

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE TO**

**Tender Offer Statement under Section 14(d)(1) or 13(e)(1)  
of the Securities Exchange Act of 1934**

**Celestica Inc.**

(Name of Subject Company (issuer))

**Celestica Inc.**

(Names of Filing Persons (identifying status as offeror, issuer or other person))

**Various Classes of Options to Purchase Subordinate Voting Shares**

(Title of Class of Securities)

**15101Q108**

(CUSIP Number of Class of Underlying Securities)

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**Copies to:**

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Canada M5X 1B1  
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(Name, address, and telephone numbers of person authorized  
to receive notices and communications on behalf of filing persons)  
Calculation of Filing Fee

**Transaction valuation**  
N/A

**Amount of filing fee\***  
N/A

\*No filing fee is required because this filing contains only preliminary communications made before the commencement of a tender offer.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid.  
Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \_\_\_\_\_ Filing Party: \_\_\_\_\_  
Form or Registration No.: \_\_\_\_\_ Date Filed: \_\_\_\_\_

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2

Check the following box if the filing is a final amendment reporting the results of the tender offer:

**Items 1-11.**

Not applicable.

**Item 12. Materials to be Filed as Exhibits.**

Letter to option holders regarding Celestica Inc.'s option exchange program, delivered to option holders on or about May 16, 2005, the text of which is attached hereto as Exhibit 99.1.

Form of statement of eligible options, delivered to option holders on or about May 16, 2005, the text of which is attached hereto as Exhibit 99.2.

Stock Option Exchange — Employee Questions and Answers, delivered to option holders on or about May 16, 2005, the text of which is attached here to as Exhibit 99.3.

Celestica Option Exchange Program Overview, delivered to option holders on or about May 16, 2005, the text of which is attached hereto as Exhibit 99.4.

**Item 13. Information Required by Schedule 13E-3.**

Not applicable.

**EXHIBIT INDEX**

Exhibit 99.1 – Letter to option holders

Exhibit 99.2 – Form of statement of eligible options

Exhibit 99.3 – Stock Option Exchange — Employee Questions and Answers

Exhibit 99.4 – Celestica Option Exchange Program Overview

**SIGNATURE**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: May 16, 2005

CELESTICA INC.

By: /s/ Elizabeth L. DelBianco  
Elizabeth L. DelBianco  
Chief Legal Officer

**Attention: Celestica Stock Option Holder**

This package contains information related to Celestica's recently-announced Stock Option Exchange Program, to be launched in June.

In this package, you will find for your review:

- A statement of eligible options for the exchange (any options excluded from this statement are ineligible for the exchange);
- A Question and Answer document; and,
- A powerpoint presentation (containing more program details).

A tender offer will not be made available to you until around June 13, 2005. An offer will be made available on the Option Exchange Intranet site at that time. For those of you who do not have access to the Celestica Intranet, the offer will be mailed to you or delivered by your site contact.

Please visit the Option Exchange intranet site for any additional information on the exchange, as well as translated versions of the program documents.

Regards,  
Lisa Colnett,  
SVP, HR, Celestica

CELESTICA HAS NOT COMMENCED THE OPTION EXCHANGE PROGRAM. WE ADVISE YOU TO CAREFULLY READ THE OFFER TO EXCHANGE AND OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION AS THEY WILL CONTAIN IMPORTANT INFORMATION REGARDING THE EXCHANGE OFFER. ANY SUCH DOCUMENTS, ONCE FILED, WILL BE AVAILABLE, FREE OF CHARGE, AT THE SECURITY AND EXCHANGE COMMISSION'S WEBSITE AT WWW.SEC.GOV AND FROM CELESTICA'S INVESTOR RELATIONS AT (416) 448-2211.

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Celestica Stock and Option Plans

Options Outstanding and Available for the Option Exchange Program

Name  
Address

Employee No:  
TP Reference:  
Site: /  
Country:

The options listed below are the outstanding options you currently hold that are eligible for the Option Exchange Program. Options with an exercise price less than USD\$30.00 or CAD\$40.00 are excluded from this listing as they are not eligible for the exchange program.

Plan	Grant Date	Option Exercise Price	Number Granted	Number Outstanding
			<b>Totals</b>	<b>Number</b>

## NOTICE TO EXISTING HOLDERS

To all holders of stock and/or options under our stock and options plans:

The U.S. securities laws require us to deliver to each of you:

- a copy of the Plan,
- A prospectus describing your rights under the Plan, and
- the Annual Report on Form 20-F we file with the U.S. Securities and Exchange Commission.

These documents contain important information, and you should review them carefully. A copy of each of these documents is available to you on the Celestica Global Intranet in the Human Resources section under the heading "Stock and Option Plans". We update our annual report in the spring of each year, to include our audited financial statements. We will update the prospectus only if there is a material change in the information.

Prior to taking any action with respect to any of these plans, please check the website to make sure that you have the most up to date version of any of these documents. If you are unable to retrieve a hard copy of any of these documents from the website, please contact us by sending an email to [celesticastock@towers.com](mailto:celesticastock@towers.com).

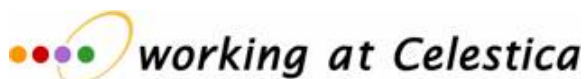
### How to contact Towers Perrin

Towers Perrin has 2 call centers to service Celestica employees located in Bristol, UK and in Mississauga, Canada. The call centers are staffed from 9:00 AM to 5:00 PM and 8:30 AM to 5:00 PM, respectively. If the call center is unable to provide an answer to your questions, your call will be directed to the appropriate administrative support person.

Telephone:		Office hour	Mail:	
Canada, US	877-480-3858	Canada, US & Mexico	UK only:	All other geographies:
Mexico	001-800-514-3585	8:30 AM to	Towers Perrin	Towers Perrin Share Plan
All other	011-44-870-161-6613	5:00 PM	Share Plan	Services Limited
geographies		Monday to Friday	Services Limited	Wyndham Court Pritchard
		UK	P.O. Box 169	Street Bristol BS2 8RH
		9:00 AM to	Bristol	United Kingdom
		5:00 PM	BS993TU	
		Monday to		
		Friday		
<b>Fax:</b>				
UK only	(0) 117-984-4622			
All other	011-44-117-984-4622			
geographies				
<b>E-mail:</b>				
Canada, US &				
Mexico	Celesticana@towers.com			
All other	Celesticastock@towers.com			
geographies				

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**STOCK OPTION EXCHANGE  
EMPLOYEE QUESTIONS AND ANSWERS**

- **How did Celestica arrive at the exchange value of US\$1.00 per option?**
- There are various standard industry methods to estimate the value of stock options under option exchange programs. Based on the recommendation of a third-party consulting firm, Celestica chose the Binomial Option Pricing Model. A Binomial Option Pricing Model uses probability theory to estimate the value of a stock option. Binomial models assume that stock prices move randomly over time.

In valuing the options using the binomial model, certain assumptions were made regarding employee turnover and option exercise patterns in addition to standard assumptions such as share price volatility. More information on the pricing of the program can be found on pages 14 and 15 of the 2004 Management Information Circular, which is available on the Celestica website ([www.celestica.com](http://www.celestica.com)).

To estimate the exchange value, the valuation date was set on February 1, 2005. With the stock price at \$13.59 (US) on February 1, and based on all of the assumptions used, the Binomial Model estimated the average current value of the stock options under consideration to be \$1.52 per share. To further balance the interests of shareholders, the price was discounted by approximately 1/3, resulting in a price of \$1.00 US per share. We believe the final valuation is fair for both shareholders and employees.

- **Who decided to create an option exchange program?**
- Celestica's executive team recommended the program and it was then approved by the Board of Directors. It was approved by shareholders at Celestica's Annual General Meeting (AGM) held on April 21, 2005.
- **Does this mean we don't expect our share price to rebound?**
- It is not possible to predict future share prices, however, the option exchange is not a negative reflection of Celestica's confidence in its future. Celestica has a detailed plan to return itself to growth and profitability and we believe the company is on its way to achieving these goals. All efforts are aimed at increasing the share price over time. In the meantime, the company would like to provide eligible options holders the opportunity to receive some value for their underwater options.

- **How will the option exchange advance shareholder objectives?**
- The option exchange will enable Celestica to reduce the number of options outstanding (also known as "overhang"). Overhang refers to outstanding stock options as a percentage of the total shares outstanding. Shareholders typically prefer that the overhang be under 10%. Celestica has also initiated other actions to address these issues. Going forward, the number of stock options that Celestica can award each year will be limited to the equivalent of 1.2% of the number of shares outstanding.
- **Why are we only offering to exchange options with an exercise price of US\$30 (C\$40) or greater?**
- It is not affordable for the company to buy back all outstanding options. Based on the average exercise price of all outstanding options, it was determined that US\$30 (C\$40) was a reasonable cut-off point for this program.
- **What if I want to exchange only a portion of my stock options at US\$30 (C\$40) or greater, rather than all of them?**
- You must decide to either exchange all options above this price level or decline to participate in the program.
- **How much personal tax will I pay on the amount I am paid?**
- The amount of personal tax deducted depends on tax laws in your country of residence. Current tax information can be found, by country, on the 'Option Exchange Program' intranet site. This information is subject to change. It is recommended that employees obtain individual tax advice for any specific questions relating to their personal situation.
- **When would I receive the funds for the options that I am exchanging?**
- Payments are expected to be made in August or September, 2005, following the consolidation of responses at the close of the exchange in July, 2005. The actual payment date will be established by the local payroll and will be communicated during the exchange program. If you are eligible to receive more than \$10,000 in the exchange you will have 50% of your payment deferred for a period of three years.
- **When does the Option Exchange Program officially begin?**
- On June 13, you will receive a letter of transmittal (election form) via e-mail or from your site Human Resources representative. If you choose to participate in the program, you will have until the expiration date of the exchange – which we expect to be July 11, 2005 - to print and sign the transmittal (election form) and return a paper copy to your site HR representative.

- **What if I forget to hand in my form before the expiration date of the exchange? Will there be any grace period?**
- No. If you choose to participate in the exchange and your completed transmittal letter (election form) is not returned prior to the close of business on the expiration date, you will not be included in the exchange, and as such, you will not receive any payment.
- **What if I do not want to participate in the Option Exchange Program?**

- If you do not want to participate in the Option Exchange Program, you are still requested to check the appropriate box on the election form and return it to your site HR representative.
  - **What happens to my stock options if I don't want to exchange them?**
  - If you do not take part in the Option Exchange Program, you continue to hold your stock options at the original grant price. You keep them until you exercise them or until they expire.
  - **What if I leave the company before the exchange officially begins?**
  - Employees who leave due to resignation or termination for cause will no longer be eligible to participate in the program. The only exceptions are for employees who leave due to termination without cause and are still within their notice period when the exchange formally opens on June 13 and employees who retired after March 31, 2005; these employees will be eligible to participate.
  - **Will I still be paid for my tendered options if I leave Celestica after the exchange opens but before the payment is made?**
  - As long as Celestica does not elect to terminate the offer, or reject all of the tendered options, you will receive payment for your properly tendered options. However, you will not be paid the deferred portion of the option purchase price, if applicable, unless you were terminated without cause (for example, through restructuring), death, disability or retirement.
  - **Will there be any instance in which the offer could be terminated following shareholder approval?**
  - Yes. There may be some instances in which the company may elect to terminate the offer, or reject all tendered options. This will be outlined in the tender offer document to be provided to eligible option holders once the offer has commenced. Currently, we have no reason to believe the offer will be revoked.
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- **How will the US\$1.00 per option be calculated if I live outside of the US?**
- For purposes of calculating the payment, the average foreign currency exchange daily rate for the month of June, 2005 will be used for all currencies other than US dollar payments. Payment will be made in local currency.
- **Is there a chance that Celestica will re-price any of the options it has already granted to employees?**
- No. As part of the arrangement that was approved by Celestica's shareholders on April 21, 2005, Celestica will be amending its long-term incentive plan to specifically prohibit option re-pricing.
- **What does the Option Exchange mean for employee retention?**
- Reducing the overhang by purchasing back the options that are significantly underwater will also provide a source of options to be used for future grant programs required to attract and retain employees.

For employees who have options valued at greater than US \$10,000, a portion of their payment is deferred over a three-year term. The first installment of 50% of the amount will be made on the same payout date as those with options valued at under US\$10,000. As previously mentioned, this will be in August or September depending on geographic location and payroll dates.

The second payment will occur on the first available payroll date following the third anniversary of the close date. This is currently expected to be July 11, 2008. Only employees who are employed by Celestica at that date or left Celestica because they were terminated without cause (for example, through restructuring), death, disability, leave of absence or retirement, will receive the second payment.

- **What have other technology companies been doing?**
  - Many other high technology companies have revised their stock option programs, some of which have included buy-back programs.
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#### **Questions and Answers for individuals who are eligible to receive more than \$10,000 in the exchange.**

- **What if the value of the exchange offer is greater than US\$10,000?**
  - The payments will be made in two installments. The first installment of 50% of the payment will be made on the same payout date as those with options valued at under US\$10,000. As previously mentioned, this will be in August or September depending on geographic location and payroll dates.
- The second payment will occur on the first available payroll date following the third anniversary of the close date. This is currently expected to be July 11, 2008.
- **Will I be paid interest on the deferred portion?**
  - Yes, in addition to the principal amount owing on the second installment, Celestica will make an interest payment at an annual interest rate of 2.5% of the original principal from the first installment payment date compounded annually.
  - **What happens to the second installment if I leave Celestica after the initial payment?**
  - The following conditions will apply:
    - Voluntary Resignation or Termination with Cause: The second installment will be forfeited.
    - Retirement, Death, Disability, or Termination by Celestica  
"without cause": The full amount of the second installment will be paid upon termination.



- **Will the value of the deferred payment change if the share price increases substantially over the next three years?**
- No, the deferred payment will remain at 50% of the original offer, plus the interest payment.

WE ADVISE YOU TO CAREFULLY READ THE OFFER TO EXCHANGE AND OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION AS THEY WILL CONTAIN IMPORTANT INFORMATION REGARDING THE EXCHANGE OFFER. ANY SUCH DOCUMENTS, ONCE FILED, WILL BE AVAILABLE, FREE OF CHARGE, AT THE SECURITY AND EXCHANGE COMMISSION'S WEBSITE AT [WWW.SEC.GOV](http://WWW.SEC.GOV) AND FROM CELESTICA'S INVESTOR RELATIONS AT (416) 448-2211.

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## Celestica Option Exchange

## Program Overview

Celestica Confidential

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OPTION EXCHANGE

The purpose of this option exchange package is to provide information to help you begin to consider whether you will want to tender your options in our proposed Option Exchange Program.

We have not commenced the Option Exchange Program. We strongly advise you to read the tender offer statement when you receive it – which we expect to distribute on June 13 - before electing whether to participate in the Option Exchange Program. We will be filing the tender offer statement and other documents related to the program with the Securities and Exchange Commission (SEC). These documents will contain important information. You may obtain copies of these documents for free at the SEC website located at [www.sec.gov](http://www.sec.gov) or Celestica's website at [www.celestica.com](http://www.celestica.com) after they are filed.

This package is only for educational purposes. The actual Option Exchange Program is expected to run between June 13 and July 11. You are not required to take any action until that time.

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## What is the Option Exchange Program?

- Celestica will offer to purchase all eligible outstanding stock options (vested and non-vested) for US\$1 each.
- The options eligible for this program may have been granted at any time, but must have been issued under the Long-Term Incentive Plan (LTIP) or any of the plans we assumed from MSL and must have an exercise price of US\$30 (or \$40 CDN) or greater.
- The expected duration of the Option Exchange Program is from June 13, 2005 to July 11, 2005. We may extend the offer at our discretion.
- The number of options granted to you that are eligible for this program are identified on your personal statement which is in this package.

More information on the proposed Option Exchange Program can be found on pages 14 and 15 of the 2005 Management Information Circular which is available on Celestica's website, [www.celestica.com](http://www.celestica.com).

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## What are my choices?

- The Option Exchange Program will be a one-time opportunity for you to receive cash in exchange for certain stock options that are currently underwater.
- You can choose to exchange all of the outstanding stock options listed on your personal statement. If you do this:
  - You will receive US\$1 for each eligible stock option
  - These options will be cancelled.
- If you choose not to take part, you keep your stock options under the same conditions they were awarded until you exercise them or they expire.
- The program is voluntary and the choice is up to you.

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## Why is Celestica conducting an Option Exchange?

- Because our share price has declined since the high-tech bubble of a few years ago, Celestica has a large number of outstanding stock options.

- These outstanding options, in proportion to all Celestica shares in the market, are called ‘overhang.’ Currently, Celestica has a larger overhang than shareholders typically find acceptable.
- By purchasing back stock options that are significantly underwater, Celestica will reduce our overhang to more acceptable levels. We believe that this will help us to improve shareholder perception and will make more options available for future grants. This will help Celestica attract and retain employees on an ongoing basis.

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#### Why is Celestica conducting an Option Exchange?

- This offer is not a negative reflection of Celestica’s confidence in its future. Celestica has a detailed plan to restore its growth and profitability, and we believe the company is on its way to achieving these goals. All efforts are aimed at increasing the share price over time. In the meantime, the company would like to provide eligible option holders the opportunity to receive immediate value for their underwater options.
- Other high-technology companies have already revised their stock option programs and some of these have included exchange programs.

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#### How was the exchange value calculated?

- Option exchange programs use standard industry methods to estimate the value of outstanding stock options. Based on the recommendations of a third-party consulting firm, Celestica chose the binomial option pricing model.
- Using the binomial option pricing model, we estimated that the average outstanding value of eligible options was US\$1.52 as of February 1, 2005. Celestica then applied a discount of approximately 1/3 (33%) to the estimated value in order to balance the interests of the employees with the financial interests of shareholders.
- This resulted in a value of US\$1.00 per option.
- In valuing the options using the binomial model, certain assumptions were made regarding employee turnover and option exercise patterns, in addition to standard assumptions such as share price volatility.

More information related to the option pricing can be found in the Q&A document which is in this package.

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#### Details of the Option Exchange Program

- For employees who choose to participate in the program, tax information has been prepared on a country-by-country basis. General tax information will be posted on the Global HR intranet site. You are encouraged to obtain advice from an external advisor regarding your personal financial situation.
- You can choose to tender all of your eligible options or you can opt to decline to participate in the Option Exchange Program.
- The payment of funds from the option exchange for employees eligible to receive less than US\$10,000 is expected to be in August/September, 2005 once all of the responses have been consolidated.
- Payment of a portion of the option exchange funds will be deferred for anyone eligible to receive more than US\$10,000 in the Option Exchange Program.

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TERMINATION PROVISIONS

#### What happens if I leave Celestica before the offer?

##### Voluntary Resignation or Termination With Cause

If you voluntarily resign from Celestica or are terminated with cause prior to June 13, 2005, you will not be eligible to participate.

##### Retirement

Employees who retire after March 31, 2005 are eligible to participate in the program.

##### Termination Without Cause/Leave of Absence

Employees who take a leave of absence, are on disability, or are terminated by Celestica without cause, will be eligible for the program if they are actively employed on June 13, 2005.

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What happens if I leave Celestica after the offer commences but before the payment?

- **If you have less than 10,000 options**

Once you have tendered your options you will receive your payment at the same time as all other employees.

- **If you have more than 10,000 options**

**Initial Payment:** Once you have tendered your options you will receive your payment at the same time as all other employees.

**Deferred Payment:**

**Voluntary Resignation or Termination with Cause:** If you voluntarily resign or are terminated with cause after the initial payment, but prior to the deferred payment, you will not receive the deferred payment.

**Termination Without Cause/Retirement/Death:** The deferred payment will be made after the termination date.

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NEXT STEPS

How do I participate in the program?

- On June 13, we will send you an offer to purchase, a letter of transmittal (election form) and other documents via email or via your site HR contact. These documents will also be filed with the Securities and Exchange Commission (SEC). On that date, translated versions of the election documents will also be posted on the Global HR intranet site:

[http://clsdb01.ca-chq.celestica.com/global/comm/homepage/corp\\_hr\\_hp.nsf](http://clsdb01.ca-chq.celestica.com/global/comm/homepage/corp_hr_hp.nsf)

- If you **choose to participate** in the program, you will need to complete the letter of transmittal (election form) and hand it in to your site HR representative. A list of site representatives is on the Global HR intranet site.

If the form is not returned prior to the close of business on July 11, it will be assumed that you've elected not to participate in the program and will therefore not receive any payment.

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What if I elect not to participate?

- If you **elect not to participate** in the program, you are still requested to check the appropriate box on the letter of transmittal (election form), and return it to your site representative.

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Who do I contact if I have any questions?

- If you have any questions prior to or during the program, you can contact either:

- **Towers Perrin**

**Telephone:** Canada, US: 877-480-3585  
Mexico: 001-800-514-3585  
All other geographies: 011 44 870-161-6613

**Fax:** 011 44 117-984-4622

**E-mail:** Canada, US & Mexico: celesticana@towers.com  
All other geographies: celesticastock@towers.com

OR

- **Your site representative:**

A list of site representatives is located on the Global HR intranet site:  
[http://clsdb01.ca-hq.celestica.com/global/comm/homepage/corp\\_hr\\_hp.nsf](http://clsdb01.ca-hq.celestica.com/global/comm/homepage/corp_hr_hp.nsf)

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