fee for arranging delivery of raw materials to its customers, or concurrently arranges to purchase and sell raw materials at specified prices, typically locking in a margin.

Proprietary Software-Based Raw Materials Cost Optimization
TMS International developed and currently markets and operates on a fee-per-tonne basis, proprietary software packages that are real-time raw material optimization systems that include materials planning procurement and utilization platforms. The packages and services are designed to allow steel producers to optimize their input of materials to obtain the lowest liquid steel cost for a desired type and grade of steel, based on market conditions, raw materials availability and each steel mill's unique operating characteristics.

Mill services

Scrap Management and Preparation
Pre-production scrap management is typically composed of three major functions: (i) receiving and inspecting; (ii) preparation and sorting; and (iii) transportation of raw materials to melt shops. TMS International is typically responsible for on-site management of customers' raw materials and just-in-time delivery of prepared raw materials to customers' melt shops. TMS International's on-site operations are fully integrated within the steel mill's productions process.

Metal Recovery and Slag Handling, Processing and Sales
During the steel production process, slag, a by-product, accumulates inside the mills' melt shops and must be removed. TMS International removes and processes the slag to recover metallic material that is either reused in the production of steel by the host mill or sold. The remaining non-metallic materials are typically sold to third parties as aggregates for use in cement production, road construction and agricultural applications.

Semi-Finished and Finished Material Handling
TMS International handles and transports semi-finished and finished steel products using operations-specific equipment. In many mills, the finishing facilities are not contiguous to the caster area and, thus, require a customized transportation and logistics system to move the products. TMS International owns and operates large slab, billet and pallet carriers to transport semi-finished and finished materials within a mill. Material handling equipment is also used to move finished products from the mill into inventory and from inventory onto rail cars, trucks or barges for shipment to the mill's customers.

Surface Conditioning
Surface conditioning is a value-added process that removes imperfections from steel mill products so that they can be used in high-end applications such as large household appliances and automotive products.

TMS International had approximately 4,400 employees at December 31, 2012.

Markets and Competition
Geographically, TMS International's business is currently concentrated in the United States and Canada with additional markets in France, Belgium, Eastern Europe, United Kingdom, Mexico, Trinidad and an established presence, through subsidiaries, a joint venture investment and representative offices, in Bahrain, China, Indonesia, Vietnam, Taiwan, Malaysia, South Korea and Singapore. TMS International maintains an industry leading position in North America by offering the industry's most comprehensive array of services. The company has over 80 years of experience and a customer base that includes many of the leading integrated and minimill steel producers in the world. Since 2007, TMS International has successfully renewed 95% of its existing contracts that reached their term and has also won an additional 50 new contracts.

The global outsourced steel services industry is highly competitive. Competition is based largely upon service quality, price, past experience and reputation. In North America, primary direct competitors include Harsco Corporation, through its Harsco Metals division; Edward C. Levy Co.; Nucor Corporation, through its acquisition of the David J. Joseph Company; Stein Steel Mill Services, Inc.; Philip Services Corporation; Sims Metal Management and Phoenix Services, LLC, although most service categories include additional competitors. In Europe, Latin America and Asia, competitors include Harsco Metals, Phoenix Services, LLC, Edward C. Levy, BIS, Sims Metal Management, TSR Recycling and numerous regional service providers, including Gagneraud Industries SAS, Ortec Group, Getim, Recmix Belgium, DSU, Techint Group and Egon Evertz KG.

Properties

The location, size and nature of ownership of TMS International's facilities are summarized as follows:

Location (Facilities)	Square Feet	Owned/Leased/Licensed
United States		
Alabama (1)	8,852	Leased
Alabama (4)	21,162	Licensed
Arizona (1)	6,000	Licensed
Arkansas (1)	6,000	Licensed
Connecticut (1)	1,628	Leased
Delaware (1)	8,500	Licensed
Georgia (1)	7,200	Licensed
Illinois (1)	17,424	Leased
Illinois (3)	26,720	Licensed
Indiana (4)	249,686	Leased
Indiana (2)	14,805	Licensed
Kentucky (2)	1,480	Licensed
Michigan (2)	35,878	Leased
Michigan (2)	7,785	Licensed
Minnesota (1)	5,000	Licensed
Mississippi (1)	4,584	Licensed
Nebraska (1)	3,981	Licensed
New Jersey (1)	3,900	Licensed
New York (1)	3,320	Licensed
Ohio (3)	16,472	Leased
Ohio (4)	177,941	Licensed
Oregon (1)	11,172	Licensed
Pennsylvania (7)	74,426	Leased
Pennsylvania (4)	24,196	Licensed
Pennsylvania (2) *	40,500	Owned
South Carolina (2)	36,100	Licensed
Tennessee (3)	11,150	Licensed
Tennessee (1)	150	Leased
Texas (6)	24,160	Licensed
Utah (1)	900	Leased
Utah (1)	3,500	Licensed
Virginia (1)	12,600	Licensed
Washington (1)	237	Leased
Wisconsin (1)	15,200	Licensed
Canada		
Ontario (3)	3,320	Leased
Ontario (2)	7,908	Licensed
Saskatchewan (1)	18,480	Licensed

Properties (continued)

Location (Facilities)	Square Feet	Owned/Leased/Licensed
International		
France (1)	5,382	Leased
France (5)	135,361	Licensed
Serbia (1)	1,000	Leased
Slovakia (2)	54,090	Leased
Belgium (2)	85,000	Licensed
China (1)	1,120	Leased
Indonesia (1)	631	Leased
Brazil (1)	100	Leased
Malaysian (1)	100	Leased
Mexico (1)	1,053	Leased
Mexico (3)	38,996	Licensed
Trinidad (2)	12,361	Licensed
Singapore (1)	100	Leased
South Korea (1)	115	Leased
Taiwan (2)	2,396	Leased
Vietnam (1)	624	Leased
Bahrain (1)	100	Licensed
United Kingdom (1)	7,815	Owned
United Kingdom (1)	6,997	Leased
United Arab Emirates (1)	15,000	Licensed
United Arab Emirates (1)	329	Leased
South Africa (2)	59,100	Licensed
South Africa (1)	100	Leased

* Includes TMS International’s corporate office in Glassport, Pennsylvania.

Building Products Segment

The Building Products segment consists of JELD-WEN Holding, inc. and its subsidiaries.

Overview of the Business

JELD-WEN Holding, inc. ("JELD-WEN") is a global manufacturer of doors, windows and related millwork products. JELD-WEN is one of two global manufacturers of residential and light commercial doors and is also one of the largest manufacturers of residential windows in the world. Its products are sold globally through multiple distribution channels, including retail home centres, wholesale distributors and building product dealers that supply homebuilders, contractors and consumers.

Development of the Business

In early October 2011, Onex, Onex Partners III, Onex management and certain limited partners invested an initial $871 million in JELD-WEN consisting of $700 million of convertible preferred stock and $171 million of convertible notes. The convertible notes may be redeemed within 18 months of the issue date with proceeds from the sale of certain non-core assets and, to the extent not redeemed, will convert into additional convertible preferred stock. Onex' initial share of this investment was $298 million, including $240 million in convertible preferred stock and $58 million of the convertible notes. In October 2011, $42 million of the convertible notes were redeemed, Onex' share of which was $14 million.

In February 2012, Onex sold a total of $83 million of its original investment in JELD-WEN to certain limited partners and others at the same cost basis as Onex' original investment. Onex received proceeds of $79 million, reflecting the cost reduction from JELD-WEN's convertible notes redemption prior to the sale. As a result of the sale, Onex' investment was reduced to $205 million consisting of $173 million of convertible preferred stock and $32 million of the convertible notes. During 2012, a further $16 million of the convertible notes were redeemed, Onex' share of which was $4 million. In February 2013, the company redeemed an additional $5 million of the convertible notes, Onex' share of which was $1 million. After the redemptions and at February 21, 2013, $124 million of convertible notes were outstanding, including accrued interest, Onex' share of which was $31 million.

In October 2012, JELD-WEN acquired CM Holdings, Inc., the parent company of CraftMaster Manufacturing, Inc. ("CMI") for approximately $80 million. CMI is a manufacturer and marketer of doors, door facings, and exterior composite trim and panels. In conjunction with this transaction, Onex, Onex Partners III, Onex management and certain limited partners invested an additional $50 million in JELD-WEN, Onex' share of which was $12 million.

At December 31, 2012, Onex had an economic interest of 16% and a 64% voting interest in JELD-WEN, on an as-converted basis.

Principal Products/Operations

Interior and Exterior Doors

JELD-WEN is the world's largest door manufacturer, offering a full line of residential interior doors in all of its end markets, a wide range of residential exterior doors in North America and an extensive line of commercial interior doors in Europe. The company's product portfolio encompasses all types of materials, including solid wood, composite wood, steel, glass and fibreglass. In Europe, JELD-WEN also sells highly engineered commercial doors, with features such as soundproofing, fire resistance, radiation resistance and added security. JELD-WEN offers value-add services in all of its markets, including pre-hanging and pre-finishing. In the United States the company's Perfect Fit® program produces custom fit and prefinished door panels for in-home installation in existing frame openings.

Windows

JELD-WEN manufactures wood, vinyl and aluminum windows for the United States and Canada, wood and aluminum windows for Australia and wood windows for the United Kingdom. JELD-WEN also manufactures patio doors in North America, Australia and the United Kingdom and shower enclosures and wardrobes in Australia. JELD-WEN's window product lines comprise a full range of styles, features and energy-saving options.

In addition to doors and windows, JELD-WEN sells a variety of other ancillary products including mouldings, trim board, lumber, cutstock, glass, stairs, hardware and locks, cabinets and screens as well as installation and other services.

JELD-WEN had approximately 19,300 employees as of December 31, 2012.

Markets and Competition

JELD-WEN sells its products in approximately 85 countries. Primary markets include the United States, Canada, Europe, and Australia and Asia.

United States

JELD-WEN's sales in the United States are approximately half attributable to doors, with a majority of the remaining sales attributable to windows. At current activity levels, approximately two-thirds of total U.S. sales are driven by residential repair and remodelling activity with the remainder driven by new home construction. According to the U.S. Census Bureau, seasonally adjusted housing starts in the United States were 888,000 through November 2012, a 22% increase over 2011 levels of 708,000 but significantly less than the long-term average rate of 1.5 million. Major competitors in the United States include Masonite International, Pella Corporation and Andersen Corporation.

Canada

Window sales represent approximately half of JELD-WEN's sales in Canada, with a majority of the remaining sales coming from doors. Approximately 60% of the company's Canadian sales are driven by new home construction with the remainder driven by residential repair & remodel activity. According to the Canada Mortgage and Housing Corporation ("CMHC"), total housing starts in Canada increased 1.2% from 2008 to 2012. Major competitors in Canada include Masonite International and All Weather Windows.

Europe

Door sales represent the large majority of JELD-WEN's sales in Europe. New residential construction represents approximately 35% of sales, residential repair & model demand represents approximately 30% of sales and sales to non-residential customers, which include hospitals, hotels, schools and office buildings, represent approximately 35% of European net sales. According to Euroconstruct, total new residential completions in the company's primary European markets were flat in the period of 2009 through 2012, as compared to the over 70% decline in U.S. residential construction activity over the same period. JELD-WEN competes in Europe with local producers within each country and region.

Australia and Asia

Door sales represent nearly half of JELD-WEN's Australian and Asian sales. Windows, shower enclosures and wardrobes represent a majority of the remaining sales. New home construction represents approximately 70% of total demand for JELD-WEN's products in Australia, with the remainder attributed to residential repair & remodel activity. From 2005 through 2012, according to Australia's Housing Industry Association ("HIA"), total housing starts in Australia decreased by 15.0%. Major competitors in Australia and Asia include Masonite International, Hume Doors and Trend Windows.

Properties

The location, size and nature of ownership of JELD-WEN's principal operating facilities are summarized as follows:

Location (Facilities)	Square Feet *(in thousands)*	Owned/Leased
United States		
Alabama (2)	320,500	Leased
Arizona (5)	354,519	Owned/Leased
California (8)	634,992	Owned/Leased
Florida (5)	421,360	Owned/Leased
Georgia (1)	187,755	Leased
Iowa (9)	734,452	Owned
Idaho (17)	162,738	Owned/Leased
Illinois (3)	607,750	Owned/Leased
Indiana (1)	68,444	Owned
Louisiana (1)	199,500	Owned
Michigan (1)	146,400	Owned
North Carolina (7)	421,374	Owned/Leased
Ohio (2)	483,350	Owned
Oregon (82) *	2,072,974	Owned/Leased
Pennsylvania (7)	1,321,000	Owned
Tennessee (1)	229,235	Owned
Texas (14)	732,800	Owned/Leased
Vermont (2)	260,340	Owned
Virginia (1)	135,000	Leased
Washington (15)	1,574,877	Owned/Leased
Wisconsin (4)	591,406	Owned
West Virginia (3)	99,990	Owned

Location (Facilities)	Square Feet *(in thousands)*	Owned/Leased
Canada		
Alberta (5)	108,800	Owned/Leased
Manitoba (3)	350,436	Owned
Nova Scotia (1)	51,702	Owned
Ontario (1)	185,065	Leased
Quebec (2)	444,156	Owned
Saskatchewan (1)	30,000	Leased
British Columbia (2)	126,500	Leased
International		
Australia (26)	290,324	Owned/Leased
Austria (4)	430,556	Owned
Caribbean (2)	53,500	Owned
Chile/Peru (2)	1,083	Owned
Denmark (5)	103,135	Owned/Leased
Estonia (3)	28,467	Owned
Finland (3)	52,507	Leased
France (5)	72,264	Owned/Leased
Germany (5)	78,337	Owned
Hungary (1)	19,217	Owned
Indonesia (1)	217,118	Owned
Latvia (2)	181,563	Owned
Malaysia (1)	40,384	Owned
Mexico (3)	190,350	Owned
New Zealand (1)	1,177	Leased
Norway (4)	60,469	Leased
Russia (1)	60	Leased
Sweden (6)	255,835	Owned/Leased
Switzerland (1)	86,111	Owned
United Kingdom (4)	475,509	Owned/Leased

* Includes JELD-WEN’s corporate office.

Commercial Vehicles Business

The Commercial Vehicles business consists of the business of Allison Transmission, Inc. and its subsidiaries. Allison Transmission, Inc. is a non-controlled Onex investment in an associate under IFRS and is designated at fair value through earnings in Onex' consolidated financial statements.

Overview of the Business

Allison Transmission, Inc. ("Allison Transmission") is the world leader in the design and manufacturing of automatic transmissions for commercial vehicles, including on-highway trucks and buses, off-highway and military vehicles. The company employs approximately 2,800 people and sells its transmissions through a worldwide distribution network with sales offices in North America, South America, Europe, Middle East, Africa and Asia.

Development of the Business

In August 2007, Onex, Onex Partners II, certain limited partners, and Onex management, in partnership with The Carlyle Group, acquired Allison Transmission from General Motors Corporation in a transaction valued at $5.6 billion. Onex Partners II and The Carlyle Group equally split the total equity investment of $1.5 billion. Onex, Onex Partners II, certain limited partners and Onex management invested approximately $763 million for an initial 50% economic interest. Onex' portion of that investment was $237 million for an initial 16% economic interest and a 49% voting interest.

In March 2012, Allison Transmission completed an initial public offering of approximately 30.0 million shares of common stock, including the over-allotment option. As part of the offering, Onex, Onex Partners II, certain limited partners and Onex management sold approximately 15.0 million shares, of which Onex' portion was approximately 4.7 million shares. Onex, Onex Partners II, certain limited partners and Onex management's economic interest was diluted to 41%. Onex' share of the economic interest was diluted to 13%.

During the second quarter of 2012, Allison Transmission entered into two separate agreements with Fallbrook Technologies, Inc. and Odyne Systems LLC to obtain advanced technology intended to complement the company's existing portfolio of products and product initiatives.

At December 31, 2012, Onex had an economic interest of 13% and significant influence through its right to appoint members of the Board of Directors of Allison Transmission.

Principal Products/Operations

Allison Transmission is a global manufacturer of automatic transmissions, including hybrid propulsion systems, focused on the medium and heavy-duty commercial vehicle market. The company's products are used in a wide variety of on-highway (e.g., trucks, school and transit buses, motor homes, construction, refuse and emergency vehicles), off-highway (e.g. construction and energy specific applications) and military (e.g., wheeled and tracked) vehicles. Although Allison Transmission is a predominantly North American business, it has a presence in over 80 countries, offering over 100 product models used in approximately 2,500 vehicle configurations, which are compatible with more than 500 different engines. Allison Transmission has a global customer base of approximately 300 original equipment manufacturers ("OEMs") that install its transmissions and deliver them to over 15,000 fleet accounts, supported by more than 1,400 distributor and dealer locations.

North America On-highway

Allison Transmission's core on-highway sectors include split class 4-5 truck, class 6-7 truck and class 8 straight truck, as well as school bus, transit bus and motor home. The company sells substantially all of its transmissions in this market to commercial vehicle OEMs.

Military

Allison Transmission has a long-standing relationship with the U.S. military, dating back to 1948, when the company developed its first-generation tank transmission. Allison Transmission is the automatic transmission supplier for substantially all medium- and heavy-duty wheeled vehicle platforms, and a supplier on two key tracked vehicle platforms. Transmissions for military tracked vehicles are typically sold directly to the U.S. military, while transmissions for wheeled vehicles are typically sold to OEMs.

International

Unlike North America, where over the last half-century automatic transmissions have gained significant market acceptance, outside of North America many commercial vehicle markets have yet to widely accept automatic transmissions. Automatic transmissions are estimated to comprise of less than 5% of all commercial vehicle transmissions sold annually outside of North America with acceptance concentrated in certain applications such as transit buses. Allison Transmission has numerous attractive growth opportunities for international expansion in Europe, Asia and South America as it leverages its current strength in transit buses and targets other vocational applications outside its core North American end market.

Off-highway

Allison Transmission's off-highway market includes applications for hauling, which serve the global construction and mining industries, and applications for energy service providers, which serve oil and natural gas companies for use in industry-specific vehicles and non-vehicular equipment. Off-highway applications are often more demanding than on-highway applications due to the higher power and load factors, harsher operating environments and duty cycles. The company's transmissions are frequently sold as integral standard equipment in the products in which they are offered.

Aftermarket

Allison Transmission sells parts for its installed base of automatic transmissions, sustaining the company's independent distribution network and enabling strong customer service and support. Allison Transmission has assembled a worldwide network of over 1,400 distributor and dealer locations to sell, service and support the company's transmissions. Additionally, Allison Transmission offers remanufactured transmissions under the ReTran® brand, as well as support equipment used by OEMs to install the company's transmissions.

Markets and Competition

Allison Transmission markets its automatic transmissions to the global commercial vehicle industry. Global commercial vehicle production, which includes trucks greater than six tonnes, exceeded 2.8 million vehicles in 2011, down from a year earlier due to global economic conditions. According to Global Insight, global production of commercial vehicles is expected to reach 3.3 million units by 2016. North America represents approximately one-sixth of this worldwide commercial vehicle market; this market accounts for the majority of Allison Transmission's revenues today.

Allison Transmission is the leading supplier of automatic transmissions to the North American commercial vehicle market. Allison Transmission's principal automatic transmission competition comes from Ford Motor Company's captive automatic transmission business, though this is limited to the class 4-5 truck sector, as well as Voith AG and ZF Friedrichschafen AG in transit bus applications. Eaton Corporation and ArvinMeritor compete with their manual and automated manual transmission. Outside of North America, Allison Transmission's principal competition includes Aisin Seiki Co., Ltd., Voith AG, and ZF Friedrichschafen AG, as well as the other above-mentioned North American competitors. The company's principal off-highway transmission competition includes Caterpillar Inc. and Komatsu, who produce transmissions for their own off-highway vehicles, as well as Twin Disc Inc. Allison Transmission's primary competition in the military market include L-3 Communications Holdings, Inc. and RENK AG for tracked vehicles.

Properties

The location, size and nature of ownership of Allison Transmission's principal facilities are summarized as follows:

Location (Facilities)	Square Feet *(in thousands)*	Owned/Leased
United States		
Indiana	3,650	Owned
Indiana	126	Leased
International		
Brazil	31	Owned
China	38	Leased
Hungary	153	Owned
India	259	Owned
United Arab Emirates	17	Leased

Aircraft Management Business

The Aircraft Management business consists of BBAM Limited Partnership and its subsidiaries and Meridian Aviation Partners Limited and its subsidiaries.

BBAM Limited Partnership

Overview of the Business

BBAM Limited Partnership ("BBAM") is one of the world's leading managers of commercial jet aircraft. As of December 31, 2012, BBAM managed approximately 440 aircraft valued at more than $12 billion for private and institutional investors.

Development of the Business

In December 2012, Onex, Onex Partners III and Onex management invested $165 million in BBAM for a 50% economic and voting interest in the company. Onex' share of this investment was $42 million for a 13% economic interest.

As part of the transaction, Onex, Onex Partners III and Onex management invested a further $20 million in FLY Leasing Limited ("FLY") (NYSE: FLY), Onex' share of which was $5 million. FLY is a Dublin-based lessor of commercial jet aircraft, for which BBAM acts as the exclusive manager.

At December 31, 2012, Onex had an economic interest of 13% and a 50% voting interest in BBAM.

Principal Products/Operations

With approximately 440 aircraft under management and on lease to airlines, BBAM is one of the world's leading managers of commercial jet aircraft. Headquartered in San Francisco, BBAM employs approximately 110 people internationally and maintains in-house capabilities encompassing aircraft origination, disposition, lease marketing, technical management, capital markets, tax structuring, legal services, contracts administration and investor reporting.

BBAM acts as the exclusive manager for a number of aircraft portfolios, which include, among others, aircraft owned by FLY, aircraft originated for the Japanese lease market under an exclusive partnership with Nomura Babcock & Brown Co., Ltd. and aircraft to be owned by Meridian Aviation. Under its management and servicing arrangements, BBAM acquires aircraft, arranges lease agreements, markets aircraft for sale and re-lease, monitors certain aircraft maintenance and lessee's compliance with its obligations under lease agreements, and enforces lessor rights against lessees.

Markets and Competition

BBAM is one of the world's leading managers of commercial jet aircraft based on aircraft managed. Airlines are increasingly reliant on aircraft lessors to finance aircraft, thereby improving their liquidity position, access to aircraft inventory otherwise unavailable given production backlogs and operational flexibility. As the percentage of the global fleet under operating leases has increased, so has interest and investment in the sector necessitating third-party management. BBAM differs from many other market participants in the aircraft leasing industry in that revenue is generated largely from management and other ancillary activities rather than from lease income earned directly on owned aircraft.

The leasing and remarketing of aircraft is highly competitive. Major aircraft leasing companies include GE Commercial Aviation Services Limited, ILFC, AerCap Holdings N.V., CIT Group Inc., Aviation Capital Group, Jackson Square Aviation, Boeing Capital Corporation, SMBC Aviation Capital, AWAS, BOC Aviation, Aircastle Limited, Macquarie AirFinance, Air Lease Corporation and Avolon. Competition for leasing transactions is based principally upon delivery dates, lease rates, lease terms, aircraft condition and the availability of aircraft types required by customers.

Properties

The location, size and nature of ownership of BBAM's offices are summarized as follows:

Location	Square Feet	Owned/Leased
United States		
California*	18,871	Leased
New York	2,917	Leased
International		
Singapore	4,230	Leased
Ireland	7,759	Leased
Switzerland	1,345	Leased

* Includes BBAM's corporate office.

Meridian Aviation Partners Limited

Overview of the Business

Meridian Aviation Partners Limited ("Meridian Aviation") is mandated to pursue aircraft investment opportunities and currently has an agreement to purchase and take delivery of six new widebody aircraft to be leased to a major airline. BBAM Limited Partnership will act as the exclusive manager of aircraft owned by Meridian Aviation.

Development of the Business

In February 2013, Onex established Meridian Aviation to invest in commercial jet aircraft to be leased to airlines. At February 21, 2013, Onex, Onex Partners III and Onex management invested $32 million in the equity of Meridian Aviation to fund the deposits on six commercial jet aircraft which will be leased to a major airline. Onex' share of the deposits was $8 million.

At February 21, 2013, Onex had an economic interest of 25% and a 100% voting interest in Meridian Aviation.

Principal Products/Operations

Meridian Aviation invests in commercial jet aircraft, with a mandate limited to special situations more likely to result in attractive risk-adjusted equity returns after taking into consideration aircraft quality, maintenance condition, the economic value of the lease income stream, aircraft management costs, and the credit quality of the airline lessee. Meridian Aviation has an agreement to purchase and take delivery of six new widebody aircraft to be leased to a major airline.

Markets and Competition

The growth prospects for the commercial aircraft leasing industry are closely tied to the demand for commercial aircraft, which is primarily a function of global passenger air travel and cargo traffic tied to global GDP growth. Since 1970, global air travel, as measured by revenue passenger kilometres ("RPK"), has grown at an annual rate of approximately 6%, approximately two times the rate of global GDP growth over this period. In addition, the commercial aircraft leasing industry is generally less volatile than the broader aviation cycle because, when faced with reduced passenger traffic, airlines typically take other measures before incurring the substantial costs associated with terminating operating leases and typically continue to operate with reduced load factors before implementing fleet reductions.

While the main driver for growth is the expected increase in demand for air travel, particularly in emerging markets, additional aircraft to replace the aging existing fleet in North America is expected to be a further significant driver of growth in the industry.

The leasing and remarketing of aircraft is highly competitive. Competition for leasing transactions is based principally upon delivery dates, lease rates, lease terms, aircraft condition and the availability of aircraft types required by customers.

The commercial aircraft leasing industry is large and highly fragmented. As of December 2012, there were over 100 commercial aircraft lessors, however, the top five lessors control more than 50% of the total number of aircraft on lease and more than 60% of the current aircraft value. The two largest of these represent approximately 75% and 70% of the top five by total number of aircraft and current aircraft value, respectively.

Properties

Meridian Aviation's corporate office is in Dublin, Ireland.

Plastics Processing Equipment Business

The Plastics Processing Equipment business consists of KraussMaffei GmbH and its subsidiaries.

Overview of the Business

KraussMaffei GmbH ("KraussMaffei") is a leading global provider of plastics processing solutions across a broad variety of industries and technologies headquartered in Munich, Germany. KraussMaffei has key manufacturing facilities in Germany, Switzerland, Slovakia and China. KraussMaffei provides plastics processing solutions in all three key plastics processing technologies through its KraussMaffei, KraussMaffei Berstorff and Netstal brands. KraussMaffei serves industries including packaging, automotive, infrastructure, chemicals, electronic technologies, medical and consumer.

Development of the Business

In December 2012, Onex, Onex Partners III and Onex management acquired KraussMaffei in a transaction valued at €568 million. Onex, Onex Partners III and Onex management invested $358 million for a 97% economic interest. Onex' share of this investment was $90 million for a 25% economic ownership and a 100% voting ownership.

At December 31, 2012, Onex held a 25% economic interest and a 100% voting interest in KraussMaffei.

Principal Products/Operations

KraussMaffei provides plastics processing solutions through the following three business segments: Injection Molding Machinery, Extrusion and Reaction Processing Machinery representing approximately 60%, 30% and 10% of fiscal 2012 revenue, respectively.

Injection Molding Machinery

The Injection Molding Machinery ("IMM") segment is KraussMaffei's largest segment and offers manufactured systems under the KraussMaffei and Netstal brands. The main end-markets for the KraussMaffei and Netstal brands are the packaging/beverage, automotive and medical industries. The major customers for this segment include BMW, Coca-Cola, Gerresheimer, Johnson & Johnson, Johnson Controls, Nestlé, Toyota and Wahaha.

Extrusion

The Extrusion ("EXT") segment is KraussMaffei's second largest segment and offers manufactured systems for the production of pipes, profiles, tires and technical rubbers, film and sheet extrusion, physical foaming and compounding under the KraussMaffei Berstorff brand. The main end-markets for this segment are the chemical, rubber and infrastructure industries and major customers include BASF, Bayer, Bridgestone, Dow, Hankook, Mexichem and Michelin.

Reaction Processing Machinery

The Reaction Processing Machinery ("RPM") segment is KraussMaffei's smallest segment and offers state-of-the-art reaction processing solutions under the KraussMaffei brand. Key applications include automotive parts, white appliances, insulation and coatings. The main end-markets for this segment are the infrastructure, automotive and consumer industries and major customers include BMW, Bosch-Siemens, General Electric, Johnson Controls, Nissan, Toyota and Volkswagen.

KraussMaffei had approximately 4,200 employees as of December 31, 2012.

Markets and Competition

Demand for plastics processing machinery is affected by general economic conditions. KraussMaffei is exposed to fluctuations in the overall economic conditions of the markets in the countries in which it sells its plastics processing manufactured systems, including growth in gross domestic product ("GDP") of such countries. Apart from such overall economic conditions, KraussMaffei's business performance is further dependent on macroeconomic trends in the plastics processing machinery market as well as specific trends in the regional markets in which it operates.

Injection Molding Machinery

Injection molding is the largest segment of the plastics processing machinery industry with total sales of $8.6 billion constituting 40% of the market in 2010. These machines typically operate at rapid production rates and can make complex shapes that need little finishing. Injection molding is used in every major plastics end market and is used for items such as automotive components, consumer products and medical supplies.

Extrusion

Extrusion is used to form continuous thermoplastic sheet, film, pipe, tubing, rods, and wire and cable coatings. Construction and packaging applications dominate the extrusion equipment market. Extrusion equipment is also used in the manufacture of consumer and institutional products, electrical and electronic equipment, and a variety of coatings. The construction sector, in which plastics have replaced wood and other materials in window profiles, doors, siding, pipe, fencing and other products, is expected to remain the largest market for extrusion machinery.

Reaction Processing Machinery

The reaction processing machinery market comprises approximately 5% of the total plastics processing machinery industry. Reaction processing primarily serves the automotive, electronics, white appliances and infrastructure industries.

Competition

While participants of all sizes exist, the market is dominated by mid-sized and large companies. The industry is somewhat fragmented and the top 20 largest manufacturers accounted for approximately 40% of all worldwide sales in 2010. Smaller firms typically only produce one specific type of machine and very few offer a complete range of products.

Industry participants within each technology category can be further differentiated by the nature of the plastics processing machinery products and solutions they offer, which range from very technical and customized solutions at the higher-end of the market to standard machines at the lower-end of the market. High-end offerings include turnkey solutions and are typically high-precision machines with long life expectancies and offer benefits such as strong force and short cycle times. Low-end market players offer standard, off-the-shelf machines with lower precision, slower cycle times and no customization/engineering for customers. While the low-end of the market has seen increasing pricing pressure because its equipment is largely based on standard designs and well-understood production techniques, differentiation at the high-end of the market, which is the primary focus of KraussMaffei, continues to be driven more by technological capability and machinery quality. Not all companies offer high-end solutions and only a limited number of players other than KraussMaffei offer solutions across multiple technologies. Leading injection molding manufacturers include KraussMaffei, Arburg, Chen Hsong, Haitian International and Husky Injection Molding Systems. Leading extrusion machinery manufacturers include KraussMaffei, Brückner Group, Coperion, Davis-Standard and Gloucester Engineering.

Properties

The location, size and nature of ownership of KraussMaffei's principal operating facilities are summarized as follows:

Location (Facilities)	Square Feet *(square meters)*	Owned/Leased
Manufacturing Facilities:		
China (1)	150,696	Leased
Germany (7)*	2,245,220	Owned/Leased
Italy (1)	29,063	Leased
Japan (1)	11,453	Leased
Slovakia (1)	185,076	Leased
Switzerland (1)	368,021	Owned
United States (1)	112,279	Leased
Sales and Services Facilities:		
Europe		
Austria (1)	1,604	Leased
Belgium (1)	4,090	Leased
France (3)	44,509	Owned/Leased
Germany (4)	22,734	Owned/Leased
Italy (1)	6,609	Leased
Netherlands (1)	3,229	Leased
Russia (1)	5,597	Leased
Slovakia (1)	2,723	Leased
Spain (1)	4,284	Leased
United Kingdom (2)	29,267	Owned
Asia		
India (1)	1,600	Leased
South Korea (2)	2,491	Leased
Singapore (1)	4,564	Leased
Thailand (2)	3,563	Leased
North America		
Mexico (1)	8,396	Leased
United States (3)	38,908	Leased
Rest of World		
Brazil (1)	5,736	Leased
China (3)	25,489	Leased
Columbia (1)	915	Leased

* Includes KraussMaffei's corporate office.

Business Services/Packaging Business

The Business Services/Packaging business consists of SGS International, Inc. and its subsidiaries.

Overview of the Business

SGS International, Inc. ("SGS") is a vertically-integrated provider of design-to-print graphic services to branded consumer products companies ("CPGs"), retailers and the printers that service them. The company's integrated service platform includes brand execution, image production and image carrier services as well as an array of enterprise solutions, which facilitate digital file management and ensure streamlined communication across the entire value chain. SGS does not focus on creative brand strategy or large-scale printing of product packaging.

The company has over 2,700 employees spanning a network of 40 production facilities and more than 100 on-site customer locations across 17 countries.

Development of the Business

In October 2012, Onex, Onex Partners III and Onex management acquired SGS in a transaction valued at $813 million. Onex, Onex Partners III and Onex management invested $260 million for a 95% economic interest. Onex' share of this investment was $66 million for a 24% economic interest.

In October 2012, SGS acquired Stevenson Color, Inc., an integrated provider of graphic services to branded consumer products companies and retailers.

At December 31, 2012, Onex had an economic interest of 24% and a 94% voting interest in SGS.

Principal Products/Operations

SGS is one of the largest providers of design-to-print graphic services in North America serving many of the world's leading CPGs, retailers, packaging converters and other consumer goods companies. In addition, SGS is one of several firms within the industry that are vertically integrated within the graphic services value chain. This allows the company to offer a seamless design-to-print solution that transforms a brand design or concept into digital graphics that are then applied to a series of product packages.

The brand development process typically begins with a collaborative effort between a customer and its creative agency to develop an overall brand strategy and marketing campaign. SGS often plays a role in these meetings by using its knowledge of the graphic services value chain to identify possible execution constraints. The creative agency provides SGS with the brand concept, which captures the overall aesthetic design of the brand, in a master digital art file. This handoff initiates the company's integrated service offering which can be broken down into brand execution, image production, enterprise solutions and image carrier services.

Brand execution

This is the initial step of converting a brand design into artwork suitable for being printed on a package. SGS adapts the key elements of a master digital art file supplied by a creative agency to create separate digital artwork files for each of the product variations and product lines within a brand. Each of these product variations may require a different size, shape, format or substrate for the final product package.

Image production
The company manipulates the digital artwork file so that the image can be printed with the appropriate resolution and colouring. SGS employs customized software to edit digital images while maintaining its customers' desired appearance by utilizing various colour retouching and separation techniques. The company ensures that this artwork adheres to the technical specifications required for high-volume package printing and that the artwork quality on the final package remains consistent regardless of the substrate or printing technology utilized.

Enterprise solutions
SGS' enterprise solutions include digital file management and online tools that facilitate communication across the value chain between the customer, the creative agencies and the packaging printers and converters that they utilize. Throughout the process of brand execution and image production, the company handles and stores multiple versions of digital artwork files given the evolutionary nature of its work and the different departments within its customers' organization that need to approve the final packaging graphics and forms. SGS maintains a comprehensive database that stores all work files, product designs and order histories to help streamline the production process for future product development cycles. Other services include web-based artwork management, remote approval tools and overall project management.

Image carriers
The most common form of package printing requires the use of an image carrier to apply ink in the form of the image to the packaging substrate. SGS manages the transfer of these images onto third-party supplied image carriers through engraving and further processing. After the artwork image is transferred, the image carriers are sent to the packaging printers and converters for large scale printing of the product packaging.

Markets and Competition
The overall packaging market consists of design, graphic services, press and post-press services. With the exception of SGS and two other vertically-integrated suppliers, the North American graphic services market is fragmented and made up of specialized vendors that typically focus on a particular aspect of the value chain rather than providing an integrated solution. Although the North American market is the company's key focus and represented approximately 85% of SGS' 2012 sales, the company has been expanding its international presence primarily through leveraging relationships with its North American customer base.

The demand for graphic services is relatively stable and is closely tied to the frequency of product design changes in the consumer non-durable goods sector. Customers primarily consist of brands at multinational CPG companies and participate in a variety of end-markets, including food and beverage, personal care, pharmaceutical and retail. The company's customers typically do not have, nor wish to develop, graphic services capabilities and have increasingly utilized third-party graphic services providers.

In addition to the initial launch of a product, graphic service providers are involved throughout every part of a brand's lifecycle, including: (i) major redesigns, (ii) line extensions, (iii) minor modifications, (iv) seasonal and promotional changes, and (v) regional adaptations. Sales growth is therefore not a function of the volume of unit sell-through, but rather package variety (e.g., number of stock keeping units) and the frequency of changes to the packaging that generates the need for graphic services. Furthermore, due to the evolutionary nature of the design work and the number of approvals required throughout the process, frequent change orders are another driver of sales. Whether a brand is going through a complete redesign or a minor tweak, additional graphic services are required.

Properties

The location, size and nature of ownership of SGS' principal operating facilities are summarized as follows:

Location (Facilities)	Square Feet	Owned/Leased
Branches (40)		
United States		
Kentucky (1)*	85,022	Owned/Leased
Florida (1)	17,000	Leased
Georgia (2)	83,140	Leased
Illinois (2)	35,656	Leased
Louisiana (1)	21,000	Owned
Michigan (1)	46,600	Owned/Leased
Minnesota (1)	78,190	Leased
Missouri (1)	28,600	Leased
New Jersey (1)	12,448	Leased
New York (3)	33,900	Owned/Leased
North Carolina (3)	22,798	Leased
Ohio (1)	116,800	Owned
Pennsylvania (2)	28,402	Leased
South Carolina (1)	29,500	Leased
Texas (1)	27,735	Leased
Virginia (1)	88,384	Leased
Wisconsin (2)	48,148	Leased
International		
Canada (5)	120,702	Leased
U.K. (4)	82,857	Leased
Mexico (2)	8,617	Leased
Argentina (1)	969	Leased
Philippines (1)	6,792	Leased
China (2)	10,531	Leased
On-Site Locations (108)		
United States / Canada (85)	N/A	N/A
United Kingdom (9)	N/A	N/A
Belgium (2)	N/A	N/A
Mexico (1)	N/A	N/A
Sweden (1)	N/A	N/A
Germany (1)	N/A	N/A
Panama (1)	N/A	N/A
Australia (1)	N/A	N/A
China (2)	N/A	N/A
Singapore (1)	N/A	N/A
Poland (1)	N/A	N/A
Russia (1)	N/A	N/A
Czech Republic (1)	N/A	N/A
Netherlands (1)	N/A	N/A

* Includes SGS' corporate office.

Industrial Products Business

The Industrial Products business consists of the businesses of Tomkins Limited and its subsidiaries. Tomkins Limited is a non-controlled Onex investment in an associate under IFRS and is designated at fair value through earnings in Onex' consolidated financial statements.

Overview of the Business

Tomkins Limited ("Tomkins") is a diversified global engineering and manufacturing company with a portfolio of market-leading businesses. Tomkins' products are highly engineered and used in the industrial, automotive and construction end markets. Its premier brands are among the most globally recognized in their respective end markets.

Tomkins' revenue is highly diversified by product, geography, end market and customer. Its revenues are derived globally and it is well positioned in most emerging markets with its industrial and automotive component products. Tomkins has approximately 14,800 employees and sells to customers in over 150 countries.

Development of the Business

In September 2010, Onex, Onex Partners III and Onex management, in partnership with the Canadian Pension Plan Investment Board ("CPPIB"), acquired Tomkins plc in a transaction valued at $5.0 billion. The acquired company operates as Tomkins Limited. Tomkins is a global engineering and manufacturing group that manufactures a variety of products for the industrial, automotive and building products markets. Onex Partners III and CPPIB split equally the total equity investment of $2.1 billion. Onex, Onex Partners III and Onex management invested approximately $1.1 billion. Onex' portion of that investment was $345 million.

In early December 2010, Onex, Onex Partners III, Onex management and CPPIB sold $314 million of their investment in Tomkins to various co-investors. Those co-investors were primarily limited partners of Onex Partners III. Therefore, at December 31, 2010, Onex, Onex Partners III, Onex management and the co-investors had invested approximately $1.2 billion in Tomkins for a 56% economic interest, of which Onex' portion was $315 million for a 14% economic interest and significant influence through its right to appoint members of the Board of Directors of Tomkins.

In December 2012, the company returned $1.2 billion of capital. Onex, Onex Partners III, Onex management and the co-investors' share of the distribution was $663 million, of which Onex' share was $171 million.

At December 31, 2012, Onex had an economic interest of 14% and significant influence through its right to appoint members of the Board of Directors of Tomkins.

Principal Products/Operations

Tomkins' products are highly engineered and used in the industrial, automotive and construction end markets. Tomkins' operations have historically been divided into two business groups: Industrial & Automotive ("I&A"), which accounts for approximately 80% of total 2012 sales, and Building Products ("BP"), which comprises the remaining sales. During the year ended December 31, 2012, the I&A businesses included: (i) *Gates*: a leading global manufacturer of power transmission belts and related products, as well as hydraulic and industrial hose and couplings; (ii) *Schrader Electronics*: the global leader in automotive Tire Pressure Monitoring Systems ("TPMS"); (iii) *Schrader International*:

a manufacturer of a range of automotive products including gauges and valves; and (iv) *Dexter*: a leading North American manufacturer of axles used in utility, industrial and recreational trailers. The Schrader Electronics and Schrader International businesses (which together comprise the Sensors & Valves segment) and the Dexter businesses were sold during 2012.

During the year ended December 31, 2012, the BP businesses included the Air Distribution operating segment, which was comprised of a group of leading North American manufacturers of products used to distribute, recycle and vent air in the Heating, Ventilation and Air Conditioning ("HVAC") systems of commercial and residential buildings, including Grilles, Registers & Diffusers ("GRDs"), terminal units, dampers, louvers and smoke vents. During November 2012, the Air Distribution businesses were sold and at December 31, 2012 only the Aquatic business remained, which manufactures bathtubs and shower enclosures primarily used in residential applications for the U.S. markets.

Industrial & Automotive

The I&A business group manufactures a wide range of systems and components for the industrial equipment, car and truck manufacturing markets, and industrial and automotive aftermarkets throughout the world. Following the sale during 2012 of the Schrader Electronics, Schrader International and Dexter segments, the business group's operations are comprised of the Gates segments which have their corporate head offices in the United States. The I&A business group supplies a wide variety of industries, including construction equipment, agricultural equipment, energy, exploration, mining, transportation and automotive. The group's products are sold through a range of distribution channels: (i) direct to customers (principally for the Original Equipment Manufacturer ("OEM") end market); and (ii) through distributor channels (principally for the aftermarket business). The primary raw materials used by the I&A group are steel, rubber materials and a range of fibers and fabrics.

Gates

The Gates business is comprised of four geographic operating segments: Gates North America; Gates Europe, Middle East & Africa; Gates Asia and the Pacific Regions; and Gates South America. Gates is the world's largest manufacturer of power transmission belts used in industrial equipment and automotive applications. Its power transmission products are sold primarily under the Gates brand and include highly engineered rubber and polyurethane accessory drives and synchronous belts, and belt accessories such as tensioners and pulleys. Gates is also a leading manufacturer of hydraulic hoses, couplings and transfer hoses used in industrial and automotive aftermarket applications. Its hydraulic hoses and couplings are used in technically demanding operations and must be able to withstand extreme operating conditions. These products are also sold primarily under the Gates brand and are used in a variety of end market segments, such as construction equipment, agricultural equipment, energy, exploration, mining, transportation and automotive.

Dexter

Dexter is a leading manufacturer of axles and axle components for the utility, industrial trailer and recreational vehicle end market segments primarily in the United States. The company sells products directly to OEMs and serves the aftermarket through national distributors. The Dexter operating segment was sold during November 2012.

Sensors & Valves

The Schrader Electronics and Schrader International businesses manufacture and sell a range of gauges and valves primarily to the automotive industry, and are a global leader in automotive TPMS products. This technology allows drivers to remotely monitor their vehicle's tire pressure using electronic sensors attached to the tire valves. The Sensors & Valves operating segment was sold during April 2012.

Building Products

Prior to the disposal in November 2012 of the Air Distribution businesses, the BP business group was headquartered in the United States and manufactured a wide range of air distribution products and systems for the residential construction and non-residential construction end markets, principally in North America. The remaining business, Aquatic, sells bathware products (bathtubs, shower cubicles and luxury whirlpools) primarily to the residential construction end markets in North America. During 2012, the businesses sold their products through a range of distribution channels, principally to suppliers to the construction industry, building contractors, OEMs and retailers for both the new build and refurbishment sectors. The primary raw materials used by the BP group during 2012 were steel, aluminum, resin and fiberglass.

Markets and Competition

Tomkins operates in a number of end markets, each of which has unique characteristics and drivers that contribute to the group's stability and revenue diversification, providing broad exposure to general economic growth. Gates primarily serves the following end markets: i) industrial Original Equipment ("OE") and replacement (approximately 45% of Tomkins' continuing sales), ii) automotive aftermarket (approximately 30% of Tomkins' sales), and (iii) automotive OE (approximately 20% of Tomkins' continuing sales). Aquatic serves only the residential construction end markets (approximately 5% of Tomkins' continuing sales) in North America. The company expects that the cyclical nature of the industrial and automotive OEM end markets and the industrial replacement end market will benefit it to the extent that there continues to be a recovery from cyclical lows.

Industrial OE and replacement end market

Within the industrial OE and replacement end market, which primarily covers industrial, agricultural and construction equipment and commercial vehicles, the company believes the demand for Tomkins' products will continue to be driven by (i) the level of industrial production and capacity utilization, ii) the level of durable goods orders and operating expenditures used in industrial production, iii) the level of construction activity, iv) the level of global commodity prices that impact demand and equipment utilization and v) continued emerging market growth and infrastructure build.

Automotive OE

Demand in the automotive OE end market is directly related to global vehicle production. Evolving consumer preferences and recent regulations have made fuel economy a growth area for automotive OEMs, and many of the products that Tomkins sells to the automotive OE end market have been shown to improve fuel economy. Tomkins expects that this and the continued expansion in demand from the development of emerging markets, will be key drivers for demand for its products going forward.

Automotive Aftermarket
The automotive aftermarket (which is driven by fuel prices and consumer confidence) is typically resilient during economic downturns as a result of the stable underlying demand for replacement products, which is more influenced by non-discretionary maintenance and repair needs than it is by economic factors. Tomkins believes that the demand for its products in this end market will continue to be driven by: i) the size of the global vehicle population; ii) the average age of the global vehicle population; and iii) annual miles driven, which correlates to the rate of vehicle repair and hence product demand.

Residential Construction
U.S. residential construction, as measured by housing starts, has recently commenced a recovery following annual declines since 2005. Demand in this end market is driven by: i) consumer confidence and employment levels; ii) availability of finance; iii) ongoing population growth and relocation trends and; iv) the level of existing home sales.

Although many of Tomkins' end markets are competitive, the company has positioned itself with products that it believes are technologically superior or of better quality than its competitors. Additionally, in certain cases the company's prices are matched to those of lower cost suppliers. Tomkins focuses on differentiating its products through high quality, efficiency and performance as well as providing superior customer service and field sales support.

Tomkins' key competitors in these markets vary across its segments as follows:

Gates
Gates' key power transmission competitors include Goodyear Engineered Products, Dayco, Continental, Carlisle and Optibelt, while its fluid power competitors include Parker Hannifin and Eaton Hydraulics.

Aquatic
Aquatic's brands compete in the North American market primarily with Kohler, Jacuzzi Brands, American Standard and MAAX.

Properties

The location, size and nature of ownership of Tomkins' facilities are summarized as follows:

Location (Facilities)	Square Feet *(in thousands)*	Owned/Leased
United States		
Michigan (3)	2,186	Owned
Missouri (10)	996	Owned/Leased
Tennessee (1)	679	Owned
Kansas (4)	533	Owned/Leased
Illinois (1)	500	Owned
Idaho (1)	436	Owned
Kentucky (2)	426	Owned
Colorado (5) *	386	Owned/Leased
Arkansas (3)	318	Owned/Leased
North Carolina (2)	310	Owned/Leased
Georgia (1)	255	Owned
Virginia (1)	253	Owned
South Carolina (1)	250	Owned
Texas (6)	180	Owned/Leased
Oregon (1)	170	Owned
Nevada (1)	161	Owned
Massachusetts (1)	154	Owned
Florida (2)	148	Owned/Leased
Indiana (1)	148	Owned
Washington (1)	138	Owned
Pennsylvania (2)	134	Owned/Leased
Alabama (1)	104	Owned
Iowa (2)	35	Owned/Leased
New Hampshire (1)	27	Leased
California (4)	26	Leased
Minnesota (1)	1	Leased
International		
China (11)	1,765	Owned/Leased
Mexico (11)	1,061	Owned/Leased
Belgium (3)	636	Leased
India (4)	374	Owned/Leased
Brazil (5)	373	Owned/Leased
Canada (8)	323	Owned/Leased
Turkey (2)	292	Leased
United Kingdom (4)	245	Owned/Leased
Germany (4)	244	Leased
UAE (13)	213	Leased
Poland (1)	208	Owned
Japan (4)	195	Leased
France (3)	187	Owned
Czech Republic (1)	163	Leased
Korea (2)	131	Owned/Leased

Properties (continued)

Location (Facilities)	Square Feet *(in thousands)*	Owned/Leased
International (continued)		
Spain (1)	122	Owned
Australia (4)	115	Owned/Leased
Russia (2)	69	Leased
Singapore (3)	46	Leased
Saudi Arabia (1)	27	Leased
Taiwan (2)	11	Leased
Italy (1)	5	Leased
Argentina (1)	3	Leased
Bahrain (2)	2	Leased
Luxembourg (1)	1	Leased
Indonesia (1)	–	Leased
Netherlands (1)	–	Owned
Thailand (2)	–	Owned

* Includes Tomkins' corporate offices in Denver, Colorado.

Cabinetry Products Business

The Cabinetry Products business consists of the business of RSI Home Products, Inc. and its subsidiaries. RSI Home Products, Inc. is a non-controlled Onex investment in an associate under IFRS and is designated at fair value through earnings in Onex' consolidated financial statements.

Overview of the Business

Founded in 1989, RSI Home Products, Inc. ("RSI") is a leading manufacturer of bath cabinetry for the home. RSI makes a wide range of kitchen, bathroom and home organization cabinet products for sale in the United States, Canada and Mexico. The company's products are sold through home centre retailers and distributors.

Development of the Business

In early October 2008, Onex, Onex Partners II and Onex management invested $318 million to acquire a 50% economic interest in RSI from the company's founder, CEO and other existing shareholders. Onex' share of this investment was $126 million for an approximate 20% economic interest. Onex invested in a convertible Series A Preferred Stock that, in a downside scenario, provides for a priority return of capital and a 10% compound annual return, but otherwise participates equally with the common shareholders.

In December 2010, RSI completed a refinancing transaction. As part of this transaction, the Series A Preferred Stock was converted to Series B Preferred Stock, Series C Redeemable Preferred Stock and Class B Common Stock. Following the conversion, RSI redeemed all of Onex' Series C Redeemable Preferred stock and Onex' investment was reduced to $78 million.

At December 31, 2012, Onex had an economic interest of 20% and significant influence through its right to appoint members of the Board of Directors of RSI.

Principal Products/Operations

RSI offers products in three major categories, each of which is described below.

Bath Products

RSI designs, manufactures, markets and sells a wide variety of stock and semi-custom bathroom vanities, vanity countertops, medicine cabinets, and related items. RSI's products are distributed primarily through retail home centres under the "American Classics", "Estate", "Insignia", "Continental Cabinets", "Architectural Bath", "Master Bath" and home centres' house brands. The company's stock products are purchased by consumers "as-is" from the inventory of its retail customers whereas its semi-custom products are specially ordered at the store and delivered directly to retailers within three weeks. The company's semi-custom products typically sell at a higher price point and offer the consumer a greater selection of sizes and finishes. As a complement to its manufactured bath products, RSI imports from Asia "furniture" vanities, which incorporate more elaborate woodcarvings and designs. RSI sources its furniture vanity products in Asia, helps to oversee the design and manufacturing process, and arranges logistics and delivery directly to its retail customers. RSI is estimated to be the largest provider of bathroom cabinetry to the retail home centre channel.

Kitchen Products
RSI designs, manufactures, markets and sells a line of stock kitchen cabinetry under the "American Classics" and "Continental Cabinets" brand names. RSI's kitchen cabinetry customers are primarily retail home centres.

Home Organization Products
RSI designs, manufactures, markets and sells a line of home organization products, which includes storage cabinets and closet systems. The company currently distributes its home organization products exclusively through the home centre channel.

RSI had approximately 3,600 employees as of December 31, 2012.

Markets and Competition
The kitchen and bathroom cabinet industry has historically been a cyclical industry that is impacted by many factors, including changes in household income and consumer sentiment, the availability and price of consumer and home financing, the rate of home price appreciation, the level of new home construction activity, and the pace of existing home sales, which frequently result in remodelling activity. In recent years, the industry has contracted in large part due to the downturn in U.S. residential construction and weakness in repair and remodelling end-markets as a result of general economic conditions. RSI believes that demand for its products is less volatile than the overall industry given that the majority of its sales are derived from home repair and remodelling activity, which has historically been less cyclical than the new construction market.

RSI operates in the highly competitive cabinet industry and encounters competition from both domestic and foreign manufacturers. RSI's primary competitors include the cabinet divisions of Masco and Fortune Brands Home & Security, American Woodmark and Norcraft Companies. Competition in the cabinet industry is based primarily on price, quality, product support, distribution and logistics service, marketing capabilities and reputation.

Properties
The location, size and nature of ownership of RSI's principal operating facilities are summarized as follows:

Location (Facilities)	Square Feet *(in thousands)*	Owned/Leased
United States		
California (1) *	675	Leased
Texas (1)	343	Leased
Texas (1)	168	Owned
North Carolina (2)	1,200	Leased
International		
Mexico (3)	482	Leased

* Includes RSI's corporate office.

RSI's facilities consist of manufacturing, corporate office, warehouse and distribution space.

RSI's principal executive offices and headquarters are located in Anaheim, California. The company's principal manufacturing facilities are in Anaheim, California; Dallas, Texas; Maiden, North Carolina; and Tijuana, Mexico. RSI's primary distribution facilities are located in Anaheim, California; Dallas, Texas; and Maiden, North Carolina.

Gaming Business

The Gaming business consists of Tropicana Las Vegas, Inc. and its subsidiaries.

Overview of the Business

Tropicana Las Vegas, Inc. (“Tropicana Las Vegas”) is a casino resort with 1,375 rooms, situated on 34 acres and located directly on the Las Vegas Strip (“The Strip”).

Development of the Business

In May 2008, Tropicana Entertainment, LLC and its Las Vegas subsidiaries (collectively, “Tropicana”) filed for relief under Chapter 11 of the U.S. Bankruptcy Code. While in bankruptcy, Onex and Onex Partners III, through a special purpose entity, acquired a majority interest in the company’s $440 million term loan secured against Tropicana Las Vegas, its Las Vegas property. Onex worked with Tropicana’s management and bankruptcy advisors as well as the other debt holders on a restructuring plan that provided for the debt holders to gain control of the Las Vegas property upon emergence from bankruptcy.

On May 5, 2009, the U.S. Bankruptcy Court confirmed the company’s plan of reorganization, and on July 1, 2009, the newly restructured company, now operating as Tropicana Las Vegas, Inc., emerged from bankruptcy with no debt. The plan converted all the debt of the secured creditors, including Onex, Onex Partners III, Onex management and the other holders of the $440 million term loan, into 100% of the equity in the Las Vegas property. The plan named Alex Yemenidjian, Onex’ operating partner in this investment, CEO and Chairman of the new company and appointed a five-member board of directors, including Mr. Yemenidjian, Tim Duncanson of Onex, two independent directors appointed by Onex and one independent director appointed by the other debt holders. Onex, Onex Partners III and Onex management converted their debt for an initial 59% economic interest of which Onex’ share was an initial 13% economic interest in the company.

In August 2009, Tropicana Las Vegas raised $75 million of additional capital through a rights offering, which was subscribed for as part of the reorganization plan. Onex backstopped this offering and as a result increased its ownership. Onex, Onex Partners III and Onex management’s share of the investment was $60 million. Onex’ portion of the investment was $13 million.

In April 2010, the company raised an additional $50 million through a second rights offering. Onex, Onex Partners III and Onex management contributed $45 million through the rights offering. Onex’ portion of this investment was $10 million.

Effective December 1, 2010, Onex Corporation was granted a gaming license in the state of Nevada.

In May 2011, the company raised an additional $35 million through a third rights offering. Onex, Onex Partners III and Onex management contributed $29 million through the rights offering. Onex’ portion of the investment was $6 million.

In November 2012, the company raised an additional $40 million through a fourth rights offering. Onex, Onex Partners III and Onex management funded the entire amount of the offering, Onex’ portion of which was $9 million.

In total at December 31, 2012, Onex, Onex Partners III and Onex management had $319 million invested in Tropicana Las Vegas, of which Onex' share was $70 million. This represents an 83% as-converted economic interest in the company, including Alex Yemenidjian's 4% economic interest. Onex had an economic interest of 18% and held an 83% voting interest in Tropicana Las Vegas, on an as-converted basis.

Principal Products/Operations

Tropicana Las Vegas operates a casino resort, offering gaming, hotel accommodation, dining, entertainment, retail, convention and other resort amenities. The property includes 1,375 hotel rooms and approximately 50,000 square feet of casino space. Approximately 40% of its net revenues are derived from gaming activities, while the balance is from non-gaming activities. As a resort-based operation, the company's operating results are highly dependent on the volume of customers at its resort, which in turn impacts the price it can charge for hotel rooms and other amenities.

Most of Tropicana Las Vegas' revenue is essentially cash-based through customers wagering with cash or paying for non-gaming services with cash or credit cards. The company's operating results do not tend to be seasonal in nature. Operations are affected by a number of factors including the timing of major city-wide convention groups, the amount and timing of marketing and special events for the casino guests, and the level of casino play during major holidays. Tropicana Las Vegas' results are not dependent on key individual customers, though successful marketing campaigns to customer groups, such as convention customers, or the financial health of customer segments, such as higher-end casino players from a particular country or region, can impact the company's results.

Tropicana Las Vegas operates 24 hours a day, 365 days a year. Casino and hotel operations are owned and managed by the company. Other resort amenities may be owned and managed by Tropicana Las Vegas or may be owned by the company and managed by third parties for a fee, or leased to third parties.

Markets and Competition

Tropicana Las Vegas operates in a highly competitive environment. The company competes with a large number of other hotel casinos in the Las Vegas area, including major hotel casinos on or near The Strip and in the downtown area, and with hospitality and leisure and business travel companies.

Recent economic indicators have shown a positive turn for Tropicana Las Vegas and Las Vegas in general. Comparing 2012 to 2011, statistics published by the Las Vegas Convention and Visitors Authority (LVCVA) indicate increases in visitor volume (2.0%), airport traffic (0.6%), average daily room rates (3.0%) and Strip gaming revenues (1.2%).

The principal segments of the Las Vegas gaming market are free and independent travelers (FIT), gaming customers, conventions (including small meetings and corporate incentive programs) and tour and travel. Tropicana Las Vegas' marketing strategy is aimed at attracting a mix of convention groups, tours, FIT visitors, low-to-mid level casino players midweek and mid-to-high level casino players and FIT visitors on the weekend. During 2012, Tropicana Las Vegas entered into a strategic franchise agreement with DoubleTree by Hilton effective January 2013 whereby the company continues to own and operate the resort and also allows guests to earn and redeem Hilton HHonors points and airline miles at the resort.

Tropicana Las Vegas also competes for customers with hotel casino operations located in other gaming jurisdictions and for leisure and convention guests in non-gaming tourist destinations such as Hawaii, Florida and the cruise ship industry. Gaming operations compete to a lesser extent with state-sponsored lotteries, off-track wagering, card parlors and other forms of legalized gaming in the United States.

Tropicana Las Vegas' marketing plan encompasses targeting the primary Las Vegas Feeder Markets of California and Arizona through the use of media, database marketing, hotel group sales, casino player development and public relations. Specific attention will be paid to advertising mediums that can visually showcase the physical change in the property such as magazine, television, internet and outdoors. In addition, marketing efforts will capitalize on the increasing popularity of new media and social networking.

The company believes it is important to visually show how the physical property of Tropicana Las Vegas has been affected by renovations, in order to change past perceptions of a dated property.

Tropicana Las Vegas employs approximately 1,470 employees, with 64% unionized. A well-designed and properly executed customer service program is considered integral to the company's success. The smaller size of the resort, along with a customer-centric culture and an enhanced resort experience, will combine to create a differentiating factor for the resort.

Properties

Tropicana Las Vegas operates a casino and hotel resort on a 34-acre property on the corner of Tropicana Avenue and Las Vegas Boulevard in Las Vegas, Nevada.

Insurance Brokerage Business

The Insurance Brokerage business consists of USI, Inc. and its subsidiaries.

Overview of the Business

USI, Inc. ("USI") is a leader in the insurance brokerage market in the United States. The company offers a broad range of property and casualty ("P&C") and employee benefits insurance products and services to middle-market businesses. USI also sells personal lines insurance products to individuals and offers affinity insurance programs, employee benefit enrollment services, retirement consulting and wholesale brokerage services.

The company has over 3,300 employees spanning a network of approximately 100 local offices in 27 states.

Development of the Business

In December 2012, Onex, Onex Partners III and Onex management acquired USI in a transaction valued at $2.3 billion. Onex, Onex Partners III and Onex management invested $636 million for a 93% economic interest. Onex' share of this investment was $254 million, including $126 million as a co-investment, for a 37% economic interest.

At December 31, 2012, Onex had an economic interest of 37% and a 100% voting interest in USI.

Principal Products/Operations

As an insurance broker, USI acts as an intermediary between clients seeking insurance coverage and insurance carriers ("insurers"). The company does not take any underwriting risk. Through its network of approximately 100 fully integrated local offices in 27 states, USI has national scale while maintaining strong local market presence. USI focuses on serving middle-market businesses, which the company defines as companies with 50 to 2,000 employees or annual revenues of approximately $10 million to $1 billion.

USI operates through two reportable business segments: Retail and Specialty. The Retail segment, comprising approximately 70% of the company's revenues, includes the company's retail insurance brokerage operations, which sell P&C products, employee benefits and personal lines insurance policies directly to clients. The Specialty segment includes four business lines: (i) programs; (ii) enrollment & communications; (iii) retirement consulting; and (iv) employee benefits wholesale.

<u>Retail Segment</u>

Property and Casualty: USI works with clients to identify risk exposures and structure P&C insurance policies to cover these exposures. The company works with essentially all of the major P&C insurers in structuring insurance policies for its clients and approximately 90% of segment P&C revenues are earned through commissions paid by these insurers. Primary lines of coverage include commercial property, general commercial liability, workers' compensation, commercial automobile, surety bonds, professional liability and personal liability.

Employee Benefits: USI places employee benefit products and related services including individual and group medical, life, disability and dental insurance for clients. Employee benefit plan designs recommended to clients include both fully-insured and self-insured structures. The company works with essentially all of the major medical and ancillary insurers. Revenues for the segment are generated through commissions and fees paid by insurers and fees paid by clients.

Personal Lines: USI sells a full range of personal lines insurance products, including homeowners, automobile and umbrella insurance.

Specialty Segment

Programs: USI's Programs business sells specialty P&C insurance programs, employee benefits programs and ancillary products through over 400 trade, professional and alumni associations and other groups, with access to over 20 million members.

Enrollment & Communications: Operating under the Univers Workplace Benefits™ brand name, the company delivers employee communication and employee benefits enrollment services for employers and provides a full suite of voluntary products to its clients' employees through the enrollment process.

Retirement Consulting: USI provides a broad spectrum of consulting and administrative services to defined contribution and defined benefit retirement plans. These services include plan design, actuarial, investment advisory, compliance advisory, communication and administration.

Employee Benefits Wholesale: Operating under the Emerson Reid & Co. brand name, the company acts as an intermediary between insurers and small insurance brokers who wish to arrange small group employee benefits coverage for their clients but do not have sufficient resources or expertise.

Markets and Competition

Three of the largest insurance brokers, Marsh & McLennan Companies, Inc., Aon plc, and Willis Group Holdings Limited, dominate the provision of insurance brokerage services to companies in the Fortune 1000. The remainder of the U.S. insurance brokerage industry is highly fragmented and local in nature, with approximately 38,000 brokers and agents catering primarily to small and mid-sized businesses and no broker controlling more than 5% market share. Overall there are approximately 300 brokers with over $10 million in annual revenue, as compared to approximately 38,000 with less than $10 million in annual revenue.

The insurance brokerage industry is highly competitive and fragmented, with many brokerage firms and service organizations as well as individuals who actively compete with USI in one or more areas of its business. USI competes for clients on the basis of geographic reach, client service, pricing, product offerings, reputation and the ability to tailor its products and risk management services to the specific needs of clients.

With respect to P&C insurance, most of the company's competition is from numerous regional and local brokerage firms that focus primarily on middle-market businesses and, to a lesser extent, from larger national brokerage firms. In addition, insurers compete with USI by directly soliciting clients without the assistance of an independent broker or agent.

The company's employee benefits services compete with offerings from consulting firms, other brokers, third-party administrators, producer groups and insurers. Competition in the segment is further intensified by industry trends towards clients engaging multiple brokers to service different portions of their account.

Properties

The location, size and nature of ownership of USI's principal operating facilities are summarized as follows:

Location (Facilities)	Square Feet	Owned/Leased
United States		
Alabama (1)	9,511	Leased
Arizona (3)	31,781	Leased
California (6)	66,616	Leased
Connecticut (4)	80,385	Leased
Florida (7)	79,054	Leased
Georgia (1)	6,058	Leased
Illinois (5)	43,975	Leased
Kentucky (2)	16,410	Leased
Louisiana (3)	29,229	Leased
Maine (5)	44,478	Leased
Massachusetts (5)	66,844	Leased
Michigan (1)	3,302	Leased
Missouri (2)	24,358	Leased
New Hampshire (2)	2,950	Leased
New Jersey (8)	86,670	Leased
New York (9)*	85,197	Leased
North Carolina (1)	125	Leased
Ohio (5)	53,592	Leased
Oregon (1)	19,974	Leased
Pennsylvania (8)	67,669	Leased
Rhode Island (2)	20,710	Leased
South Carolina (1)	850	Leased
Tennessee (2)	7,459	Leased
Texas (6)	111,554	Leased
Vermont (1)	929	Leased
Virginia (6)	62,666	Leased
Washington (1)	62,447	Leased

* Includes USI's corporate office.

Mid-Market Business

The Mid-Market business consists of the businesses of ONCAP II and ONCAP III. ONCAP II currently has interests in the businesses of EnGlobe Corp., based in Quebec City, Quebec; Mister Car Wash Holdings Inc., based in Tucson, Arizona; CiCi's Holdings Inc., based in Dallas, Texas; Caliber Holdings Corporation, based in Lewisville, Texas; BSN SPORTS, Inc., based in Coppell, Texas; and Pinnacle Pellet, Inc., based in Vancouver, British Columbia. ONCAP III currently has interests in the business of Hopkins Manufacturing Corporation, based in Emporia, Kansas; Davis-Standard Holdings, Inc., based in Pawcatuck, Connecticut; and Bradshaw International, Inc., based in Rancho Cucamonga, California. ONCAP II and ONCAP III both have interests in Pure Canadian Gaming Corp., based in Edmonton, Alberta.

Overview of the Businesses

ONCAP II is a private-equity fund formed by Onex to invest in mid-market, North American-based companies. ONCAP II invests in opportunities requiring between C$20 million and C$75 million in equity or equity-related capital. The investments are usually controlling interests; in the case of a non-controlling interest, the investment will be accompanied by appropriate controls and board representation. ONCAP II's objective is to provide the capital and management expertise necessary to grow small public or private companies into larger companies in order to take advantage of the greater investor appeal, higher valuations and increased attractiveness to strategic buyers of large capitalization companies.

At December 31, 2012, Onex had a 46% economic interest in ONCAP II and votes 100% as the General Partner of the fund.

ONCAP III is a private-equity fund formed by Onex to invest in mid-market, North American-based companies. ONCAP III invests in opportunities requiring less than $125 million in equity or equity-related capital. The investments are usually controlling interests; in the case of a non-controlling interest, the investment will be accompanied by appropriate controls and board representation. ONCAP III's objective is to provide the capital and management expertise necessary to grow small public or private companies into larger companies in order to take advantage of the greater investor appeal, higher valuations and increased attractiveness to strategic buyers of large capitalization companies.

At December 31, 2012, Onex had a 29% economic interest in ONCAP III and votes 100% as the General Partner of the fund.

Development of the Business

In 2005, Onex formed ONCAP II, a C$574 million private equity fund, of which Onex has committed approximately C$252 million. A subsidiary of Onex is the General Partner of ONCAP II.

In 2011, Onex formed ONCAP III, its third mid-market private equity fund. ONCAP III is a C$800 million private equity fund, of which Onex has committed approximately C$252 million. A subsidiary of Onex is the General Partner of ONCAP III.

In March 2006, ONCAP II made an investment in EnGlobe Corp. ("EnGlobe"), a leading environmental services company specializing in the management, treatment, reuse and disposal of organic waste and contaminated soil, with an emphasis on beneficial reuse. ONCAP II invested $18 million (C$20 million) in Series 1 preferred shares and convertible debentures of EnGlobe, of which Onex' share was approximately $8 million (C$9 million). In November 2006, ONCAP II made an add-on investment in EnGlobe of $9 million (C$10 million), of which Onex' share was $4 million (C$4 million) in connection with EnGlobe's acquisition of Biogenie S.R.D.C. In March 2008, ONCAP II made an add-on investment in EnGlobe of $10 million (C$10 million), of which Onex' share was $4 million (C$4 million). The company used the proceeds to repay existing debt and to partially finance EnGlobe's acquisition of Celtic Technologies Ltd. In December 2008, ONCAP II invested an additional $14 million (C$18 million) of equity in EnGlobe, of which Onex' share was $6 million (C$8 million). The company used the proceeds to reduce existing debt.

On September 30, 2010, holders of the EnGlobe Class A convertible debentures and Series 1 Preferred Shares (collectively the "Units") agreed to an early conversion of their Units to common shares. Accordingly, ONCAP II converted its Units to common shares.

In January 2011, EnGlobe and ONCAP, together with management shareholders, completed the purchase of all of the outstanding common shares of EnGlobe that they did not currently own at a price of C$0.265 per share. Subsequent to this transaction, EnGlobe completed a refinancing. The proceeds from the new credit facilities were used to: (i) repurchase all of the outstanding common shares, not previously held by ONCAP and management shareholders; (ii) repay the outstanding Class B Debentures plus accrued interest; and (iii) pay all accrued interest and dividends associated with the Convertible Units and Series 2 Preferred Shares. As a result of this purchase, EnGlobe is no longer a publicly traded company.

In April 2007, ONCAP II completed its $44 million acquisition of Mister Car Wash Holdings, Inc. ("Mister Car Wash"), based in Tucson, Arizona. Mister Car Wash is a leading car wash operator with 105 car washes and 32 lube centres in thirteen regional markets throughout the United States. Onex' share of the investment was $19 million, which included $7 million in debt. In August and December 2008, ONCAP II invested $8 million in total in Mister Car Wash primarily relating to add-on acquisitions completed by the company. Onex' share of these investments was $4 million. In July 2009, ONCAP II purchased less than $1 million in additional debt of Mister Car Wash with cash on hand. In May 2012, Mister Car Wash repurchased its subordinary notes, which were primarily held by ONCAP II. ONCAP II received approximately $28 million, of which Onex' share was $ 12 million including accrued interest.

In June 2007, ONCAP II completed its $50 million investment in CiCi's Pizza, based in Coppell, Texas. CiCi's Pizza is a franchisor of family-oriented "all you want" buffet style restaurants serving fresh pizza, pasta, salads and desserts. CiCi's Pizza operates approximately 520 restaurants in 34 states serving over 70 million guests annually. Onex' share of the investment was $22 million.

In October 2008, ONCAP II completed a $57 million investment in Caliber Collision Centers ("Caliber"), based in Lewisville, Texas. Caliber is a leading provider of auto repair services with 123 collision centres located in Texas, Southern California, Oklahoma, Arizona and Nevada. Onex' share of the investment was $25 million. In October 2009, ONCAP II invested an additional $1 million; Onex' share of this transaction was approximately half.

In August 2010, ONCAP II completed its $56 million investment of BSN SPORTS, Inc. (“BSN SPORTS”), formerly known as Sport Supply Group, Inc., based in Dallas, Texas. BSN SPORTS is a leading marketer, manufacturer and distributor of sporting goods products, athletic equipment and apparel and footwear products directly to the institutional and team sports marketplace in the United States. Onex’ share of the investment was $29 million.

In May 2011, ONCAP II invested $63 million (C$61 million) to acquire Pinnacle Pellet, Inc. (“Pinnacle Renewable Energy Group”), based in Vancouver, British Columbia. Pinnacle Renewable Energy Group is one of the largest producers of wood pellets in the world. During 2012, Pinnacle Pellet, Inc. changed its name to Pinnacle Renewable Energy Inc. Onex’ share of the investment was $30 million (C$29 million).

In May 2011, ONCAP II invested $114 million (C$111 million) to acquire Alberta Bingo Supplies Ltd. (“Casino ABS”), based in Edmonton, Alberta. Casino ABS is the largest casino operator in Alberta, with four casinos. As contemplated at the time of the original investment, ONCAP III subsequently purchased a share of the investment in Casino ABS from ONCAP II in December 2011 for $25 million (C$25 million). After giving effect to the ONCAP III purchase, Onex’ share of the investment was $50 million (C$49 million), including $42 million (C$41 million) through ONCAP II and $8 million (C$8 million) through ONCAP III.

In June 2011, ONCAP III invested $44 million to acquire Hopkins Manufacturing Corporation (“Hopkins”), based in Emporia, Kansas. Hopkins designs, manufactures and markets a diverse range of more than 4,400 SKUs across six primary product categories in the automotive aftermarket industry. Onex’ share of the investment was $13 million.

In December 2011, ONCAP III invested $103 million to acquire Davis-Standard Holdings, Inc. (“Davis-Standard”), based in Pawcatuck, Connecticut. Davis-Standard is a global leader in the manufacture of highly engineered extrusion and converting systems and operates six manufacturing facilities in the United States, China and Germany. Onex’ share of the investment was $30 million.

In December 2012, ONCAP III invested $80 million to acquire Bradshaw International, Inc. (“Bradshaw”), based in Rancho Cucamonga, California. Bradshaw is a leading designer, marketer and category manager of everyday houseware products for supermarket, mass merchant, value, specialty and other channels. Onex’ share of the investment was $24 million.

Principal Products/Operations

EnGlobe

EnGlobe is an integrated environmental services company specializing in the management of contaminated soil and organic-based waste streams, with an emphasis on beneficial re-use. EnGlobe offers cost-effective solutions to municipal, commercial and industrial clients in Canada, the northern United States, England and France through its subsidiaries. The company conducts environmental site assessments and remediation of contaminated soil and groundwater in Canada, the United States, the United Kingdom and France. EnGlobe provides additional environmental services including direct land application, composting of organic wastes, degrades sites remediation and biomass cogeneration in Quebec and Ontario. As well, EnGlobe provides storage tank precision leak testing and statistical inventory reconciliation, compliance testing, and facility compliance and tank system audits across Canada.

EnGlobe had approximately 350 employees at December 31, 2012.

Mister Car Wash

Mister Car Wash is a leading provider of full service and exterior-only car wash and related automotive services, including lube services, express detailing, windshield repair and gasoline. Mister Car Wash seeks to build a leading market position in the car wash industry by: (a) acquiring existing car wash operations in local markets throughout the United States; (b) expanding in such markets through acquisitions and the construction of new car wash centres; and (c) transforming the industry's standards of service delivery through the provision of value-added customer services, the implementation of professional management programs and improved marketing strategies. The company has a total of 105 car washes and 32 lube centres in various regions throughout the United States.

At December 31, 2012, Mister Car Wash had approximately 3,100 employees.

CiCi's Pizza

CiCi's Pizza offers a unique dining experience differentiated by its "all you want" format, offering freshly made pizza, pasta, salad and desserts. CiCi's Pizza is a highly differentiated and leading pizza restaurant company in the United States. As of December 31, 2012, there were approximately 520 CiCi's Pizza restaurants throughout 34 states serving over 70 million guests annually. CiCi's Pizza restaurants are 98% franchised.

CiCi's Pizza had approximately 300 employees at December 31, 2012.

Caliber

Caliber is the largest non-franchised collision repair operator in the United States operating 123 collision repair facilities in Texas, Southern California, Oklahoma, Arizona and Nevada. Caliber's vision is to build on its leading market position by (i) expanding in its current markets, (ii) entering new markets and (iii) consolidating the fragmented industry.

Caliber had approximately 2,800 employees at December 31, 2012.

BSN SPORTS

BSN SPORTS is an industry leading marketer, manufacturer and distributor of sporting goods equipment, physical education, recreational and leisure products and a marketer and distributor of soft good athletic apparel and footwear products ("soft goods"), primarily to the institutional and team sports markets in the United States. BSN SPORTS' product lines include, but are not limited to, equipment and soft goods for the following sports: football; baseball; softball; basketball; volleyball; soccer; lacrosse; tennis; and other racquet sports. BSN SPORTS services over 100,000 customers in various regions throughout the United States utilizing eight catalogs having a combined circulation in excess of three million, e-commerce sites, telesales personnel and over 300 field salespeople covering 31 states.

BSN SPORTS had approximately 890 employees at December 31, 2012.

Pinnacle Renewable Energy Group

Pinnacle Renewable Energy Group's business encompasses: (i) the bulk procurement of fibre (primarily byproducts of the lumber production process such as sawdust and shavings) under contract with forestry companies located in the British Columbia interior, (ii) the transportation of fibre to its pellet manufacturing facilities, (iii) the processing of the fibre into wood pellets, (iv) rail transport of finished pellets to port, and (v) the transportation of the pellets via bulk cargo vessels to utilities in either Europe or Asia.

At December 31, 2012, Pinnacle Renewable Energy Group had approximately 185 employees.

Casino ABS

Casino ABS owns and operates four casinos in Alberta including Casino Edmonton and Casino Yellowhead in Edmonton, Casino Calgary and Casino Lethbridge. Casino ABS' primary revenue source is gaming operations, which comprised approximately 75% of revenues in 2012 and includes revenue from slots, table games, poker table fees and video lottery terminals ("VLTs"). Non-gaming revenue, which generates Casino ABS' remaining revenue, includes revenue from food & beverage sales and other.

At December 31, 2012, Casino ABS had approximately 1,085 employees.

Hopkins

The company is a leading designer, manufacturer and marketer of proprietary branded products for the automotive aftermarket. Hopkins uses a mix of domestic manufacturing, international manufacturing and offshore sourcing. The company manufactures and markets a diverse range of more than 4,400 SKUs across six primary product categories: towing electrical; winter care; automotive cleaning; fluid handling; storage and organization; and automotive accessories.

At December 31, 2012, Hopkins had approximately 630 employees.

Davis-Standard

The company is a global leader in the manufacture of plastics processing systems, offering highly engineered extrusion and converting systems. Extrusion systems typically consist of an extruder to melt and pump the plastic and supplementary equipment to shape, cool, or wind the extruded polymer or elastomer material. Converting systems typically consist of extrusion and supplementary technologies that carry out value-added processes to a moving flexible web such as plastic, foil or paper. Davis-Standard operates six manufacturing facilities in the United States, China and Germany and has the following primary product lines: Extrusion Coating, Cast Film, Liquid Coating, Blown Film, Sheet, Pipe & Profile, Wire and Cable and Elastomer.

At December 31, 2012, Davis-Standard had approximately 970 employees.

Bradshaw

Bradshaw is a leading designer, marketer and category manager of everyday houseware products for supermarket, mass merchant, value, specialty and other channels. The company sources and distributes over 4,000 SKUs across four categories: Kitchen Tools & Gadgets, Metal Bakeware, Cookware and Home Cleaning Products. The company's products are sold under its owned brands (Good Cook, Bonny, Touch, Profreshionals and Butler), licensed brands (Mr. Clean, Bialetti, Oneida, Dawn, Betty Crocker and Black & Decker) and private label brands.

At December 31, 2012, Bradshaw had approximately 320 employees.

Markets and Competition

EnGlobe

In site assessment and remediation services, competition comes from a number of large and diverse companies offering a broad range of services for various levels of contamination.

In organic waste management, competition in beneficial re-use of organic waste is primarily from a number of small regional-based companies or municipalities desiring self-control over waste management. Competition also comes from the disposal of organic waste in landfills or incineration. The landfill alternative is generally discouraged through targeted diversion goals set by provincial authorities and incineration alternatives exist but generally have high operating costs and environmental concerns. Obtaining the necessary approval and permits is a restriction to competition.

In tank testing and calibration, competition is restricted to those few services providers able to use technology and bundle value added services. For some of the larger petroleum companies, the competition includes in-house service providers.

Mister Car Wash

The commercial car wash industry is highly fragmented made up primarily of "mom and pop" independent operators. Less than 5% of the market is controlled by the top 50 chains, of which Mister Car Wash is number 1 based on the number of units owned. Mister Car Wash's consumption is typically a "local" experience with over 85% of customers coming from a 5-mile radius of the wash. While Mister Cash Wash views any form of commercial car wash, including washes operated by oil companies, as a potential competitor, it primarily tracks and measures conveyor car washes that have the ability to wash over 100 cars per hour. There are roughly 18,000 conveyor units in the United States. The fastest growing segment is exterior only conveyor car washes. Through superior services delivery and a unique customer experience, Mister Car Wash has minimized the effects of any potential competitive activity. Mister Car Wash has several strong customer loyalty programs in place, like the Unlimited Wash Club, that makes Mister Car Wash the sole car wash of choice. Mister Car Wash also differentiates its services with products like Hotshine, a true and proprietary on-line wax system. Additionally, Mister Car Wash benefits from strong macro trends as consumers shift their washing preferences from a Do-It-Yourself model to Do-It-For-Me model as the baby boom population continues to grow and age.

CiCi's Pizza

CiCi's Pizza operates approximately 520 CiCi's Pizza restaurants throughout 34 states serving over 70 million guests annually. CiCi's Pizza restaurants are 98% franchised.

One of CiCi's Pizza's competitive advantages is its proprietary, in-house JMC purchasing and distribution business, which provides the company's franchise system with a cost-effective, efficient method to source and purchase all necessary supplies and food products. It has a "fill rate" of 99.99% and turns inventory every six-business days. JMC's infrastructure is scalable and designed to allow for expansion as the company has a scientific method to analyze the most optimal and cost-effective time and location to open new distribution centres. Importantly, new distribution centres require limited capital expenditures as the building and trucks of the business are leased.

Caliber

The U.S. collision repair market is a $30 billion industry consisting of more than 39,000 repair shops. The collision repair industry is served by independent operators and car dealers. The independent segment, in which Caliber participates, consists primarily of local “mom and pop” repair facilities with just over 10% of the market controlled by multi-location operators (“MLOs”). Large MLOs, like Caliber, are gaining share, as they are best able to meet the complex operating, technological, and reporting requirements demanded by insurance companies.

BSN SPORTS

The institutional sporting goods market generally consist of schools, colleges, youth sports programs, YMCAs, YWCAs, park and recreational organizations, churches, municipal and governmental agencies, athletic teams and athletic clubs. The institutional and team sports market is approximately $3 billion to $6 billion in size and is served by a fragmented group of providers. BSN SPORTS competes in the institutional market with local sporting goods dealers, regional and national catalog direct marketers, manufacturers that sell direct and internet resellers based on a number of factors, including price, relationships with customers, name recognition, product selection and availability and quality of service. Other than BSN SPORTS, there is no dominant full service national supplier in the team market.

Pinnacle Renewable Energy Group

The wood pellet industry is part of the emerging bio-energy sector, whereby energy is generated from biomass (biological products such as wood, agricultural crops and waste). Biomass is a growing source of renewable electricity due to the maturity of the technology, low conversion cost relative to many renewable energy alternatives and relatively low capital requirements to convert existing coal power plants to burn biomass. Importantly, burning biomass in thermal power plants provides reliable base load power, which can be available at any time compared to the intermittent power generated by solar farms and wind turbines.

In Europe, bio-energy is an established contributor to residential heating and represents a growing share of industrial electricity production. A large percentage of Pinnacle Renewable Energy Group’s pellets are currently purchased by large European and Asian utility companies that burn pellets in combination with coal (“co-firing”) to generate electricity that qualifies as “renewable” under renewable energy legislation. Additionally, Pinnacle Renewable Energy Group sells bagged pellets to the North American home heating sector through a network of dealers and wholesalers.

There are at least 120 pellet manufacturers in North America; however, worldwide there are few producers with the scale and logistical capability to service large utility customers. Pinnacle Renewable Energy Group benefits from established forestry, rail, port and ocean infrastructure in contrast to many other pellet producing regions where fibre procurement and logistical capability can be more challenging.

Casino ABS

According to the Canadian Gaming Association, gaming in Canada is a well established form of entertainment with over 80% of the Canadian adult population participating in some form of gaming each year. The Canadian gaming industry is a multibillion dollar industry and has shown good historical growth, the majority of which has come from casinos.

Casino ABS operates in markets with reasonably stable and certain competitive dynamics. Casino ABS caters mainly to the local market for each of its properties and does not operate destination casinos. Consequently, Casino ABS' operations tend to be less cyclical than destination casinos that are dependent on air travel during economic downturns.

Hopkins

Hopkins' primary markets are the do-it-yourself ("DIY") (retail) and the do-it-for-me ("DIFM") market, which are supported by a vast and fragmented network of manufacturers, distributors and buying groups. The automotive aftermarket has shown substantial long-term growth as well as stability of demand during recessions.

Hopkins is the market leader in four of its six product categories. Most of Hopkins' direct competitors in the DIY market are smaller, regional companies that sell a narrow selection of products or are focused on a single category.

Davis-Standard

The company's global customer base utilizes extrusion and converting systems to manufacture products in a diverse range of market segments including: packaging, infrastructure, medical and personal care, automotive and green market applications such as solar cells, lithium ion batteries and bio resins amongst others.

Davis-Standard is amongst the leading players in many of its chosen end markets with specific competitors varying by market segment. Competition in the industry is typically limited to a few qualified suppliers in each market segment with the majority of competitors based in the United States and Germany.

Bradshaw

Bradshaw markets its products through retailers in the supermarket, mass merchant, value, specialty and other channels. The company's products have demonstrated stability in these channels during recessions as a result of their broad consumer appeal and strong value positioning.

Bradshaw is amongst the leading competitors in each of its product lines and distribution channels. Bradshaw's direct competitors include divisions of publicly traded companies, several larger privately owned companies and smaller companies that specialize in select product lines.

Properties

EnGlobe

Location (Facilities)	Square Feet	Owned/Leased
Canada		
Alberta (1)	5,376	Leased
Nunavut (1)	1,000	Leased
Quebec (9)	116,600	Owned
Quebec (8) *	53,759	Leased
Ontario (2)	3,200	Leased
United States		
Pennsylvania (1)	2,100	Leased
Europe		
France (2)	105,000	Owned
United Kingdom (6)	12,669	Leased

* Includes EnGlobe's corporate office.

Mister Car Wash

Location (Facilities)	Square Feet	Owned/Leased
United States		
Alabama (3)	103,086	Leased
Arizona 6) *	228,773	Leased
Florida (8)	264,826	Leased
Georgia (7)	219,904	Leased
Idaho (3)	135,036	Leased
Iowa (5)	245,317	Leased
Minnesota (16)	627,809	Leased
Minnesota (4)	81,793	Owned
Missouri (1)	105,545	Owned
Missouri (7)	275,542	Leased
North Carolina (3)	166,058	Leased
Pennsylvania (7)	574,556	Leased
Texas (54)	2,397,797	Leased
Texas (1)	109,261	Owned
Utah (6)	249,514	Leased
Utah (1)	49,658	Owned
Washington (8)	262,518	Leased

* Includes Mister Car Wash's corporate office and warehouse location.

CiCi's Pizza

Location (Facilities)	Square Feet	Owned/Leased
United States		
Florida (1)	4,376	Leased
Texas (10)	36,393	Leased
Distribution centres		
Texas *	35,000	Owned
Georgia	40,000	Leased
Indiana	40,000	Leased

* Includes CiCi's Pizza's corporate office.

Caliber

Location (Facilities)	Square Feet	Owned/Leased
United States		
California (59)	1,309,000	Leased
Texas (51) *	1,112,000	Leased
Arizona (8)	215,000	Leased
Nevada (2)	62,000	Leased
Oklahoma (3)	32,000	Leased

* Includes Caliber's corporate office.

BSN SPORTS

Location (Facilities)	Square Feet	Owned/Leased
United States		
Arkansas (1)	5,000	Leased
California (1)	29,695	Leased
Florida (2)	10,800	Leased
Georgia (2)	9,110	Leased
Iowa (1)	2,772	Leased
Illinois (8)	38,673	Leased
Indiana (7)	87,280	Leased
Louisiana (1)	1,400	Leased
Minnesota (1)	5,000	Leased
Missouri (1)	1,500	Leased
North Carolina (4)	9,290	Leased
New York (1)	10,870	Leased
Ohio (5)	24,343	Leased
Oklahoma (2)	6,648	Leased
Pennsylvania (2)	9,354	Leased
Tennessee (2)	12,100	Leased
Texas (2) *	318,511	Leased
Virginia (5)	51,709	Leased

* Includes BSN SPORTS' corporate office.

Pinnacle Renewable Energy Group

Location (Facilities)	Square Feet	Owned/Leased
Canada		
British Columbia (8) *	167,975	Owned/Leased

* Includes Pinnacle Renewable Energy Group's offices in Vancouver and Prince George as well as the Houston plant (of which Pinnacle Renewable Energy Group owns 30%).

Casino ABS

Location (Facilities)	Square Feet	Owned/Leased
Canada		
Alberta (4)	248,000	Owned

Hopkins

Location (Facilities)	Square Feet	Owned/Leased
United States		
Kansas (3) *	460,000	Owned/Leased
California (2)	69,000	Leased
Oklahoma (2)	199,000	Owned/Leased
International		
Mexico (1)	55,000	Leased
China (1)	1,600	Leased

* Includes Hopkins' corporate office.

Davis-Standard

Location (Facilities)	Square Feet	Owned/Leased
United States		
Connecticut (1) *	250,000	Owned
New York (1)	145,000	Owned
New Jersey (2)	215,000	Owned/Leased
North Carolina (1)	12,000	Leased
International		
China (1)	44,000	Leased
Germany (1)	250,000	Owned
United Kingdom (1)	16,000	Leased

* Includes Davis-Standard's corporate office.

Bradshaw

Location (Facilities)	Square Feet	Owned/Leased
United States		
California (1) *	1,014,000	Leased
Massachusetts (1)	12,000	Leased
Canada		
British Columbia (1)	31,000	Leased

* Includes Bradshaw's corporate office.

In addition to the distribution facilities described above, Bradshaw leases seven showrooms across North America: including showrooms in Oregon, California, Minnesota, Arkansas, Massachusetts and Ontario.

Real Estate Business

The Real Estate business consists of the business of Onex Real Estate Partners Holdings Inc. all of its subsidiaries and its affiliates.

Onex Real Estate Partners

In January 2005, Onex established Onex Real Estate Partners, a partnership dedicated to acquiring and improving real estate assets in North America.

During 2006, Onex Real Estate Partners formed three partnerships with Camden Property Trust: Camden Norfolk Plaza, LP, Camden Jamboree, LP and Camden College Park, LP (collectively "Camden Partnerships"). Prior to 2010, Onex Real Estate Partners had a 70% partner in the Camden Partnerships. Onex Real Estate Partners invested $24 million in the Camden Partnerships, of which Onex' portion was $20 million. In 2010, Onex Real Estate Partners negotiated an amendment to the partnership reducing its economic ownership to under 1% and acquiring a put right to sell the properties. In December 2012, Onex Real Estate Partners exercised its put right to sell Camden Norfolk Plaza, LP for proceeds of $5 million, Onex' share of which was $4 million.

In December 2006, Onex Real Estate Partners formed a partnership with Cronus Capital to acquire rent-regulated housing communities in New York City. The business plan is to acquire assets and through capital investment and active property management, decrease the gap between in-place and market rents and improve the quality of the assets. Onex Real Estate Partners is a 70% partner in this partnership. Onex Real Estate Partners has invested $78 million in this partnership. Onex' portion if the investments was $69 million. As of February 21, 2013, the partnership had completed the acquisition of 30 properties.

During 2007, Onex Real Estate Partners partnered with Muss Development to construct the Flushing Town Center project (also known as Sky View Parc), a three million square foot development located on approximately 14 acres in Flushing, New York. The project is being developed in two phases and will ultimately consist of 1,074 condominium units constructed above approximately 800,000 square feet of retail space and a 2,500 space parking garage. In the first quarter of 2010, a subsidiary of Onex became the managing partner of the Flushing Town Center project.

In December 2010, Onex made additional investments in Flushing Town Center through the following transactions: (i) the purchase of senior debt positions in Flushing Town Center for $37 million; and (ii) the purchase of a mezzanine position in Flushing Town Center for $25 million. Subsequently, Onex Real Estate Partners made additional equity investments in Flushing Town Center and, as of February 21, 2013, Onex Real Estate Partners had invested $189 million in Flushing Town Center, representing a 100% economic interest. Onex' share of these investments was $164 million.

During 2007, Onex initially had invested $50 million into NY Credit Operating Partnership LP ("NY Credit") for a 33% economic interest. NY Credit is an externally managed specialty finance company based in New York with operations around the United States. In December 2008, Onex invested an additional $6 million in NY Credit. After a reorganization of investments in 2011, Onex Real Estate's remaining investment in NY Credit principally consists of three apartment building complexes with an initial value of $12 million.

Credit Strategies Business

The Credit Strategies business consists of the business of Onex Credit Partners and its related affiliates.

In November 2007, Onex acquired a 50% interest in GK Capital, an investment advisor that manages an event driven long/short stressed and distressed strategy with a historical track record of achieving attractive risk-adjusted returns while focusing on capital preservation. Following this acquisition, GK Capital was renamed Onex Credit Partners and launched a leveraged investment strategy in December 2007 to take advantage of the dislocation in the leveraged loan market that occurred as a result of the sub-prime and structured finance crisis. In 2009 and 2010, Onex Credit Partners launched closed-end investment funds listed on the Toronto Stock Exchange (TSX: OCS-UN and OSL-UN). In 2011, Onex Credit Partners completed a follow-on offering for OCP Credit Strategy Fund (TSX: OCS-UN). Onex Credit Partners is registered as an investment adviser with the U.S. Securities and Exchange Commission, as a portfolio manager and exempt market dealer in the Canadian province of Ontario and an exempt market dealer in the Canadian provinces of Alberta, Manitoba and Quebec. The business specializes in managing credit-related investments, including event-driven, long/short, long only, and market dislocation strategies.

Onex made an aggregate investment of $80 million in 2007 in the acquisition of a 50% interest in GK Capital and in strategies managed by Onex Credit Partners. Since the initial acquisition, Onex has acquired an additional 20% interest in Onex Credit Partners and its related general partner entities and has made further investments totalling $329 million in strategies managed by the business, excluding the investments made in Onex Credit Partners' Collateralized Loan Obligation platform described below.

Collateralized Loan Obligation Platform

During 2012, Onex Credit Partners established its new Collateralized Loan Obligation ("CLO") platform. A CLO is a leveraged structured vehicle that holds a widely diversified collateral asset portfolio that is funded through the issuance of long-term debt in a series of rated tranches of secured notes and equity.

In March 2012, Onex Credit Partners closed its first CLO, OCP CLO 2012-1, Ltd. ("OCP CLO-1"). Onex invested $32 million in equity, the most subordinated capital, of OCP CLO-1.

In November 2012, Onex Credit Partners closed a second CLO, OCP CLO 2012-2, Ltd. ("OCP CLO-2"). Onex invested $26 million in subordinated notes, the most subordinated capital, of OCP CLO-2.

At February 21, 2013, Onex continued to hold investments of $58 million in the Onex Credit Partners CLO platform.

In total, at February 21, 2013, Onex Credit Partners had approximately $2.3 billion of assets under management.

Prior Businesses

The description that follows includes businesses that over the past three years ceased to be part of Onex.

Town and Country Trust

In March 2006, Onex Real Estate Partners, in a joint venture with Morgan Stanley Real Estate and Sawyer Realty Holdings LLC, acquired Town and Country Trust (“Town and Country”). OREP invested approximately $100 million, of which Onex’ portion was $87 million. Town and Country owned and operated 37 apartment communities in the Mid-Atlantic States and Florida.

Prior to 2012, the joint venture sold all but seven of the Town and Country properties for proceeds of $1.4 billion. A significant portion of the proceeds was used to repay debt relating to the properties sold. During 2012, the remaining seven properties were sold for proceeds of $190 million.

CSI Global Education Inc.

In January 2006, ONCAP II completed the acquisition of CSI Global Education Inc. (“CSI”) for C$25 million. Onex’ share of that investment was C$12 million. CSI is the leading provider in Canada of financial education and testing services designed for the financial community.

In November 2010, ONCAP II sold its investment in CSI for proceeds of C$126 million, of which Onex’ share was C$50 million. ONCAP II and Onex have realized total proceeds of C$146 million on CSI, of which Onex’ share was C$60 million.

EMSC

In February 2005, Onex purchased American Medical Response, Inc. (“AMR”) and EmCare Holdings Inc. (“EmCare”) in a transaction valued at $825 million. AMR is a leading U.S. provider of ground and fixed-wing air ambulance services and EmCare is a leading provider of facility-based physician services. The purchase of these businesses was completed through Emergency Medical Services Corporation (“EMSC”). Onex, Onex Partners I, certain limited partners and Onex management invested $214 million for a 97% ownership interest, of which Onex’ share was $80 million for a 36% economic interest.

In December 2005, EMSC completed an initial public offering of 8.1 million shares. Onex, Onex Partners I, certain limited partners and Onex management did not sell any shares in this offering; however their ownership interest was diluted through the issuance of additional shares.

In 2009, public secondary offerings were closed in which a total of 18.4 million shares were sold, further reducing Onex, Onex Partners I, certain limited partners and Onex management’s economic and voting interests.

In May 2011, Onex, Onex Partners I, certain limited partners and Onex management sold their remaining 13.7 million shares of EMSC for net proceeds of $878 million, of which Onex’ share was $342 million, including carried interest and deducting distributions paid on account of the Management Investment Plan (“MIP”). The sale was part of an offer made for all outstanding shares of EMSC.

Husky International

In early December 2007, Onex, Onex Partners I, Onex Partners II and Onex management acquired Husky International Ltd. and its subsidiaries ("Husky International") in a transaction valued at approximately $940 million. Husky International is a leading global provider of injection molding systems and services. Onex, Onex Partners I, Onex Partners II and Onex management invested $622 million for an initial 100% ownership interest. Onex' share of the investment was $225 million for an initial 36% economic interest.

In July 2010, Husky International returned $98 million of capital to Onex, Onex Partners I, Onex Partners II and Onex management. Onex' share of the capital returned was $36 million.

In 2011, Onex, Onex Partners I, Onex Partners II and Onex management completed the sale of Husky International, receiving net proceeds of $1.7 billion, of which Onex' share was $601 million, including carried interest and deducting distributions paid on account of the MIP. At February 21, 2013, $18 million remains receivable for escrow amounts and other items and is expected to be received in 2015, of which Onex' share is $6 million, excluding carried interest.

Hawker Beechcraft

In late March 2007, Onex, in partnership with Goldman Sachs Capital Partners, acquired Raytheon Aircraft Company in a transaction valued at $3.5 billion. The total initial equity invested by Onex, Onex Partners II and Onex management was $520 million for a 49% economic interest, of which Onex' share was $205 million for an initial 20% economic interest. The business continued under the name Hawker Beechcraft. Hawker Beechcraft is a leading designer and manufacturer of business jet, turboprop and piston aircraft through its *Hawker* and *Beechcraft* brands.

The decline in the general aviation industry resulted in Hawker Beechcraft being unable to meet certain of its financial obligations. During the second quarter of 2012, Hawker Beechcraft filed for bankruptcy protection in the United States. As a result, Onex no longer exerts significant influence over Hawker Beechcraft. On February 15, 2013, Hawker Beechcraft exited bankruptcy. As part of the restructuring, Onex has a nominal equity interest in the company.

CDI

In early January 2005, Onex acquired Center for Diagnostic Imaging, Inc. ("CDI"), a leading provider of diagnostic and therapeutic radiology services. This acquisition was undertaken through Onex, Onex Partners I and Onex management, which invested $73 million in the equity of the business for an approximate 84% economic interest. Onex' share of this investment was $17 million for an initial 20% economic interest. In 2011, the company returned $42 million of capital to Onex, Onex Partners I and Onex management. Onex' share of the capital returned was $10 million.

In July 2012, Onex, Onex Partners I and Onex management sold its investment in CDI for proceeds of $91 million, Onex' share of which was $24 million, including carried interest. At February 21, 2013, $9 million remains receivable for escrow amounts and other items and is expected to be settled within two years. Onex' share of the escrow amount and other items is $2 million, excluding carried interest.

ITEM 4 Selected Consolidated Financial Information

Financial Information

The following is a summary of key consolidated financial information of Onex for fiscal years ended December 31 in accordance with IFRS:

	Year ended December 31	
($ millions except per share amounts)	**2012**	2011 (1)
Revenues	**$ 27,443**	$ 24,642
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	**(22,218)**	(19,725)
Operating expenses	**(3,313)**	(2,924)
Interest income	**60**	32
Amortization of property, plant and equipment	**(595)**	(462)
Amortization of intangible assets and deferred charges	**(330)**	(311)
Interest expense of operating companies	**(553)**	(488)
Increase in value of investments in joint ventures and associates at fair value, net	**863**	501
Stock-based compensation expense	**(241)**	(133)
Other gains, net	**59**	-
Other items	**(45)**	(160)
Impairment of goodwill, intangible assets and long-lived assets, net	**(65)**	(197)
Limited Partners' Interests charge	**(929)**	(627)
Earnings before income taxes and discontinued operations	**136**	148
Provision for income taxes	**(97)**	(236)
Earnings (Loss) from continuing operations	**39**	(88)
Earnings from discontinued operations	**-**	1,715
Net Earnings for the Year	**$ 39**	$ 1,627
Earnings (Loss) from Continuing Operations attributable to:		
Equity holders of Onex Corporation	**$ (121)**	$ (356)
Non-controlling Interests	**160**	268
Earnings (Loss) from Continuing Operations for the Year	**$ 39**	$ (88)
Net Earnings (Loss) attributable to:		
Equity holders of Onex Corporation	**$ (121)**	$ 1,326
Non-controlling Interests	**160**	301
Net Earnings for the Year	**$ 39**	$ 1,627
Net Earnings (Loss) per Subordinate Voting Share of Onex Corporation		
Basic and Diluted:		
Continuing operations	**$ (1.05)**	$ (3.03)
Discontinued operations	**-**	14.33
Net Earnings (Loss) for the Year	**$ (1.05)**	$ 11.30

(1) 2011 results have been restated for the change in accounting policy adopted on January 1, 2012, as described in Note 1 of the audited annual consolidated financial statements.

Quarterly Information

The following is a summary of key consolidated financial information of the Company for the last eight quarterly periods in accordance with IFRS:

	2012				2011			
($ millions except per share amounts)	**Dec**	**Sept**	**June**	**Mar**	Dec (1)	Sept (1)	June (1)	Mar (1)
Revenues	**$ 6,912**	**$ 6,712**	**$ 7,002**	**$ 6,817**	$ 6,758	$ 6,008	$ 6,229	$5,647
Cost of sales (excluding amortization of property, plant and equipment, intangible assets and deferred charges)	**(5,360)**	**(5,907)**	**(5,544)**	**(5,407)**	(5,377)	(4,766)	(5,054)	(4,528)
Operating expenses	**(886)**	**(768)**	**(837)**	**(822)**	(842)	(711)	(696)	(675)
Interest income	**21**	**19**	**10**	**10**	14	1	6	11
Amortization of property, plant and equipment	**(153)**	**(148)**	**(154)**	**(140)**	(142)	(108)	(106)	(106)
Amortization of intangible assets and deferred charges	**(90)**	**(78)**	**(79)**	**(83)**	(89)	(77)	(73)	(72)
Interest expense of operating companies	**(141)**	**(117)**	**(158)**	**(137)**	(137)	(112)	(112)	(127)
Increase (decrease) in value of investments in joint ventures and associates at fair value, net	**248**	**365**	**(358)**	**608**	127	(26)	230	170
Stock-based compensation recovery (expense)	**(77)**	**(30)**	**(46)**	**(88)**	(43)	66	(68)	(88)
Other gains, net	**-**	**59**	**-**	**-**	-	-	-	-
Other items	**(107)**	**183**	**(76)**	**(47)**	(35)	(60)	(5)	(60)
Impairment of goodwill, intangible assets and long-lived assets, net	**(38)**	**(11)**	**(14)**	**-**	(71)	(126)	-	-
Limited Partners' Interests recovery (charge)	**(364)**	**(259)**	**180**	**(486)**	(196)	184	(220)	(395)
Earnings (loss) before income taxes and discontinued operations	**(35)**	**20**	**(74)**	**225**	(33)	273	131	(223)
Recovery of (provision for) income taxes	**(42)**	**84**	**(93)**	**(46)**	(80)	(83)	(26)	(47)
Earnings (loss) from continuing operations	**(77)**	**104**	**(167)**	**179**	(113)	190	105	(270)
Earnings (loss) from discontinued operations	-	-	-	-	-	(6)	1,656	65
Net Earnings (loss) for the Period	**$ (77)**	**$ 104**	**$ (167)**	**$ 179**	$ (113)	$ 184	$ 1,761	$ (205)
Earnings (Loss) from Continuing Operations attributable to:								
Equity holders of Onex Corporation	**$ (156)**	**$ 175**	**$ (200)**	**$ 60**	$ (186)	$ 152	$ 18	$ (340)
Non-controlling interests	**79**	**(71)**	**33**	**119**	73	38	87	70
Earnings (Loss) from Continuing Operations for the Period	**$ (77)**	**$ 104**	**$ (167)**	**$ 179**	$ (113)	$ 190	$ 105	$ (270)
Net Earnings (Loss) attributable to:								
Equity holders of Onex Corporation	**$ (156)**	**$ 175**	**$ (200)**	**$ 60**	$ (186)	$ 146	$ 1,666	$ (300)
Non-controlling interests	**79**	**(71)**	**33**	**119**	73	38	95	95
Net Earnings (Loss) for the Period	**$ (77)**	**$ 104**	**$ (167)**	**$ 179**	$ (113)	$ 184	$ 1,761	$ (205)
Net Earnings (Loss) per Subordinate Voting Share of Onex Corporation								
Basic and Diluted:								
Continuing Operations	**$ (1.36)**	**$ 1.52**	**$ (1.74)**	**$ 0.52**	$ (1.61)	$ 1.29	$ 0.15	$ (2.87)
Discontinued Operations	**-**	**-**	**-**	**-**	-	(0.04)	13.94	0.34
Net Earnings (Loss) for the Period	**$ (1.36)**	**$ 1.52**	**$ (1.74)**	**$ 0.52**	$ (1.61)	$ 1.25	$ 14.09	$ (2.53)

(1) 2011 results have been restated for the change in accounting policy adopted on January 1, 2012, as described in Note 1 of the audited annual consolidated financial statements.

Dividends and Dividend Policy

Dividends are paid quarterly on or about the last day of January, April, July and October in each year. The Board of Directors normally reviews dividends in May of each year, with any changes becoming effective with the July payment. As of February 21, 2013, the quarterly dividend was C$0.0275 per Subordinate Voting Share.

In January 1989, a special stock dividend at that time of C$1.50 (pre-splits) per Subordinate Voting Share was paid from the net gain on the sale of the Onex Packaging Inc. shares. These figures do not reflect the 2-for-1 stock splits effective June 1, 2000 and 1999.

On December 30, 1991, a special stock dividend at that time at the rate of C$3.50 (pre-splits) per Subordinate Voting Share was paid from proceeds of the sale of Beatrice Foods. Recipients of the special dividend were offered the opportunity to reinvest all or part of the proceeds in Subordinate Voting Shares of Onex at a price of C$5.90 (pre-splits) per share. Upon completion of the dividend investment rights offering on February 28, 1992, an additional 7,560,475 (pre-splits) Subordinate Voting Shares were issued for net proceeds of C$44 million. These figures do not reflect the 2-for-1 stock splits effective June 1, 2000 and 1999.

On August 5, 1993, the shareholders approved a special resolution amending the Articles of the Company that removed all dividend rights attaching to the Multiple Voting Shares. Subsequently, a Special Dividend was declared to the holder of Multiple Voting Shares by way of a stock dividend of 7,097,370 (pre-splits) Subordinate Voting Shares, which, immediately following issuance, represented 20% of the total issued and outstanding Subordinate Voting Shares. These figures do not reflect the 2-for-1 stock splits effective June 1, 2000 and 1999.

ITEM 5 Management's Discussion and Analysis of Results of Operations and Financial Condition

The information is in Onex' Management's Discussion and Analysis and Financial Statements Report for the year ended December 31, 2012, which is incorporated herein by reference. This document is available on SEDAR at www.sedar.com.

ITEM 6 Capital Structure

Onex Corporation had the following authorized and outstanding share capital:

i) 100,000 Multiple Voting Shares, which entitle their holders to elect 60% of the Company's Directors and carry such number of votes in the aggregate as represents 60% of the aggregate votes attached to all shares of the Company carrying voting rights. The Multiple Voting Shares have no entitlement to a distribution on winding up or dissolution other than the payment of their nominal paid in value. At February 21, 2013, Onex had 100,000 Multiple Voting Shares outstanding.

ii) An unlimited number of Subordinate Voting Shares, which carry one vote per share and as a class are entitled to: 40% of the aggregate votes attached to all shares of the Company carrying voting rights; elect 40% of the Directors; and to appoint the auditors. These shares are entitled, subject to the prior rights of other classes, to distributions of the residual assets on winding up and to any declared but unpaid cash dividends. The shares are entitled to receive cash dividends, dividends in kind and stock dividends as and when declared by the Board of Directors. These shares trade on the Toronto Stock Exchange under the symbol OCX. At February 21, 2013, Onex had 113,952,935 Subordinate Voting Shares issued and outstanding.

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

iii) An unlimited number of Senior and Junior Preferred Shares issuable in series. The Directors are empowered to fix the rights to be attached to each series. There is no consolidated paid-in value for these shares. There are no Series 1 Senior Preferred Shares issued and outstanding at February 21, 2013.

Share Trading Information

	2012		
		Share Price	
	Share Volume (millions)	High	Low
January	3.2	$36.82	$32.95
February	3.1	$37.25	$34.85
March	3.2	$37.82	$35.34
April	2.0	$39.38	$36.22
May	3.4	$40.26	$37.73
June	3.1	$40.09	$37.56
July	2.3	$40.00	$36.85
August	2.1	$39.50	$37.58
September	2.0	$39.75	$37.57
October	2.3	$40.54	$38.51
November	1.9	$40.92	$39.17
December	2.2	$42.77	$40.02
Fiscal 2012	30.8	$42.77	$32.95

Public Offering of Shares in 1994

In February 1994, Onex issued 5,500,000 (pre-splits) Subordinate Voting shares at C$17.75 (pre-split) per share pursuant to a public offering; net proceeds were C$94 million. After the offering, Onex had 41,013,404 (pre-splits) Subordinate Voting Shares outstanding. These figures do not reflect the 2-for-1 stock splits, effective June 1, 2000 and 1999.

Public Offering of Shares in 1997

In January 1997, Onex issued 7,650,000 (pre-splits) Subordinate Voting Shares at C$23.00 (pre-splits) per share pursuant to a public offering; net proceeds were C$169 million. After the offering, Onex had 47,507,282 Subordinate Voting Shares outstanding. These figures do not reflect the two for one stock splits effective June 1, 2000 to 1999.

Stock Split

On March 5, 1999, the Board of Directors approved a split of Onex' Subordinate Voting Shares on a two-for-one basis, subject to shareholder approval at the Annual and Special Meeting. On May 13, 1999, shareholders approved the two for one stock split of Onex' Subordinate Voting Shares for those shares held of record on June 1, 1999. On March 21, 2000, the Board of Directors approved a further split of Onex' Subordinate Voting Shares on a two for one basis subject to shareholder approval at the Annual and Special Meeting. On May 11, 2000, shareholders approved the two for one stock split of Onex' Subordinate Voting Shares for those shares held on record June 1, 2000.

Stock Option Plan

Under the 1994 Stock Option Plan of Onex, options and/or share appreciation rights for a term not exceeding ten years may be granted to Directors, officers and employees relative to the acquisition of Subordinate Voting Shares ("SVS") of the Corporation at a price not less than the market value of the shares on the business date preceding the date of the grant. Options or share appreciation rights may not be exercised unless the average market price (in the five business days prior to the exercise) of the Subordinate Voting Shares exceeds the exercise price of the options or share appreciation rights by at least 25%. The payment, if any, of special distribution to holders of Subordinate Voting Shares could result in an adjustment of the exercise price. There are 15,612,000 SVS reserved for issuance, post June 1, 1999 and June 1, 2000 stock splits, under the Stock Option Plan. At February 21, 2013, options representing 13,108,727 shares were outstanding.

Dividend Reinvestment Plan

In October 1999, Onex reinstated its Dividend Reinvestment Plan ("the Plan"). The Plan provides a means for Canadian holders of Onex' Subordinate Voting Shares to reinvest cash dividends into new Subordinate Voting Shares issued by Onex at a five percent discount to a market-related value and without payment of brokerage commissions. The Plan was amended in March 2004 to remove the discount to market so that future shares acquired under the Plan would be determined based on a 20 trading day market value. During 2012, the Company issued 6,183 Subordinate Voting Shares under the Plan at an average cost of C$37.94 per Subordinate Voting Share. Through February 21, 2013, Onex issued an additional 1,897 Subordinate Voting Shares under the Plan at an average cost of C$42.54 per Subordinate Voting Share.

Normal Course Issuer Bids

Onex had in place Normal Course Issuer Bids ("NCIBs") during 2012 and 2013, which enables the Company to repurchase up to 10 percent of its public float of Subordinate Voting Shares. Under the NCIB that expired on April 13, 2012, Onex repurchased 3,210,892 Subordinate Voting Shares at a total cost of C$107 million. At February 21, 2013, Onex had repurchased 1,126,865 Subordinate Voting Shares at a total cost of C$46 million under the NCIB that expires April 15, 2013.

Other Securities

Deferred Share Unit Plans

In November 2004, Onex established a Director Deferred Share Unit Plan ("Director DSU Plan"), which allows Onex' directors to apply directors' fees to acquire Deferred Share Units ("DSUs") based on the market value of Onex shares at the time. Grants of DSUs may also be made to Onex directors from time to time. Holders of DSUs are entitled to receive, for each DSU upon redemption, a cash payment equivalent to the market value of a Subordinate Voting Share at the redemption date. The DSUs vest immediately, are only redeemable once the holder resigns from the board of directors and must be redeemed by the end of the year following the year of resignation. Additional units are issued equivalent to the value of any cash dividends that would have been paid on the Subordinate Voting Shares. During 2012, Onex entered into a forward agreement with a counterparty financial institution to hedge Onex' exposure to changes in the market value of Onex' Subordinate Voting Shares associated with 250,000 of the outstanding Director DSUs. At February 21, 2013, Onex had 501,065 DSUs outstanding under the Director DSU Plan, of which 250,171 were hedged.

Effective December 2007, a Management Deferred Share Unit Plan ("Management DSU Plan") was established as a further means of encouraging personal and direct economic interest by senior management in the performance of the Subordinate Voting Shares by the Company's senior management. Under the Management DSU Plan, the members of the Company's senior management team are given the opportunity to designate all or a portion of their annual compensation for the purchase of Management DSUs in lieu of cash. Management DSUs are redeemable by the participant only after he or she has ceased to be an officer or employee of the Company or an affiliate for a cash payment equal to the then-current market price of the Subordinate Voting Shares. Management DSUs are redeemable only for cash and no shares or other securities of Onex will be issued on the exercise, redemption or other settlement thereof. In January 2012, Onex issued 65,832 Management DSUs to management having an aggregate value, at the date of grant, of $2 million in lieu of that amount of cash compensation for Onex' 2011 fiscal year. In December 2012, 69,143 Management DSUs were issued to management, having an aggregate value, at the date of grant, of approximately $3 million in lieu of cash compensation for Onex' 2012 fiscal year. To hedge the Company's exposure to changes in the trading price of Onex shares associated with the Management DSU Plan, the Company enters into forward agreements with a counterparty financial institution for all grants under the Management DSU Plan. The administrative costs of those arrangements are borne entirely by participants in the plan. At February 21, 2013, Onex had 466,299 DSUs outstanding under the Management DSU Plan.

In November 2003, Onex completed the initial closing of its fund, Onex Partners LP ("Onex Partners I"), with funding commitments totalling $1 billion. The final closing of Onex Partners I was completed in February 2004 with total commitments of $1.7 billion. Onex Partners I will provide committed capital for future Onex-sponsored acquisitions not related to Onex' existing operating companies at December 31, 2003 or ONCAP. Onex has provided a commitment of $400 million of the total $1.7 billion of committed capital to Onex Partners I.

In August 2006, Onex closed its second fund, Onex Partners II LP ("Onex Partners II"), with total capital commitments of $3.5 billion. Onex Partners II will provide committed capital for future Onex-sponsored acquisitions not related to Onex' existing operating companies acquired by Onex, Onex Partners I, Onex Partners III or ONCAP. Onex has committed $1.4 billion, or 41% of the total committed capital of Onex Partners II.

In December 2009, Onex closed its third fund, Onex Partners III LP ("Onex Partners III") with total commitments of approximately $4.3 billion, which includes an $800 million commitment from Onex. Onex Partners III will provide committed capital for future Onex-sponsored acquisitions not related to Onex' existing operating companies acquired by Onex, Onex Partners I and II or ONCAP. Onex initially had a $1.0 billion commitment for the period from January 1, 2009 to June 30, 2009. On December 31, 2008, Onex gave notice to the investors of Onex Partners III that Onex' commitment would be decreasing to $500 million effective July 1, 2009. In December 2009, Onex notified the investors of Onex Partners III that it would be increasing its commitment to $800 million effective June 16, 2010. In November 2011, Onex notified the investors of Onex Partners III that it would be further increasing its commitment to $1.2 billion effective May 15, 2012. This commitment may be increased up to approximately $1.5 billion, at the option of Onex but may not be decreased.

Onex Partners I, Onex Partners II and Onex Partners III will be collectively referred to as Onex Partners. Onex controls the General Partner and Manager of Onex Partners. Onex management has committed as a group to invest a minimum of 1% of Onex Partners.

Onex initially received annual management fees based upon 2% of the capital committed to Onex Partners I and II by investors other than Onex and Onex management. The annual management fee of Onex Partners I was reduced to 1% of the net funded commitment at the end of the initial fee period, in November 2006, when Onex established the successor fund, Onex Partners II. Onex Partners II's annual management fee was reduced to 1% of the net funded commitment at the end of its initial fee period in November 2008 when Onex established the successor fund, Onex Partners III. Onex receives annual management fees based upon 1.75% of the capital committed to Onex Partners III by third-party limited partners. The annual management fee is reduced to 1% of the net funded commitment at the earlier of the end of the commitment period, when the funds are fully invested, or if Onex establishes a successor fund. The General Partners are entitled to a carried interest equal to 20% of the overall gains achieved by the investors other than Onex in each of Onex Partners I, Onex Partners II and Onex Partners III. The carried interest is determined on an individual fund basis and is subject to the fund investors having achieved a minimum 8% annual return on their investment in Onex Partners I, II or III over the life of each Fund. The investment by Onex Partners I, II and III investors for this purpose takes into consideration management fees and other amounts paid in by Onex Partners I, II and III investors.

The returns to Onex Partners I, II and III investors, other than Onex and Onex management, are based upon all investments made through Onex Partners, I, II and III, separately, with the result that initial carried interest received by Onex on gains could be recovered from Onex if subsequent investments in the Fund do not achieve the overall target return level of 8%. Consistent with market practice, Onex, as sponsor of Onex Partners I, II and III, is allocated 40% of the carried interest with 60% allocated to management.

At February 21, 2013, Onex Partners I was fully funded with total investments of $1.5 billion, of which Onex' share was $346 million. Onex Partners II was funded with total investments of $2.9 billion, of which Onex' share was $1.2 billion. Onex Partners III was funded with total investments of $3.2 billion, of which Onex' share was $684 million.

ITEM 9 Interests of Experts

The Company's independent auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have issued an independent auditors' report dated February 21, 2013 in respect of the Company's consolidated financial statements at December 31, 2012 and December 31, 2011. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

ITEM 10 Directors and Officers

Directors

Information concerning the current directors of Onex is set out starting at page 3 of the 2012 Information Circular under the heading “Election of Directors”, which information is incorporated herein by reference. Information concerning the proposed directors of Onex will be set out in the 2013 Information Circular.

Officers

Name of Municipality of Residence	*Principal Occupation*
Gerald W. Schwartz Toronto, Ontario	*Chairman of the Board* *President and Chief Executive Officer*
Andrea E. Daly Toronto, Ontario	*Vice President, General Counsel and Secretary*
Christine M. Donaldson Oakville, Ontario	*Vice President, Finance*
Timothy A.R. Duncanson Toronto, Ontario	*Managing Director*
Konstantin Gilis Toronto, Ontario	*Managing Director*
Christopher A. Govan Oakville, Ontario	*Managing Director*
Ewout R. Heersink Oakville, Ontario	*Senior Managing Director*
Donald W. Lewtas Toronto, Ontario	*Chief Financial Officer*
David J. Mansell Toronto, Ontario	*Managing Director*
Seth M. Mersky Toronto, Ontario	*Senior Managing Director*
Anthony Munk Toronto, Ontario	*Senior Managing Director*

All Officers of the Company have held these positions over the past five years with Onex Corporation except for the following. Mr. Mansell assumed the position of Managing Director on January 1, 2010 and prior to that date held the position of Principal at Onex Corporation. Mr. Gilis assumed the position of Managing Director on January 1, 2011 and prior to that date held the position of Principal with the Company. Mr. Heersink, Mr. Mersky and Mr. Munk assumed the position of Senior Managing Directors on January 1, 2013 and prior to that date held the position of Managing Directors.

At February 21, 2013, Mr. Schwartz, and the other Officers and Directors of the Company as a group, beneficially owned directly or indirectly, or exercised control or direction, or may be deemed to have exercised control or direction, over an aggregate of 22% of the outstanding Subordinate Voting Shares of the Company.

Supplementary Information

Arni C. Thorsteinson, a director of the Corporation, is now, and in the past five years has been, an officer of certain non-publicly traded limited partnerships and other entities that were the subject of cease trade orders in certain provinces of Canada resulting generally from a failure to file financial statements or a failure to comply with disclosure obligations. Certain entities against which these orders were issued are now no longer active or, in other cases, Mr. Thorsteinson's involvement with such entities has ceased. In other cases, relevant entities have now been able to obtain discretionary relief from filing requirements; however, relief to correct prior transgressions is not available, and therefore in some cases these orders remain in force.

Audit and Corporate Governance Committee Charter

Purpose

The primary function of the Audit and Corporate Governance Committee is to assist the board of directors in fulfilling its oversight responsibilities by reviewing the financial information that will be provided to the shareholders and others, the systems of internal controls that management and the board of directors have established, and the Corporation's and its subsidiaries' audit and financial reporting process. The Committee has the responsibility to review and monitor the corporate governance practices of the Corporation.

The external auditors' ultimate responsibility is to the board of directors and the Audit and Corporate Governance Committee, as representatives of the shareholders. These representatives have the ultimate authority to evaluate and, where appropriate, recommend replacement of the external auditors.

The Audit and Corporate Governance Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in ensuing sections of this Charter. The Committee is given full access to the Corporation's management and records and external auditors as necessary to carry out these responsibilities. The Committee has the authority to carry out such special investigations as it sees fit in respect of any matters within its various roles and responsibilities.

Composition and Qualification

The Audit and Corporate Governance Committee shall be comprised of three directors, each of whom will be an independent director, as defined in Multilateral Instrument 52-110 – *Audit Committees*, as adopted by the Ontario Securities Commission.

All members of the Committee shall be financially literate and thus be able to read and understand a set of financial statements that have a level of complexity of accounting that is comparable to that of the Corporation's financial statements. At least one member of the Committee shall have accounting or related financial expertise. This could include past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer of an entity with financial oversight responsibilities.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit and Corporate Governance Committee shall:

(a) Review the accounting principles, policies and practices followed by the Corporation and its subsidiaries in accounting for and reporting its financial results of operations.

(b) Review the Corporation's audited annual consolidated financial statements and the unaudited quarterly financial statements. Also review and recommend to the board for approval any accompanying related documents such as the Annual Information Form or equivalent filings and the Management's Discussion and Analysis prior to the disclosing of the information to the public.

(c) Review the draft earnings press release quarterly.

(d) Satisfy itself that adequate procedures are in place for the review of any other public disclosure by the Corporation of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures.

(e) Oversee the work of the external auditor and recommend to the board of directors the selection and compensation of the external auditors to be put forward to the shareholders at the annual meeting.

(f) Obtain on a quarterly basis a formal written statement from the external auditors delineating the relationship between the audit firm and the Corporation, and review and discuss with the external auditors such relationship to determine the "independence" of the auditors.

(g) Review any management letter prepared by the external auditors concerning the Corporation's internal financial controls, record keeping and other matters and management's response thereto.

(h) Discuss with the external auditors their views about the quality of the implementation of Canadian Generally Accepted Accounting Standards, with a particular focus on the accounting estimates and judgments made by management and management's selection of accounting principles. Meet in private with appropriate members of management and separately with the external auditors on a regular basis to share perceptions on these matters, discuss any potential concerns and agree upon appropriate action plans. Review with the external auditor their views on the adequacy of the Corporation's financial personnel.

(i) Approve the scope of the annual audit, the audit plan, the access granted to the Corporation's records and the co-operation of management in any audit and review function.

(j) Review the effectiveness of the independent audit effort, including approval of the fees charged in connection with the annual audit, any quarterly reviews and any non-audit services being provided.

(k) Evaluate the lead audit partner and discuss rotation of the lead audit partner and other active audit engagement team partners.

(l) Assess the effectiveness of the working relationship of the external auditors with management and become involved, if necessary, to resolve disagreements between management and the external auditor regarding financial reporting matters.

(m) Review the financial risk management policies followed by the Corporation in operating its business activities and the completeness and fairness of any disclosure thereof. Review the use of derivative financial instruments by the Corporation.

(n) Review and approve management’s decisions relating to any potential need for internal auditing, including whether this function should be outsourced and if such function is outsourced, approve the supplier of such service.

(o) Review annually the Audit and Corporate Governance Committee Charter for compliance and adequacy and recommend any changes to the board.

(p) Determine the nature of non-audit services the external auditor is prohibited from providing to the Corporation. The Committee will pre-approve all non-audit services provided by the external auditor to the Corporation.

(q) Review compliance with regulatory requirements relating to CEO/CFO certifications.

(r) Review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the external auditor.

(s) Establish and review procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

(t) Report to the board on the major items covered at each Audit and Corporate Governance Committee meeting and make recommendations to the board and management concerning these matters. Annually report to the board on the effectiveness of the Audit and Corporate Governance Committee.

(u) Perform any other activities consistent with this Charter, the Corporation’s by-laws and governing law as the Committee or the board deems necessary or appropriate.

(v) Ensure that procedures are in place for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and allowing for employees’ anonymous submission of such complaints.

(w) Establish criteria for immediate reporting of significant complaints to the Committee and obtaining periodic reports about other complaints received.

(x) Review of management’s antifraud programs and controls, including the fraud risk assessment process.

(y) Review, on a timely basis, reports describing the nature, status and eventual disposition of any alleged or suspected fraud.

Corporate Governance Responsibilities
While corporate governance remains the responsibility of the board of directors, the Committee shall review and monitor the corporate governance practices of the Corporation. This includes:

(a) Reviewing the corporate governance disclosures that may be made by the Corporation.

(b) Reviewing compensation for members of the board of directors and recommending compensation levels to the board.

(c) Assessing on an annual basis the corporate governance practices. This would include requiring the completion of an annual questionnaire of the board members on corporate governance and the effectiveness of the board.

(d) Reviewing financial qualifications of Committee members.

(e) Overseeing the orientation program for new directors.

(f) Review performance of all directors over the age of 72.

(g) Monitoring on a continuing basis the overall effectiveness of the Corporation's system of corporate governance.

(h) Annually assessing the performance of the Committee as a whole and of its members individually, considering improvements and taking decisive corrective action.

Audit and Corporate Governance Committee Meetings
The Audit and Corporate Governance Committee will meet on a quarterly basis and will hold special meetings as circumstances require. The timing of the meetings shall be determined by the Committee. The Committee may engage external advisors as it determines necessary, with notice to the lead director, and may set the compensation for such advisors.

At all Audit and Corporate Governance Committee meetings a majority of the members shall constitute a quorum.

Composition of the Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee is comprised of three directors, each of whom is an independent director. The members of the Committee are:

Audit and Corporate Governance Committee Member	*Experience and Education*
Peter C. Godsoe, O.C.	Mr. Godsoe was Chairman of the Board until March 2, 2004 and Chief Executive Officer until December 2, 2003 of the Bank of Nova Scotia. From 1966, he held positions of increasing responsibilities with the Bank of Nova Scotia, becoming Chairman of the Board in 1995. In 2002, Mr. Godsoe received the Order of Canada and was inducted into the Canadian Business Hall of Fame. Mr. Godsoe holds a Bachelor of Science degree in Mathematics and Physics from the University of Toronto and a Master of Business Administration degree from Harvard Business School. He is also a Chartered Accountant and a Fellow of the Institute of Chartered Accountants of Ontario.
Serge Gouin	Mr. Gouin is Chairman of the Board of Quebecor Media Inc. He is the former Advisory Director of Citigroup Global Markets Canada Inc. (1998-2003) and President and Chief Operating Officer of Le Groupe Vidéotron Ltée. (1991-1996). Mr. Gouin holds a Bachelor of Arts degree from the University of Montreal as well as a Bachelor of Arts degree and Master of Business Administration degree from the Ivey School of Business.
Arni C. Thorsteinson, C.F.A.	Mr. Thorsteinson is the President of Shelter Canadian Properties Limited, a diversified real estate development and management company. He holds a Bachelor of Commerce (Honours) from the University of Manitoba and a Chartered Financial Analyst designation.

All of the Audit and Corporate Governance Committee members are financially literate and are able to read and understand a set of financial statements that have a level of complexity of accounting that is comparable to that of the Company's financial statements.

Onex Audit and Non-Audit Services Pre-Approval Policies and Procedures

Purpose

The purpose of this policy is to set guidelines for the pre-approval of services that are to be provided by the companies' auditors, and to establish services that the auditors may not provide ("Prohibited Services"). For the purpose of this policy Prime Auditor shall refer to the auditor of Onex Corporation (the "Company") and Secondary Auditor shall refer to an auditor of a wholly-owned subsidiary or operating company (a "company") where that auditor is not the same as the Prime Auditor. At the time of approval of this policy the Prime Auditor was PricewaterhouseCoopers and the Secondary Auditors were KPMG, Deloitte and Ernst & Young.

Objective

To provide oversight of the work of the independent auditors and ensure compliance with regulatory requirements.

Scope

This policy applies to Onex Corporation, all of its corporate wholly-owned subsidiaries, including foreign subsidiaries, and operating companies.

Prohibited Services

The following services may not be provided by the Prime Auditor or Secondary Auditor to Onex Corporation nor to any subsidiaries or affiliates:

- management functions;
- human resources;
- broker or dealer, investment adviser, or investment banking services;
- legal services;
- expert services unrelated to the audit, and
- any other services that the Board determines or, by regulation, is not permissible.

The following services may not be provided by an auditor of a company to that company or any of its subsidiaries or affiliates:

- bookkeeping or other services related to the accounting records or financial statements of the audit client;
- financial information systems design and implementation;
- appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- actuarial services, and
- internal audit outsourcing services.

Pre-approval for Required Non-Audit Services
A registered public accounting firm may engage in any non-audit service, including tax services, litigation support and internal control documentation, that is not described in the Prohibited Services, only if the activity is approved in advance by the audit committee of that company, in accordance with the Pre-approval Requirements section of this policy.

Pre-approval Requirements
In general:

(a) Any services where Onex' auditor (currently PricewaterhouseCoopers) would be engaged, approval must be obtained in advance from Onex Corporation.

(b) Audit Committee Action – All auditing services and non-audit services provided to a company by the auditor of the company shall be pre-approved by the audit committee of that company. Lists of the nature of specific services that are pre-approved are provided below. Services not listed must be specifically pre-approved before the engagement commences.

Pre-approval of Individual Services
From time to time it is expected that certain services, which are not contemplated in the Pre-approval Requirements Section of this policy, may need to be specifically pre-approved. Where these services are to be performed for the Company then the Audit Committee has delegated the authority to effect such pre-approval to the Chairman of the Audit Committee or such other member of the Audit Committee as the Chairman may choose to appoint. Where such services are to be performed for other subsidiaries or affiliates who have their own Audit Committee, it is expected that this company's Audit Committee should first approve such services and thereafter communicate the nature of such services to the Onex Audit Committee for approval.

Pre-approval of Services to be provided by PricewaterhouseCoopers
Any non-audit services where fees are estimated to be in excess of $250,000 the Audit Committee of Onex Corporation, or its Chair, is to approve in advance.

Report of Services to the Audit Committee
At each regularly scheduled meeting of the Audit Committee, management shall report on all new pre-approved engagements of the Company's Prime Auditor to the Company and its subsidiaries and affiliates.

Similarly, where a subsidiary has an Audit Committee, at each regularly scheduled meeting management of that company should report on all new pre-approved engagements of its respective auditor to its Audit Committee.

Lists of Services for Audit Committee Pre-approval

1. Audit services

Type of Service	*Description*
Financial Statement Audit	Recurring audit of consolidated financial statements including subsidiary companies, statutory audits and assistance with statutory audit disclosures. Also including review of other documents associated with the annual audit, MD&A, Annual Report, AIF, and Proxy Circular. Also including tax and accounting consultations required in connection with the financial statements audit pertaining to complex or unusual transactions and/or other consultations required to perform an audit in accordance with generally accepted auditing standards.
Quarterly Reviews	Review of interim financial statements conducted in accordance with generally accepted auditing standards.
Regulatory financial filings	Services related to regulatory filings and prospectus including consent and comfort letters.
404 attestation services	Attestation services relating to the report on the entity's internal controls as specified in Section 404 of the Sarbanes-Oxley Act and any similar requirements which may be introduced under Canadian and other local legislation/regulations.

2. Non-Audit Services

Type of Service	*Description*
Consultation regarding GAAP	Discussions, review of impact of new pronouncements and other assistance in connection with the interpretation of accounting literature, including technical update sessions.
Employee Benefit Plans	Audit of pension and other employee benefit plans and funds for regulatory purposes.
Specified audit procedures	Such procedures being outside the scope of the normal financial statement audit (for example specific inventory observance).
Financial due diligence	Assistance in financial and tax due diligence, including review of financial statements, financial data and records, tax returns, tax forms and tax filings, discussions with target's finance and accounting personnel. Accounting consultations and audits in connection with acquisitions and divestures.
Post-acquisition balance sheet audits	Audit services conducted on a balance sheet subsequent to a purchase of a business which is not required by regulation or statue, such services being executed in accordance with generally accepted auditing standards.
Review of other financial information	Reviews of financial information conducted in accordance with standards for review engagements as provided for in generally accepted auditing standards.
Internal control training / seminars	Assistance provided in training on internal controls and other related seminars.
SOX advisory services	Advisory services with respect to complying with Sarbanes-Oxley Section 404, National Instrument 51-109 and any similar requirements, which may be introduced by Canadian and other local legislation/regulations. Provided that at no such time shall such services involve the auditor acting in the capacity as management.
Other attest services	Attest services that are not required by statute or regulation, including attest services in respect of special audit reports to support tax filings.
Forensic investigations	Fact finding services and forensic investigations as long as such services are permitted under the independence rules.

3. Tax Services

Type of Service	*Description*
Corporate tax compliance	Preparation and/or review of corporate tax returns, filings and forms. Consultation regarding handling of items for tax returns, required disclosures, elections, and filings positions available.
Indirect tax compliance and advisory	Indirect tax recovery, compliance and advisory services (VAT, PST, GST, HST, payroll tax and other commodity taxes) including compliance advice, audit support, recovery services.
Routine corporate tax advisory services	Assistance with tax audits, examination of requests for information. Responding to requests regarding technical interpretations, applicable laws and regulations, and tax accounting. Tax advice on financings, inter-company transactions, foreign tax credits, foreign income tax, tax accounting, foreign earnings and profits, capital tax, sales tax, use tax, property tax, the treatment in any jurisdiction of foreign subsidiary income, VAT, excise tax or equivalent taxes in the jurisdiction. Assistance with tax appeals that are not in front of a tax court or its equivalent. Advice regarding tax legislation or codes including interpretations, procedures and advance tax rulings or private letter rulings thereof, or their equivalent, in applicable jurisdictions in the following areas: income, capital sales, use, property, excise, local value added (VAT and GST). Advice and assistance with respect to transfer pricing matters, including preparation of reports used by the company to comply with taxing authority documentation requirements regarding royalties, services and inter-company pricing and assistance with tax exceptions.
Tax related M&A advisory services	Tax advice on mergers, acquisitions, restructurings, financings and other merger and acquisition related transactions proposed and actual. Including tax due diligence and acquisition structuring in support of M&A transactions.
Customs and duties	Compliance reviews and advice on compliance in the areas of tariffs and classification, origin, pricing and documentation. Assistance with customs audits or requests for information.
Expatriate tax services	Preparation of individual income tax returns, advice on impact of changes in local tax laws and consequences of changes in compensation programs or practices. Compliance and advice in relation to benefits and compensation, stock options and tax equalization policies.

4. Other Services

Type of Service	*Description*
Valuation	Valuation services for non-financial reporting in connection with tax only valuations and valuation services to review and comment on tax related valuations prepared by the company or third parties. Also financial reporting related valuation services provided that such services are in accordance with the prohibited services section of this policy.
Financial systems design and implementation	Design or implementing a hardware or software system, provided that such services can only be provided by in accordance with the prohibited services section of this policy.
Actuarial services	Such services can only be provided in accordance with the prohibited services section of this policy.
Internal audit outsourcing	Internal audit activities cannot be provided except in accordance with the prohibited services section of this policy.
Technology Products	The following technology related products from our primary auditor are considered permissible: Comperio (Accounting research tool); Teammate (Electronic working papers); and Global Best Practices (Global benchmarking database).

Fees Paid to Auditors

The following table sets forth the aggregate fees incurred by the Company and operating companies for audit and other services performed by the Company's auditor, PricewaterhouseCoopers, for the years ended December 31, 2012 and 2011.

	2012	**2011**
Audit at corporate office……………………	$ 1,478,000	$ 1,252,000
Audit at operating companies [a]………………….	18,979,000	17,485,000
	20,457,000	18,737,000
Tax at corporate office…………………………	910,000	960,000
Tax at operating companies……………………	2,406,000	2,861,000
	3,316,000	3,821,000
Other at corporate office [b]……………………	1,045,000	3,488,000
Other at operating companies [b]……………….	2,881,000	2,168,000
	3,926,000	5,656,000
Total……………………………………………	$ 27,699,000	$ 28,214,000

(a) Sarbanes-Oxley related fees grouped with audit in the operating companies.

(b) Includes fees for due diligence, IFRS and other non-audit services.

ITEM 12 Additional Information

Additional information, including information concerning the remuneration of Directors and Officers, their indebtedness to the Company, principal holders of the Company's securities, options and share appreciation rights to acquire securities, interests of insiders in material transactions, and the normal course issuer bid is, where applicable, contained in the 2012 Information Circular and will be contained in the 2013 Information Circular. A review of the Corporation's corporate governance policies, with reference to the current and proposed Corporate Governance Guidelines of the Toronto Stock Exchange, is also included in the Information Circulars.

Additional financial information, including comparative consolidated audited financial statements, is provided in the Company's 2012 Management's Discussion and Analysis and Financial Statements.

Copies of the 2013 Information Circular, this Annual Information Form, the Management's Discussion and Analysis and Financial Statements of Onex for the year ended December 31, 2012, and any interim unaudited financial statements of Onex subsequent to such date, are available on the Company's website (www.onex.com) or, upon request, from Mr. Donald W. Lewtas, Chief Financial Officer, Onex Corporation, 161 Bay Street, P.O. Box 700, Toronto, Ontario, M5J 2S1 or on the Canadian Systems for Electronics Document Analysis and Retrieval (SEDAR) at www.sedar.com. In the event that Onex Corporation should file a preliminary short-form prospectus in respect of a distribution of its securities, or should a receipt be issued by the applicable securities regulators in respect of such a short-form prospectus, copies of any documents, other than those referred to above, incorporated by reference into said preliminary short-form prospectus, will also be made available.

Registrar and Transfer Agent

The registrar and transfer agent for the Company's Subordinate Voting Shares is:

CIBC Mellon Trust Company (1)
P.O. Box 700
Postal Station B
Montreal, Quebec H3B 3K3
(416) 682-3860
or call toll-free throughout Canada and the United States
1-800-387-0825
www.canstockta.com
or inquiries@canstockta.com (e-mail)

(1) Canadian Stock Transfer Company Inc. acts as the Administrative Agent for CIBC Mellon Trust Company.