

FOR IMMEDIATE RELEASE

October 19, 1999

(All amounts in U.S. dollars.  
Per share information based on fully diluted  
shares outstanding unless noted otherwise.)

**CELESTICA CONTINUES TO SET RECORD FINANCIAL RESULTS;  
THIRD QUARTER REVENUE INCREASES 67% TO \$1.36 BILLION**

TORONTO - Celestica Inc. (NYSE, TSE, ME: CLS), a world leader in electronics manufacturing services (EMS), today announced its financial results for the third quarter ended September 30, 1999.

**Revenue** for the three months ended September 30, 1999 was \$1,356.9 million, up 67% from \$811.6 million in the same period of 1998, and up 9% from the second quarter this year. The year-over-year increase was attributable to strong organic growth and major increases in communications-related business.

**Adjusted net earnings**, which excludes the after-tax impact of integration costs related to acquisitions, amortization of intangible assets and other charges, doubled to \$32.6 million compared to \$16.2 million in the third quarter of 1998. On a sequential basis, adjusted net earnings were up 19% from the second quarter of this year.

**Adjusted net earnings per share** rose 54% to \$0.37 per share compared to \$0.24 per share for the same period last year, an increase of 19% on a sequential basis from the second quarter of this year.

**Net earnings** increased to \$19.5 million or \$0.22 per share compared to \$6.3 million in the third quarter of 1998. On a sequential basis, net earnings were up 48% from the second quarter of this year.

**For the nine-month period** ended September 30, 1999, revenue was \$3,688.5 million, up 59% from \$2,323.9 million for the same period last year. Adjusted net earnings were \$82.0 million, up 208% from \$26.6 million in 1998. Adjusted net earnings per share were \$0.96, up 75% from \$0.55 for the same period last year. Net earnings were \$42.2 million or \$0.50 per share compared to a loss of \$44.7 million last year.

"We are very pleased with Celestica's record financial results as we continue to expand our global operations to meet the growing needs of our customers," said Eugene Polistuk, president and CEO, Celestica Inc. "Celestica's very strong organic revenue growth reflects the overall success the company is experiencing; positioning it well to achieve its goal of \$10 billion in revenues by 2001."

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## Other Recent Developments

On October 4, Celestica announced that it had completed its acquisition of Hewlett-Packard Company's Surface Mount Center in Andover, MA, the printed circuit board assembly operation of HP's Healthcare Solutions Group.

Celestica also announced that it had completed the acquisition of VXI Electronics, a recognized provider of power conversion products and a leader in the design and manufacture of voltage regulator modules (VRMs) and custom power supplies. VXI's operation is located in the Portland, Oregon area and brings to Celestica a valuable and complementary set of customers and products.

### About Celestica

With over 17,000 employees worldwide, Celestica operates 28 manufacturing and design facilities in the United States, Canada, Mexico, the United Kingdom, Ireland, Thailand, Hong Kong, China, Malaysia and Brazil. Celestica provides a broad range of services including design, prototyping, assembly, testing, product assurance, supply chain management, worldwide distribution and after-sales service. Its customers include industry leading original equipment manufacturers (OEMs), primarily in the computer and communications sectors.

For further information on Celestica, visit its website at <http://www.celestica.com>

*Statements contained in this press release which are not historical facts are forward-looking statements which involve risk and uncertainties which could cause actual results to differ materially from those expressed in the forward-looking statements. Among the key factors that could cause such differences are: the level of overall growth in the electronics manufacturing services (EMS) industry; variability of operating results among periods; dependence on the computer and communications industries; dependence on a limited number of customers; and the ability to manage expansion, consolidation and the integration of acquired businesses. These and other factors are discussed in the Company's various public filings including the 1998 Annual Report.*

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**CELESTICA INC.**  
**CONSOLIDATED STATEMENTS OF EARNINGS (LOSS) AND DEFICIT**  
(in thousands of U.S. dollars, except per share amounts)  
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	1998	1999	1998	1999
<b>Revenue</b>	\$ 811,579	\$ <b>1,356,947</b>	\$ 2,323,902	\$ <b>3,688,482</b>
Gross profit	\$ 59,940	\$ <b>98,588</b>	\$ 161,342	\$ <b>262,186</b>
Selling, general and administrative expenses	34,986	<b>51,612</b>	93,881	<b>140,909</b>
Amortization of intangible assets	10,782	<b>14,070</b>	34,578	<b>41,629</b>
Integration costs related to acquisitions	1,340	<b>1,282</b>	5,652	<b>5,250</b>
Other charges	-	-	52,830	-
Interest expense, net	3,736	<b>2,995</b>	29,173	<b>8,462</b>
Earnings (loss) before income taxes	9,096	<b>28,629</b>	(54,772)	<b>65,936</b>
Provision for (recovery of) income taxes	2,757	<b>9,161</b>	(10,075)	<b>23,727</b>
Net earnings (loss) for the period	6,339	<b>19,468</b>	(44,697)	<b>42,209</b>
Deficit, beginning of period	(54,783)	<b>(29,477)</b>	(3,747)	<b>(52,218)</b>
Deficit, end of period	\$ (48,444)	\$ <b>(10,009)</b>	\$ (48,444)	\$ <b>(10,009)</b>
<b>Earnings (loss) per share - basic</b>	\$ 0.10	\$ <b>0.23</b>	\$ (0.97)	\$ <b>0.52</b>
<b>Earnings per share – fully diluted</b>	N/A <sup>(1)</sup>	\$ <b>0.22</b>	N/A <sup>(1)</sup>	\$ <b>0.50</b>
Weighted average number of shares outstanding (in 000's)	64,786	<b>84,343</b>	46,259	<b>81,946</b>

<sup>(1)</sup> Fully diluted earnings per share has not been disclosed as the effect of the potential conversion of dilutive securities is anti-dilutive.

**ADJUSTED NET EARNINGS**  
(in thousands of U.S. dollars, except per share amounts)  
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	1998	1999	1998	1999
Adjusted net earnings <sup>(2)</sup>	\$ 16,205	\$ <b>32,612</b>	\$ 26,604	\$ <b>81,993</b>
Adjusted net earnings per share - basic	\$ 0.25	\$ <b>0.39</b>	\$ 0.58	\$ <b>1.00</b>
Adjusted net earnings per share - fully diluted	\$ 0.24	\$ <b>0.37</b>	\$ 0.55	\$ <b>0.96</b>

<sup>(2)</sup> Adjusted net earnings exclude the after-tax effect of other charges, integration costs related to acquisitions and amortization of intangible assets.

**CELESTICA INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands of U.S. dollars)  
(unaudited)

	<b>As at September 30,</b>	
	<b>1998</b>	<b>1999</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and short-term investments	\$ 70,319	\$ 73,447
Accounts receivable	371,315	595,325
Inventories	350,513	785,442
Other assets	63,634	57,936
	<u>855,781</u>	<u>1,512,150</u>
Capital assets	180,454	326,240
Intangible assets	300,106	348,998
Other assets	59,530	85,689
	<u>\$ 1,395,871</u>	<u>\$ 2,273,077</u>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 519,109	\$ 949,605
Deferred income taxes	3,010	3,227
Current portion of long-term debt	1,906	2,843
	<u>524,025</u>	<u>955,675</u>
Long-term debt	134,427	132,872
Other liabilities	8,533	17,982
	<u>666,985</u>	<u>1,106,529</u>
<b>Shareholders' equity</b>		
Capital stock	779,443	1,175,009
Deficit	(48,444)	(10,009)
Foreign currency translation adjustment	(2,113)	1,548
	<u>728,886</u>	<u>1,166,548</u>
	<u>\$ 1,395,871</u>	<u>\$ 2,273,077</u>

**CELESTICA INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands of U.S. dollars)  
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	1998	1999	1998	1999
<b>Cash provided by (used in)</b>				
<b>Operations</b>				
Net earnings (loss) for the period	\$ 6,339	\$ 19,468	\$ (44,697)	\$ 42,209
Items not affecting cash:				
Depreciation and amortization	21,406	32,918	63,281	90,623
Other charges	-	-	52,830	-
Other	(5,289)	1,891	(24,718)	(4,302)
Cash from earnings	22,456	54,277	46,696	128,530
Non-cash working capital changes	16,874	16,132	22,726	(161,235)
	39,330	70,409	69,422	(32,705)
<b>Investing</b>				
Acquisitions, net of cash acquired	(2,444)	(8,554)	(52,013)	(13,886)
Purchase of capital assets	(14,897)	(76,108)	(52,885)	(155,210)
<b>Other</b>	(441)	(21)	(4,740)	(1,466)
	(17,782)	(84,683)	(109,638)	(170,562)
<b>Financing</b>				
Bank indebtedness	(12,165)	-	(890)	-
Decrease in long-term debt, net	(440,444)	(6,018)	(384,604)	(8,363)
Issuance of share capital	414,659	3,314	423,814	269,856
Share issue costs	(25,397)	-	(25,397)	(12,737)
Deferred financing costs	(1,098)	(115)	(1,723)	(1,261)
Other	(28)	(3,395)	(6,717)	(2,502)
	(64,473)	(6,214)	4,483	244,993
<b>Increase (decrease) in cash</b>	(42,925)	(20,488)	(35,733)	41,726
<b>Cash, beginning of period</b>	113,244	93,935	106,052	31,721
<b>Cash, end of period</b>	\$ 70,319	\$ 73,447	\$ 70,319	\$ 73,447
<b>Supplemental information</b>				
Paid during the period				
Interest	\$ 429	\$ 969	\$ 29,100	\$ 9,233
Taxes	\$ 1,252	\$ 2,143	\$ 4,225	\$ 17,383

Cash is comprised of cash and short-term investments.

**CELESTICA INC.**  
**NOTES TO CONSOLIDATED STATEMENTS**  
(in thousands of U.S. dollars)  
(unaudited)

**1. Segmented information:**

The Company's operations fall into one dominant industry segment, the electronics manufacturing services industry. The Company manages its operations, and accordingly determines its operating segments, on a geographic basis. The performance of geographic operating segments is monitored based on EBIAT (earnings before interest, amortization of intangible assets, income taxes, integration costs related to acquisitions and other charges). The Company monitors enterprise-wide performance based on adjusted net earnings, which is calculated as net earnings (loss) before amortization of intangible assets, integration costs related to acquisitions and other charges, net of related income taxes. Inter-segment transactions are reflected at market value.

The following is a breakdown of: revenue, EBIAT, adjusted net earnings and total assets by operating segment:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>1998</b>	<b>1999</b>	<b>1998</b>	<b>1999</b>
Revenue				
North America <sup>(1)</sup>	\$ 615,714	\$ 942,399	\$ 1,805,823	\$ 2,557,122
Europe	195,865	270,545	518,079	761,970
Asia	-	183,005	-	480,013
Elimination of inter-segment revenue	-	(39,002)	-	(110,623)
	<u>\$ 811,579</u>	<u>\$ 1,356,947</u>	<u>\$ 2,323,902</u>	<u>\$ 3,688,482</u>
<b>EBIAT</b>				
North America	\$ 18,517	\$ 28,766	\$ 52,566	\$ 80,209
Europe	6,437	11,522	14,895	26,346
Asia	-	6,688	-	14,722
EBIAT	<u>24,954</u>	<u>46,976</u>	<u>67,461</u>	<u>121,277</u>
Interest, net	(3,736)	(2,995)	(29,173)	(8,462)
Amortization of intangible assets	(10,782)	(14,070)	(34,578)	(41,629)
Integration costs related to acquisitions	(1,340)	(1,282)	(5,652)	(5,250)
Other charges	-	-	(52,830)	-
Earnings (loss) before income taxes	<u>\$ 9,096</u>	<u>\$ 28,629</u>	<u>\$ (54,772)</u>	<u>\$ 65,936</u>
<b>Adjusted net earnings</b>	<u>\$ 16,205</u>	<u>\$ 32,612</u>	<u>\$ 26,604</u>	<u>\$ 81,993</u>
			<b>As at September 30,</b>	
			<b>1998</b>	<b>1999</b>
Total assets				
North America			\$ 863,682	\$ 1,157,472
Europe			532,189	789,522
Asia			-	326,083
			<u>\$ 1,395,871</u>	<u>\$ 2,273,077</u>

<sup>(1)</sup> Revenue from Canadian operations was \$406,026 and \$598,601 for the three months ended September 30, 1998 and 1999, respectively and \$1,086,256 and \$1,641,180 for the nine months ended September 30, 1998 and 1999, respectively.

**CELESTICA INC.**  
**NOTES TO CONSOLIDATED STATEMENTS**  
**(in thousands of U.S. dollars)**  
**(unaudited)**

**2. Subsequent event**

On October 1, 1999, the Company acquired certain assets related to Hewlett-Packard's printed circuit assembly facility in Andover, Massachusetts at a cost of approximately \$29,000 financed from cash on hand.