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FORM 6-K/A

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 OF

THE SECURITIES EXCHANGE ACT OF 1934

For the month of March 2001

CELESTICA INC.
(TRANSLATION OF REGISTRANT'S NAME INTO ENGLISH)

12 CONCORDE PLACE
TORONTO, ONTARIO
CANADA, M3C 3R8
(416) 448-5800
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F X Form 40-F -----

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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CELESTICA INC.
FORM 6-K/A
MONTH OF MARCH 2001

Filed with this Form 6-K/A are the following:

- Notice of Annual and Special Meeting of Shareholders, the text of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.
- Multiple Voting Shares ("MVS") Proxy for use at the Annual and Special Meeting of Shareholders, the text of which is attached hereto as Exhibit 99.2 and is

incorporated herein by reference.

- Subordinate Voting Shares ("SVS") Proxy for use at the Annual and Special Meeting of Shareholders, the text of which is attached hereto as Exhibit 99.3 and is incorporated herein by reference.
- Celestica's Annual Report for fiscal year 2000

EXHIBIT

- 99.1 - Notice of Annual and Special Meeting of Shareholders, dated March 9, 2001
- 99.2 - MVS Proxy
- 99.3 - SVS Proxy
- 99.4 - Annual Report

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CELESTICA INC.

Date: March 21, 2001

BY: /s/ E. DelBianco

Name: Elizabeth DelBianco

Title: Vice President & General Counsel

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[CELESTICA LOGO]

NOTICE OF ANNUAL AND SPECIAL
MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "Meeting") of shareholders of CELESTICA INC. (the "Corporation") will be held in the Imperial Room of the Fairmont Royal York Hotel, 100 Front Street West, Toronto, Ontario, on Wednesday, the 18th day of April, 2001, at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for its financial year ended December 31, 2000, together with the report of the auditors thereon;
2. to elect directors for the ensuing year;
3. to appoint auditors for the ensuing year and authorize the directors to fix the auditors' remuneration;
4. to consider and, if thought advisable, to pass an ordinary resolution to confirm (i) the enactment of a by-law repealing the by-law of the Corporation relating to the quorum for a Shareholders' meeting and repealing the by-law of the Corporation relating generally to the conduct of the affairs of the Corporation, and (ii) the enactment of a by-law relating to the conduct of the affairs of the Corporation (the "By-Law Enactment Resolution");
5. to consider and, if thought advisable, to pass an ordinary resolution authorizing the amendment to the Long-Term Incentive Plan of the Corporation to increase the number of subordinate voting shares of the Corporation reserved for issuance thereunder (the "LTIP Amendment Resolution"); and
6. to transact such other business as may properly be brought before the Meeting and any adjournment or postponement thereof.

The text of the By-Law Enactment Resolution is set forth in Schedule A to the accompanying Management Information Circular and is incorporated by reference in this notice.

The text of the LTIP Amendment Resolution is set forth in Schedule B to the accompanying Management Information Circular and is incorporated by reference in this notice.

Shareholders are requested to complete, sign, date and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof, in the envelope provided for that purpose, whether or not they are able to attend personally.

Only shareholders of record at the close of business on March 14, 2001 will be entitled to vote at the Meeting, except to the extent that a shareholder of record has transferred any shares after that date and the transferee of such shares establishes proper ownership and requests not later than 10 days before the Meeting that the transferee's name be included in the list of shareholders entitled to vote at the Meeting.

DATED at Toronto, Ontario this 9th day of March, 2001.

By Order of the Board of Directors

[ELIZABETH L. DELBIANCO]

Elizabeth L. DelBianco
Vice-President, General Counsel
and Secretary

[LOGO]

Celestica Inc.

12 Concorde Place, 7th Floor
Toronto, Ontario, Canada M3C 3R8

MANAGEMENT INFORMATION CIRCULAR
AND PROXY STATEMENT

IN THIS MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT, ALL DOLLAR AMOUNTS ARE EXPRESSED IN UNITED STATES DOLLARS, EXCEPT WHERE STATED OTHERWISE. UNLESS STATED OTHERWISE, ALL REFERENCES TO "U.S.\$" OR "\$" ARE TO U.S. DOLLARS, ALL REFERENCES TO "C\$" ARE TO CANADIAN DOLLARS AND ALL REFERENCES TO "L" ARE TO BRITISH POUNDS STERLING. UNLESS OTHERWISE INDICATED, ANY REFERENCE IN THIS MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT TO A CONVERSION BETWEEN U.S.\$ AND C\$ OR BETWEEN U.S.\$ AND L IS GIVEN AS OF MARCH 1, 2001. AT THAT DATE, THE NOON BUYING RATE IN NEW YORK CITY FOR CABLE TRANSFERS IN CANADIAN DOLLARS WAS U.S.\$1.00 = C\$1.5465 AND IN POUNDS STERLING WAS U.S.\$=L0.6871, AS CERTIFIED FOR CUSTOMS PURPOSES BY THE FEDERAL RESERVE BANK OF NEW YORK.

MANAGEMENT SOLICITATION

THIS MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT (THE "CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF MANAGEMENT OF CELESTICA INC. (THE "CORPORATION" OR "CELESTICA") FOR USE AT THE ANNUAL AND SPECIAL MEETING (THE "MEETING") OF SHAREHOLDERS OF THE CORPORATION TO BE HELD AT 10:00 A.M. (TORONTO TIME) ON APRIL 18, 2001 IN THE IMPERIAL ROOM OF THE FAIRMONT ROYAL YORK HOTEL, 100 FRONT STREET WEST, TORONTO, ONTARIO, OR ANY POSTPONEMENT(S) OR ADJOURNMENT(S) THEREOF, FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING. EXCEPT AS OTHERWISE STATED, THE INFORMATION CONTAINED HEREIN IS GIVEN AS OF MARCH 1, 2001. IN DECEMBER 1999, CELESTICA COMPLETED A TWO-FOR-ONE SPLIT OF ITS SUBORDINATE AND MULTIPLE VOTING SHARES BY WAY OF A STOCK DIVIDEND. ALL HISTORICAL INFORMATION HAS BEEN RESTATED TO REFLECT THE EFFECT OF THE TWO-FOR-ONE SPLIT ON A RETROACTIVE BASIS, EXCEPT WHERE SPECIFICALLY STATED OTHERWISE.

The solicitation will be primarily by mail, but proxies may also be solicited personally by regular employees of the Corporation for which no additional compensation will be paid. In addition, the Corporation has retained Montreal Trust Company of Canada as Agent for Computershare Trust Company of Canada ("Computershare"), the Corporation's registrar and transfer agent, to assist in the solicitation of proxies in Canada and the United States, at nominal cost to the Corporation. The cost of preparing, assembling and mailing this Circular, the notice of meeting, the form of proxy and any other material relating to the Meeting has been or will be borne by the Corporation. The Corporation will reimburse brokers and other entities for costs incurred by them in mailing soliciting materials to the beneficial owners of shares of the Corporation in accordance with the rules of The New York Stock Exchange. It is anticipated that copies of this Circular and accompanying proxy will be distributed to shareholders on or about March 21, 2001.

PROXIES

VOTING OF PROXIES

THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY ARE OFFICERS OF THE CORPORATION AND WILL REPRESENT MANAGEMENT OF THE CORPORATION AT THE MEETING. A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER), OTHER THAN THE PERSONS DESIGNATED IN THE ACCOMPANYING FORM OF PROXY, TO REPRESENT THE SHAREHOLDER AT THE MEETING. SUCH RIGHT MAY BE EXERCISED BY INSERTING THE NAME OF SUCH PERSON OR COMPANY IN THE BLANK SPACE PROVIDED IN SUCH FORM OF PROXY.

The accompanying form of proxy confers discretionary authority upon the proxy nominees in respect of amendments or variations to matters identified in the notice of meeting or other matters that may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

As of the date of this Circular, management of the Corporation was not aware of any such amendments or other matters to come before the Meeting. However, if any amendments, variations or other matters which are not now known to management should properly come before the Meeting or any adjournment(s) or postponement(s) thereof, the shares represented by proxies in favour of the management nominees will be voted on such matters in accordance with the best judgment of the proxy nominees.

The shares represented by proxies which are hereby solicited will be voted for or against, or withheld from voting, as the case may be, in accordance with

the instructions of the shareholder on any ballot that may be called for, and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares shall be voted accordingly.

IN RESPECT OF PROXIES IN WHICH A SHAREHOLDER HAS NOT SPECIFIED THAT THE PROXY NOMINEES ARE REQUIRED TO VOTE OR WITHHOLD FROM VOTING FOR THE ELECTION OF DIRECTORS OR THE APPOINTMENT OF AUDITORS OF THE CORPORATION AND AUTHORIZATION OF THE BOARD OF DIRECTORS TO FIX THE REMUNERATION OF THE AUDITORS OF THE CORPORATION, THE SHARES REPRESENTED BY SUCH PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF SUCH MATTERS.

IN RESPECT OF PROXIES IN WHICH A SHAREHOLDER HAS NOT SPECIFIED THAT THE PROXY NOMINEES ARE REQUIRED TO VOTE FOR OR AGAINST THE RESOLUTION CONFIRMING THE ENACTMENT OF BY-LAW 1 OF THE CORPORATION AND BY-LAW A OF THE CORPORATION (SEE "BY-LAW ENACTMENT RESOLUTION" BELOW) OR THE RESOLUTION AUTHORIZING THE AMENDMENT TO THE LONG-TERM INCENTIVE PLAN OF THE CORPORATION TO INCREASE THE MAXIMUM NUMBER OF SUBORDINATE VOTING SHARES OF THE CORPORATION WHICH MAY BE ISSUED THEREUNDER (SEE "LTIP AMENDMENT RESOLUTION" BELOW), THE SHARES REPRESENTED BY SUCH PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF SUCH RESOLUTIONS.

DEPOSIT OF PROXIES

To be effective, proxies must be deposited with Computershare, the registrar and transfer agent of the Corporation, at 100 University Avenue, 11th Floor, Toronto, Ontario, Canada, M5J 2Y1 not later than 5:00 p.m. (Toronto time) on April 17, 2001 or at least 24 hours, excluding Saturdays and holidays, prior to any adjournment or postponement of the Meeting at which the proxy is to be used, or deposited with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof at which the proxy is to be used.

REVOCATION OF PROXIES

Proxies given by shareholders for use at the Meeting may be revoked at any time prior to their use. In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke the proxy by filing an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing, or if the shareholder is a corporation, by a duly authorized officer or attorney of such corporation, and deposited at the office of Computershare shown above at any time up to and including the last business day preceding the day of the Meeting, or any postponement or adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof, prior to being voted at the Meeting or any adjournment or postponement thereof. The execution of a proxy will not affect a shareholder's right to attend the Meeting and vote in person.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of preference shares ("Preference Shares"), issuable in series, an unlimited number of subordinate voting shares ("Subordinate Voting Shares") and an unlimited number of multiple voting shares ("Multiple Voting Shares"), of which no Preference Shares, 164,709,070 Subordinate Voting Shares and 39,065,950 Multiple Voting Shares were issued and outstanding as at March 1, 2001.

The holders of Subordinate Voting Shares and Multiple Voting Shares are entitled to vote on all matters brought before a meeting of the shareholders together as a single class, except in respect of matters where only the holders of shares of one class or a series of shares are entitled to vote separately pursuant to applicable law. The Subordinate Voting Shares carry one vote per share and the Multiple Voting Shares carry 25 votes per share. Generally, all matters to be voted on by shareholders must be approved by a simple majority of the votes cast in respect of Multiple Voting Shares and Subordinate Voting Shares held by persons present in person or by proxy, voting together as a single class. The presence, in person or by proxy, of at least two shareholders

representing not less than 35% of the total number of issued voting shares is necessary for a quorum at the Meeting.

Only shareholders of record at the close of business on March 14, 2001 will be entitled to vote at the Meeting or any adjournment(s) or postponement(s)

thereof, except to the extent that a person has transferred any shares after that date and the transferee of such shares establishes proper ownership and requests not later than 10 days before the Meeting or any adjournment or postponement thereof that the transferee's name be included in the list of shareholders entitled to vote at the Meeting.

As of March 1, 2001 the only persons or corporations who, to the knowledge of the Corporation, its directors or officers, own beneficially, directly or indirectly, or exercise control or direction over, in excess of 10% of any class of the voting securities of the Corporation are as follows:

NAME OF BENEFICIAL OWNER(1)	TYPE OF OWNERSHIP	NUMBER OF SHARES	PERCENTAGE OF CLASS	PERCENTAGE OF ALL EQUITY SHARES	PERCENTAGE OF VOTING POWER
Onex Corporation(2).....	Direct and Indirect	39,065,950 Multiple Voting Shares 5,256,325 Subordinate Voting Shares	100% 3.2%	19.2% 2.3%	85.5% *
Gerald W. Schwartz(3).... Toronto, Ontario	Direct and Indirect	39,065,950 Multiple Voting Shares 5,556,317 Subordinate Voting Shares	100% 3.4%	19.2% 2.7%	85.5% *
AIM Management Group Inc.....	Direct and Indirect	21,640,824 Subordinate Voting Shares	13.1%	10.6%	1.9%

* Less than 1%

- (1) As used in this table, "beneficial ownership" means sole or shared power to vote or direct the voting of the security, or the sole or shared investment power with respect to a security (I.E., the power to dispose, or direct a disposition, of a security). A person is deemed at any date to have "beneficial ownership" of any security that such person has a right to acquire within 60 days of such date. More than one person may be deemed to have beneficial ownership of the same securities.
- (2) Includes 11,635,958 Multiple Voting Shares held by wholly-owned subsidiaries of Onex Corporation ("Onex"), 2,731,966 Subordinate Voting Shares held by Royal Trust Corporation, in trust for Celestica Employee Nominee Corporation, as agent for and on behalf of certain executives and employees of Celestica pursuant to certain of Celestica's employee share purchase and option plans, 45,367 Subordinate Voting Shares representing an undivided interest of approximately 10.2% in 444,700 Subordinate Voting Shares and 736,790 Subordinate Voting Shares directly or indirectly held by certain officers of Onex Corporation which Onex Corporation has the right to vote. Of these shares, 9,214,320 Subordinate Voting Shares may be delivered, at the issuer's option, upon the exercise or redemption, or at maturity or acceleration, of exchangeable debentures due 2025 issued by certain subsidiaries of Onex and 1,769,077 Subordinate Voting Shares may be delivered, at the option of Onex or certain persons related to Onex, to satisfy the obligations of such persons under equity forward agreements. If a debenture is exercised or an equity forward agreement is settled and the issuer of the debenture or, in the case of an equity forward agreement, Onex does not elect to satisfy its obligations in cash rather than delivering Subordinate Voting Shares, if the issuer or Onex, as the case may be, does not hold a sufficient number of Subordinate Voting Shares to satisfy its obligations, the requisite number of Multiple Voting Shares held by such person will immediately be converted into Subordinate Voting Shares, which will be delivered to satisfy such obligations.
- (3) Includes 299,992 Subordinate Voting Shares owned by a company controlled by Mr. Schwartz and all of the shares of Celestica beneficially owned by Onex Corporation, or in respect of which Onex Corporation exercises control or direction, of which 1,077,500 Subordinate Voting Shares are subject to options granted to Mr. Schwartz pursuant to certain management incentive plans of Onex Corporation. Mr. Schwartz is a director of Celestica and the Chairman of the Board, President and Chief Executive Officer of Onex Corporation, and controls Onex Corporation through his ownership of shares with a majority of the voting rights attaching to all shares of Onex Corporation. Accordingly, Mr. Schwartz may be deemed to be the beneficial owner of the Celestica shares owned by Onex Corporation.

TRUST AGREEMENT

Onex Corporation, which, directly or indirectly, owns all of the outstanding Multiple Voting Shares, has entered into an agreement with Computershare, as trustee for the benefit of the holders of the Subordinate Voting Shares, which has the effect of preventing transactions that otherwise would deprive the holders of

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Subordinate Voting Shares of rights under applicable provincial take-over bid legislation to which they would be entitled in the event of a take-over bid for the Multiple Voting Shares if the Multiple Voting Shares were Subordinate Voting Shares.

MATTERS FOR CONSIDERATION OF SHAREHOLDERS

ELECTION OF DIRECTORS

It is proposed to nominate the 10 persons listed below for election as directors of the Corporation to hold office until the next annual meeting of shareholders or until their successors are elected or appointed. All such proposed nominees are now directors of the Corporation and have been since the dates indicated. The Articles of the Corporation provide for a minimum of three and a maximum of 20 directors. At its meeting on September 28, 1998, the board of directors of the Corporation (the "Board of Directors") set the number of directors of the Corporation at 10.

Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Corporation will be voted for the election as directors of the proposed nominees listed below. Management of the Corporation does not contemplate that any of the nominees will be unable, or for any reason unwilling, to serve as a director, but if that should occur for any reason prior to their election, the proxy nominees may, in their discretion, nominate and vote for another nominee.

A brief statement of the business experience, age and principal occupation during the past five years for each person nominated for election as a director of the Corporation is set forth below. There are no contracts, arrangements or understandings between any director or executive officer or any other person pursuant to which any of the nominees has been nominated.

NAME AND MUNICIPALITY OF RESIDENCE (AGE) -----	BECAME A DIRECTOR -----	OCCUPATION FOR THE PAST FIVE YEARS -----	BENEFICIALLY OWNED DIRECTLY OR INDIRECTLY (1) -----
Eugene V. Polistuk (2) (54) AURORA, ONTARIO	October 1996	Chairman of the Board of Celestica since February 2001 and Chief Executive Officer and Director of Celestica	389,371 Subordinate Voting Shares
Anthony P. Puppi (43) WOODBRIIDGE, ONTARIO	October 1996	Executive Vice-President and Chief Financial Officer and Director of Celestica	168,052 Subordinate Voting Shares
Robert L. Crandall (2) (65) DALLAS, TEXAS	July 1998	Corporate Director; prior to May 1998, Chairman of the Board, President and Chief Executive Officer of AMR Corporation and Chairman of the Board and Chief Executive Officer of American Airlines Inc.	50,000 Subordinate Voting Shares
Mark L. Hilson (43) TORONTO, ONTARIO	October 1996	Vice-President of Onex	438,792 Subordinate Voting Shares (3)
Richard S. Love (4) (63) LOS ALTOS HILLS, CALIFORNIA	July 1998	Corporate Director; prior to 1998, Vice-President of Hewlett-Packard Company	46,000 Subordinate Voting Shares
Roger L. Martin (4) (44) TORONTO, ONTARIO	July 1998	Corporate Director; Dean of the Joseph L. Rotman School of Management of the University of Toronto	40,000 Subordinate Voting Shares
Anthony R. Melman (2) (4) (5) (53) TORONTO, ONTARIO	October 1996	Vice-President of Onex	514,884 Subordinate Voting Shares (6)

NAME AND MUNICIPALITY OF RESIDENCE (AGE)	BECAME A DIRECTOR	OCCUPATION FOR THE PAST FIVE YEARS	BENEFICIALLY OWNED DIRECTLY OR INDIRECTLY(1)
Gerald W. Schwartz (59) TORONTO, ONTARIO	July 1998	Chairman of the Board, President and Chief Executive Officer of Onex	39,065,950 Multiple Voting Shares (7) 5,556,317 Subordinate Voting Shares (7)
Don Tapscott (5) (53) TORONTO, ONTARIO	September 1998	Chairman of Itemus Inc. and Digital 4Sight Corp.	40,000 Subordinate Voting Shares
John R. Walter (5) (54) LAKE FOREST, ILLINOIS	July 1998	Corporate Director; Chairman of the Board of Manpower, Inc. and retired President and Chief Operating Officer of AT&T Corp.	50,000 Subordinate Voting Shares

(1) As used in this table, "beneficial ownership" means sole or shared power to vote or direct the voting of the security, or the sole or shared investment power with respect to a security (I.E., the power to dispose, or direct a disposition, of a security). A person is deemed at any date to have "beneficial ownership" of any security that such person has a right to acquire within 60 days of such date. Certain shares subject to options granted pursuant to management investment plans of Onex are included as owned beneficially by named individuals although the exercise of these options is subject to Onex meeting certain financial targets. More than one person may be deemed to have beneficial ownership of the same securities.

(2) Member of the Corporation's Executive Committee.

(3) Includes 20,000 Subordinate Voting Shares beneficially owned by Mr. Hilson's spouse (as to which Mr. Hilson disclaims beneficial ownership), 26,000 Subordinate Voting Shares beneficially owned by a trust the beneficiaries of which are members of Mr. Hilson's family (as to which Mr. Hilson disclaims beneficial ownership) and 277,326 Subordinate Voting Shares owned by Onex which are subject to options granted to Mr. Hilson pursuant to certain management investment plans.

(4) Member of the Corporation's Audit Committee.

(5) Member of the Corporation's Compensation Committee.

(6) Includes 274,588 Subordinate Voting Shares owned by Onex which are subject to options granted to Mr. Melman pursuant to certain management investment plans of Onex.

(7) Includes 299,992 Subordinate Voting Shares owned by a company controlled by Mr. Schwartz and all of the shares of Celestica beneficially owned by Onex or in respect of which Onex Corporation exercises control or direction, of which 1,077,500 Subordinate Voting Shares are subject to options granted to Mr. Schwartz pursuant to certain management incentive plans of Onex. Mr. Schwartz is the Chairman of the Board, President and Chief Executive Officer of Onex, and controls Onex through his ownership of shares with a majority of the voting rights attaching to all shares of Onex. Accordingly, Mr. Schwartz may be deemed to be the beneficial owner of shares of Celestica owned by Onex.

APPOINTMENT OF AUDITORS

Management proposes to nominate KPMG LLP as the auditors of the Corporation to hold office until the close of the next annual meeting of shareholders. The Board of Directors negotiates with the auditors of the Corporation on an arm's length basis in determining the fees to be paid to the auditors. Such fees have been based upon the complexity of the matters dealt with and the time expended by the auditors in providing services to the Corporation. Management believes that the fees negotiated in the past with the auditors of the Corporation have been reasonable and would be comparable to fees charged by other auditors providing similar services.

It is intended that, on any ballot that may be called for relating to the appointment of auditors, the shares represented by proxies in favour of management nominees will be voted in favour of the appointment of KPMG LLP as auditors of the Corporation to hold office until the next annual meeting of

shareholders, and authorizing the directors to fix the remuneration to be paid to the auditors, unless authority to do so is withheld. KPMG LLP have been auditors of the Corporation since October 14, 1997. Prior to October 14, 1997, the auditors of the Corporation were Price Waterhouse, Chartered Accountants (one of the predecessors of PricewaterhouseCoopers LLP).

BY-LAW ENACTMENT RESOLUTION

At the Meeting, shareholders will be asked to pass a resolution confirming By-law A and By-law 1 (the "By-Law Enactment Resolution"). On January 31, 2001, the Board of Directors enacted By-law A which repeals By-law No. 1 of the Corporation, relating generally to the conduct of the affairs of Celestica, and By-law No. 4 of the Corporation, relating to the quorum for shareholders' meetings. In addition, the Board of Directors enacted a new By-law 1 of the Corporation. By-law 1 incorporates the provisions of former By-law No. 4 and updates former By-law No. 1 to update terminology and the description of company officers to reflect current practice, and to reflect recent changes to the BUSINESS CORPORATIONS ACT (Ontario), to provide for, among other things, the holding of shareholders' meetings by electronic means and the electronic signature of proxies that are appropriate for a widely-held public company of Celestica's size.

In order for the enactments to continue to be effective, the By-Law Enactment Resolution must be passed by a majority of the votes cast at the Meeting. The full text of the By-Law Enactment Resolution is set forth in Schedule A attached hereto. The Board of Directors has determined that the enactment of By-Law A of the Corporation and the enactment of By-Law 1 of the Corporation are in the best interests of the Corporation and unanimously recommends that shareholders vote in favour of the By-Law Enactment Resolution.

LTIP AMENDMENT RESOLUTION

Prior to the completion of the Corporation's initial public offering in July 1998, the Corporation established the Long-Term Incentive Plan (the "LTIP"). Under the LTIP, the Board of Directors may in its discretion grant from time to time stock options, performance shares, performance share units and stock appreciation rights to directors, permanent employees and consultants of the Corporation, its subsidiaries and other companies or partnerships in which the Corporation has a significant investment. As at March 1, 2001, options to purchase 9,980,774 Subordinate Voting Shares of the Corporation were outstanding under the LTIP.

At the Meeting, the shareholders of the Corporation will be asked to consider and, if thought fit, pass a resolution (the "LTIP Amendment Resolution") approving amending the LTIP to increase the number of Subordinate Voting Shares of the Corporation that may be issued under the LTIP to 23 million from 15 million.

The Corporation's compensation philosophy is predicated on the belief that broadly-based employee participation in share ownership is critical to maintain a common entrepreneurial culture and motivation throughout the Corporation's operational units and across functional and geographic boundaries. The purpose of the amendment is to ensure that a sufficient number of shares are issuable under the LTIP to permit the Corporation to maintain its policy of awarding options to maintain competitive total compensation levels in order to attract and retain highly qualified professionals and to reward past and expected future contributions of directors, officers and permanent employees of the Corporation and its subsidiaries. The 23 million Subordinate Voting Shares of the Corporation that may be issued under the amended LTIP represent approximately 11.3% of the aggregate of the outstanding Multiple Voting Shares and Subordinate Voting Shares. This is consistent with the number of Subordinate Voting Shares of the Corporation that have historically been made available for issuance under the LTIP relative to the number of outstanding shares. Immediately after the completion of the Corporation's initial public offering, 7.5 million Subordinate Voting Shares of the Corporation were available for issuance under the LTIP, representing approximately 11.7% of the aggregate of the then outstanding Multiple Voting Shares and Subordinate Voting Shares. The amendment to the LTIP has been approved by the Board of Directors.

The policies of The Toronto Stock Exchange (the "TSE") require that the amendment to the LTIP be approved by a majority of the votes cast at the Meeting. The full text of the LTIP Amendment Resolution is set forth in Schedule B attached hereto.

The Board of Directors has determined that the amendment to the LTIP is in the best interests of the Corporation and its shareholders and unanimously recommends that shareholders vote in favour of the LTIP Amendment Resolution.

COMPENSATION OF NAMED EXECUTIVE OFFICERS

EXECUTIVE COMPENSATION

The following table sets forth the compensation of the Chief Executive Officer of Celestica and the four other most highly compensated executive officers of Celestica (collectively, the "Named Executive Officers") for the three most recently completed financial years of the Corporation:

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	ANNUAL COMPENSATION (1)			LONG-TERM COMPENSATION AWARDS		
	YEAR	SALARY (U.S.\$)	BONUS (U.S.\$)	SECURITIES UNDER OPTIONS GRANTED (2) (#)	RESTRICTED SHARE UNITS (U.S.\$)	ALL OTHER COMPENSATION (3) (U.S.\$)
Eugene V. Polistuk.....	2000	550,000	1,300,000	100,000	--	199,145
CHAIRMAN OF THE BOARD AND	1999	387,973	581,959	270,000 (4)	--	88,326
CHIEF EXECUTIVE OFFICER	1998	323,311	241,913	--	323,525	43,970
Anthony P. Puppi.....	2000	370,000	524,000	35,000	--	48,614
EXECUTIVE VICE-PRESIDENT, CHIEF	1999	258,649	232,784	140,000 (4)	--	39,153
FINANCIAL OFFICER AND GENERAL MANAGER -- SERVICES	1998	202,069	142,189	--	210,293	21,985
J. Marvin MaGee.....	2000	360,000	510,000	40,000	--	32,817
PRESIDENT AND CHIEF OPERATING OFFICER	1999	226,317	203,686	120,000 (4)	--	18,723
	1998	169,739	153,537	--	--	14,869
R. Thomas Tropea.....	2000	350,000	495,000	35,000	--	5,100
VICE-CHAIRMAN, GLOBAL CUSTOMER UNITS	1999	211,682	201,600	70,000	--	27,900
AND WORLDWIDE MARKETING AND BUSINESS DEVELOPMENT	1998	103,461	87,721	233,190	--	5,049
Alastair Kelly.....	2000	275,000	216,000	15,000	--	70,466
EXECUTIVE VICE-PRESIDENT, CORPORATE DEVELOPMENT	1999	218,295	109,148	60,000 (4)	--	57,849
	1998	203,743	97,389	--	--	51,300

- (1) Excludes perquisites and other benefits because such compensation did not exceed 10% of the total annual salary and bonus for any of the Named Executive Officers.
- (2) See table under "Options Granted During Year Ended December 31, 2000".
- (3) Represents amounts set aside to provide benefits under Celestica's pension plans (see "Pension Plans").
- (4) Includes options granted to Named Executive Officers in 1999 with respect to fiscal year 1998 as follows: Mr. Polistuk 130,000; Mr. Puppi 70,000; Mr. MaGee 50,000; and Mr. Kelly 30,000.

SHARE PURCHASE AND OPTION PLANS

Celestica has issued Subordinate Voting Shares and has granted options to acquire Subordinate Voting Shares for the benefit of certain of its employees and executives pursuant to various employee share purchase and option plans in effect prior to Celestica's initial public offering (the "ESPO Plans"). No further options or Subordinate Voting Shares (other than pursuant to outstanding options) may be issued under these ESPO Plans.

Pursuant to the ESPO Plans, employees and executives of Celestica were offered the opportunity to purchase Subordinate Voting Shares and, in connection with such purchase, receive options to acquire an additional number of Subordinate Voting Shares based on the number of Subordinate Voting Shares acquired by them under the ESPO Plans (on average, approximately 1.435 options

for each Subordinate Voting Share acquired under the ESPO Plans). In each case, the exercise price for the options is equal to the price per share paid for the corresponding Subordinate Voting Shares acquired under the ESPO Plans.

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Upon the completion of Celestica's initial public offering, certain options became exercisable. The balance of the options issued under the ESPO Plans vest over a period of five years beginning December 31, 1998. All Subordinate Voting Shares acquired by employees under the ESPO Plans are held either by the employee, or by Royal Trust Corporation, in trust for Celestica Employee Nominee Corporation as agent for and on behalf of such employees.

IMS STOCK OPTION PLANS

In connection with the merger of International Manufacturing Services, Inc. ("IMS") with Celestica Asia Inc., Celestica assumed IMS' obligations under its 1996 Stock Option Plan, 1997 Stock Option Plan and 1997 Director Option Plan (the "IMS Plans") and agreed to issue Subordinate Voting Shares in lieu of IMS common stock upon the exercise of options outstanding at the date of the merger. No additional options will be granted under the IMS Plans.

LONG-TERM INCENTIVE PLAN

Under the Long-Term Incentive Plan, the Board of Directors may in its discretion grant from time to time stock options, performance shares, performance share units and stock appreciation rights to directors, permanent employees and consultants of Celestica, its subsidiaries and other companies or partnerships in which Celestica has a significant investment.

OPTIONS GRANTED DURING YEAR ENDED DECEMBER 31, 2000

The following table sets out options to purchase Subordinate Voting Shares granted by the Corporation to the Named Executive Officers during the year ended December 31, 2000.

NAME	SUBORDINATE VOTING SHARES UNDER OPTIONS GRANTED (1) (#)	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN 2000	EXERCISE PRICE (\$/SHARE)	MARKET VALUE OF SUBORDINATE VOTING SHARES ON THE DATE OF GRANT (\$/SHARE)	EXPIRATION DATE
Eugene V. Polistuk.....	100,000	2.4%	C\$86.50	C\$86.50	Dec. 5, 2010
Anthony P. Puppi.....	35,000	0.8%	C\$86.50	C\$86.50	Dec. 5, 2010
J. Marvin MaGee.....	40,000	1.0%	C\$86.50	C\$86.50	Dec. 5, 2010
R. Thomas Tropea.....	35,000	0.8%	U.S.\$56.1875	U.S.\$56.1875	Dec. 5, 2010
Alastair Kelly.....	15,000	0.4%	U.S.\$56.1875	U.S.\$56.1875	Dec. 5, 2010

(1) Options vest in four equal annual instalments.

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OPTIONS EXERCISED DURING MOST RECENTLY COMPLETED FINANCIAL YEAR AND VALUE OF OPTIONS AT DECEMBER 31, 2000.

The following table sets out certain information with respect to options to purchase Subordinate Voting Shares that were exercised by Named Executive Officers during the year ended December 31, 2000 and Subordinate Voting Shares under option to the Named Executive Officers as at December 31, 2000.

NAME	SUBORDINATE VOTING SHARES ACQUIRED ON EXERCISE	AGGREGATE VALUE REALIZED (1)	UNEXERCISED OPTIONS AT DECEMBER 31, 2000 EXERCISABLE/UNEXERCISABLE (3)	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT DECEMBER 31, 2000 (2) EXERCISABLE/UNEXERCISABLE
Eugene V. Polistuk.....	--	--	277,319/413,121	\$11,989,486/\$11,370,634
Anthony P. Puppi.....	--	--	105,695/165,437	\$4,352,879/\$4,380,372

J. Marvin MaGee.....	--	--	95,695/160,437	\$3,933,829/\$3,961,322
R. Thomas Tropea.....	--	--	110,776/227,414	\$4,510,408/\$7,165,137
Alastair Kelly.....	60,000	\$3,851,070	51,981/125,641	\$2,194,686/\$4,573,197

- (1) Based on the selling price of the underlying shares.
- (2) Based on the closing price of the Subordinate Voting Shares on The New York Stock Exchange on December 31, 2000 of \$54.25.
- (3) Options granted under the ESPO Plans and the Long-Term Incentive Plan.

PENSION PLANS

Messrs. Polistuk, Puppi and MaGee each participate in Celestica's non-contributory pension plan (the "Canadian Pension Plan"). The Canadian Pension Plan has a defined benefit and a defined contribution portion and provides for a maximum of 30 years' service and retirement eligibility at the earlier of 30 years' service or age 55.

Mr. MaGee is enrolled in the defined contribution portion of the Canadian Pension Plan. Messrs. Polistuk and Puppi participate only in the defined benefit portion of the Canadian Pension Plan. Messrs. Polistuk, Puppi and MaGee also participate in an unregistered supplementary pension plan (the "Supplementary Plan") that provides benefits equal to the difference between the benefits determined in accordance with the formula set out in the Canadian Pension Plan and Revenue Canada maximum pension benefits.

The defined contribution portion of the Canadian Pension Plan allows employees to choose how Celestica contributions are invested on their behalf within a range of investment options provided by third party fund managers. Celestica's contributions range from 3% of earnings to a maximum of 6.75% of earnings based on the number of years of service. Retirement benefits depend upon the performance of the investment options chosen.

The following table sets forth the estimated aggregate annual benefits payable under the defined benefit portion of the Canadian Pension Plan and the Supplementary Plan for Messrs. Polistuk and Puppi.

CANADIAN PENSION PLAN TABLE (1), (2)

EARNINGS AVERAGE (\$)	15 YEARS OF SERVICE	20 YEARS OF SERVICE	25 YEARS OF SERVICE	30 YEARS OF SERVICE	35 YEARS OF SERVICE
300,000.....	\$36,000	\$ 47,000	\$ 63,000	\$ 79,000	\$ 79,000
400,000.....	53,000	71,000	94,000	118,000	118,000
500,000.....	62,000	83,000	109,000	138,000	138,000
600,000.....	71,000	94,000	125,000	158,000	158,000
700,000.....	80,000	107,000	140,000	177,000	177,000

- (1) This table assumes total of retirement age and years of service is greater than or equal to 80.
- (2) All amounts are shown converted into U.S. dollars from Canadian dollars at an exchange rate of U.S.\$1.00 = C\$1.5465.

The benefit provided under the defined benefit portion of the Canadian Pension Plan for each of the officers who participate in the plan is equal to the benefit entitlement accrued under the relevant IBM plan prior to October 22, 1996 plus the greater of 1.2% of earnings (salary and bonus) or 0.9% of earnings up to the yearly maximum pensionable earnings ("YMPE") level, plus 1.45% of earnings above the YMPE. The defined benefit portion of the Canadian Pension Plan is of a modified career average design with pre-1999 benefits based on the three-year earnings average at December 31, 1999. The defined benefit portion of the Canadian Pension Plan also provides for supplementary early retirement benefits from the date of early retirement to age 65.

As at December 31, 2000, Messrs. Polistuk and Puppi had completed 32 and 21 years of service, respectively.

During the year ended December 31, 2000, Celestica set aside an aggregate amount of \$289,273 to provide pension benefits for Messrs. Polistuk, Puppi and MaGee pursuant to the Canadian Pension Plan. No other amounts were set aside or accrued by Celestica during the year ended December 31, 2000 for the purpose of providing pension, retirement or similar benefits for Messrs. Polistuk, Puppi and MaGee pursuant to any other plans.

Mr. Tropea participates in the "U.S. Plan". The U.S. Plan qualifies as a deferred salary arrangement under section 401 of the Internal Revenue Code (United States). Under the U.S. Plan, participating employees may defer a portion of their pre-tax earnings not to exceed 15% of their total compensation. Celestica, at its discretion, may make contributions for the benefit of eligible employees.

During the year ended December 31, 2000, Celestica contributed \$5,100 to the U.S. Plan for the benefit of Mr. Tropea. Except as described above, no other amounts were set aside or accrued by Celestica during the year ended December 31, 2000 for the purpose of providing pension, retirement or similar benefits for Mr. Tropea.

Mr. Kelly participates in Celestica's two U.K. pension plans (the "U.K. Pension Plans"). The aggregate benefit provided under the U.K. Pension Plans is based upon "Final Pensionable Pay" which is the greater of basic salary over the last twelve months and the average basic salary over any three consecutive tax years during the last 13 years of service. The following table sets forth the aggregate annual benefits payable under the U.K. Pension Plans for Mr. Kelly:

U.K. PENSION PLAN TABLE(1), (2), (3)

EARNINGS AVERAGE (\$)	15 YEARS OF SERVICE	20 YEARS OF SERVICE	25 YEARS OF SERVICE	30 YEARS OF SERVICE	35 YEARS OF SERVICE
100,000.....	\$ 33,000	\$ 44,000	\$ 56,000	\$ 64,000	\$ 64,000
200,000.....	66,000	89,000	111,000	127,000	127,000
300,000.....	100,000	133,000	167,000	191,000	191,000
400,000.....	133,000	177,000	222,000	255,000	255,000

- (1) This table assumes that age of retirement is 55 or later.
- (2) All amounts are shown converted into U.S. dollars from British pounds sterling at a rate of U.S.\$1.00 = L0.6871.
- (3) The Commissioner of Inland Revenue (United Kingdom) generally limits pension benefits to a maximum of two-thirds of earnings. For the purposes of determining the Inland Revenue limits applicable to Mr. Kelly, this table assumes that for each year until retirement Mr. Kelly receives a bonus equal to 10% of salary.

For Mr. Kelly, the U.K. Pension Plans provide an aggregate benefit equal to two-thirds of Final Pensionable Pay (salary only) on retirement at age 60. On earlier retirement, the pension is pro-rated by the proportion that completed service bears to potential service to age 60. The pension is reduced for early payment if it is taken before age 55. As at December 31, 2000, Mr. Kelly has accrued approximately 22 years of service.

During the year ended December 31, 2000, Celestica paid contributions of \$70,466 to the U.K. Pension Plans in respect of Mr. Kelly. No other amounts were set aside or accrued by Celestica during the year ended December 31, 2000 for the purpose of providing pension, retirement or similar benefits for Mr. Kelly pursuant to any other plans.

EMPLOYMENT AGREEMENTS

Messrs. Polistuk and Puppi each entered into an employment agreement with

Celestica as of October 22, 1996. Mr. Tropea entered into an employment agreement with Celestica as of June 30, 1998. Each agreement provides for the executive's base salary and for benefits in accordance with Celestica's established benefit plans for employees from time to time. Each agreement provides for the executive to receive an amount equivalent to 36 months' salary if Celestica terminates the executive's employment, other than for cause, subject to reduction if the executive earns replacement earnings during such period from other sources.

REPORT ON EXECUTIVE COMPENSATION

It is the responsibility of the Compensation Committee to define and communicate compensation principles that reflect and support the Corporation's strategic direction, business goals and desired culture. The Compensation Committee reviews and approves the Corporation's executive compensation policies, programs and levels. The Compensation Committee assesses the annual performance of the Chief Executive Officer and the President, and reviews and approves the Chief Executive Officer's and the President's performance assessments of each of the senior executive officers. The Compensation Committee makes recommendations to the Board of Directors with respect to the compensation of the Chief Executive Officer, the Chief Financial Officer, the President and the Vice-Chairman.

COMPENSATION PHILOSOPHY AND OBJECTIVES

Celestica's goal is to be the premier full service electronics manufacturing services provider to leading original equipment manufacturers through leadership in technology, quality and supply chain management. Celestica believes that its highly skilled workforce and unique culture represent a distinct competitive advantage and are fundamental to achieving Celestica's strategic objectives. Celestica has developed a unique entrepreneurial, participative and team-based culture which is driven by the desire to continually exceed customer expectations. The knowledge, skill, experience and commitment of all employees, and especially that of senior management, is of critical importance to the achievement of Celestica's strategic objectives and successful operation of its business.

The structure of total compensation for the Corporation's executives is designed to attract, motivate and retain executives who have the experience, ability and flexibility to manage the growth of the Corporation globally. The Compensation Committee recognizes the importance of monitoring the compensation practices of Celestica's international competitors so as to ensure that its compensation is competitive.

The Corporation's executive compensation policies and practices are designed to: (1) align the interests of the executive officers with the short and long-term interests of the Corporation's shareholders; (2) link executive compensation to the performance of the Corporation relative to its competitors and the contribution of the individual to such performance; and (3) compensate executive officers at a level and in a manner that ensures the Corporation is capable of attracting, motivating and retaining individuals with exceptional executive skills and abilities.

The compensation of Celestica's executive officers is comprised of three components: base salary, annual incentives and long-term incentives. The Corporation's executive officers participate in either the defined benefit or the defined contribution portion of the Corporation's non-contributory pension plans. Certain executive officers also participate in an unregistered supplementary pension plan. Executive officers participate in health, dental, life insurance and long-term disability insurance programs on the same basis as offered to other employees.

BASE SALARY

Base salaries are established taking into account individual performance and experience, level of responsibility and competitive pay practices. Celestica references the median level of base salaries at similarly-sized companies in the electronics manufacturing services industry or closely related industries in the U.S.

To ensure that Celestica will continue to attract and retain qualified and experienced executive officers, base salaries are reviewed annually and adjusted as appropriate.

ANNUAL INCENTIVES

The Corporation's executives participate in the Celestica Executive Team Incentive Plan. In 2000, awards under this plan were based on pre-determined targets for financial performance and customer satisfaction ratings as well as the performance of the Corporation relative to its direct competitors on key financial metrics. The Chief Executive Officer and the President evaluate each executive's performance in accordance with the Corporation's stated values and principles, teamwork and the executive's special accomplishments. Based on this individual assessment, the amount of the executive's earned award may increase by as much as 50% or decrease by as much as 50%. In 2000, awards under this plan ranged from 40% to 236% of base salary.

All of Celestica's employees in eligible geographies, other than the executive officers, participate in the Celestica Team Incentive Plan. In 2000, awards under this plan were based on financial performance, customer satisfaction ratings and individual performance. Under Celestica's Performance and Development Plan, each participant establishes personal objectives at the beginning of each year that are aligned with the Corporation's annual business objectives. At the end of the year, each participant's accomplishments and results with respect to his or her objectives are reviewed and assessed by his or her manager. The participant's rating is then used in the determination of the actual award to be paid.

LONG-TERM INCENTIVES

Celestica has issued Subordinate Voting Shares and options to acquire additional Subordinate Voting Shares for the benefit of certain of its employees and executives pursuant to the ESPO Plans. No further options or Subordinate Voting Shares (other than pursuant to outstanding options) may be issued under these plans.

At the time of the initial public offering, Celestica established two long-term incentive plans for its employees: the Long-Term Incentive Plan and the Employee Share Ownership Plan.

Under the Long-Term Incentive Plan, the Board of Directors may in its discretion grant from time to time stock options, performance shares, performance share units or stock appreciation rights to directors, permanent employees and consultants of Celestica, its subsidiaries and other companies or partnerships in which Celestica has a significant investment.

The Employee Share Ownership Plan enables eligible employees, including executive officers, to acquire Subordinate Voting Shares, so as to encourage continued employee interest in Celestica's operation, growth and development. Under the Employee Share Ownership Plan, an eligible participant may elect to contribute an amount representing no more than 10% of his or her salary. The Corporation will contribute 25% of the amount of the employee contributions, up to a maximum of 1% of the employee's salary for the relevant payroll period. Contributions are used to purchase Subordinate Voting Shares of the Corporation on the open market.

CHIEF EXECUTIVE OFFICER

The compensation package of the Chief Executive Officer is approved by the Board of Directors, based upon the recommendations of the Compensation Committee.

The Chief Executive Officer's compensation package consists of base salary, annual incentives and long-term incentives as described above. In establishing the Chief Executive Officer's compensation, the Compensation Committee takes into account Mr. Polistuk's contribution in terms of leadership in the management of the Corporation, the global scope and size of the Corporation's operations, the industry it competes in and competitive compensation packages at the Chief Executive Officer level.

Mr. Polistuk's leadership and vision were instrumental to the successes achieved by Celestica in 2000. The Corporation reached its interim goal of \$10 billion in revenue one year earlier than targeted while continuing to grow operating margins. This growth was achieved by growing the current customer base well beyond target; completing three acquisitions, including the Corporation's largest acquisition to date -- the purchase of IBM facilities in the U.S. and Italy; and by expanding strategic customer relationships and penetration of key end markets. Under Mr. Polistuk's leadership, the Corporation positioned itself solidly to achieve its interim goal for 2003 of \$20 billion in revenue.

In 2000, Mr. Polistuk received a salary of \$550,000 and an award under the Celestica Executive Team Incentive Plan of \$1,300,000, which award was equal to 236% of Mr. Polistuk's salary. As detailed previously, Mr. Polistuk also received a Long-Term Incentive Plan award.

Report presented by the Compensation Committee:

Anthony R. Melman
Don Tapscott
John R. Walter

COMPENSATION OF DIRECTORS

Directors who are not officers or employees of Celestica or Onex receive compensation for their services as directors. These directors receive an annual retainer fee of \$25,000 and a fee of \$2,500 for each meeting of the Board of Directors attended and each meeting attended of a Committee of the Board of Directors of which the director is a member. Meetings of directors are expected to occur at least quarterly. In lieu of receiving such retainer and attendance fees for the term of their service as directors, these directors may elect, at the time they are first elected or appointed to Celestica's Board of Directors, to receive an annual retainer and per meeting fee of 2,860 and 286 Subordinate Voting Shares, respectively. Each director has the right to elect to defer payment of his fees. Grants of Subordinate Voting Shares for such purposes may not exceed an aggregate of 500,000 Subordinate Voting Shares. The aggregate compensation paid in 2000 by the Company to its directors in their capacity as directors was \$55,000 and the right to receive, in the aggregate, 22,880 Subordinate Voting Shares. The delivery of these shares was deferred until the respective directors cease to be directors of Celestica. Mr. Crandall will also receive an annual grant of 10,000 Performance Units, convertible into Subordinate Voting Shares upon his retirement from the Board, in his capacity as Chairman of the Executive Committee.

At the time of their election or appointment, each of these directors was issued options to acquire 50,000 Subordinate Voting Shares exercisable at \$8.75 per share. In 2000, each of these directors was issued options to acquire 20,000 Subordinate Voting Shares, exercisable at \$48.69 per share, pursuant to the Long-Term Incentive Plan.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As at March 1, 2001, Celestica had guaranteed \$2,093,187 aggregate indebtedness of certain officers and employees of Celestica incurred in connection with the purchase of Subordinate Voting Shares. The following table sets forth details of such guarantees by Celestica of indebtedness of the directors and officers of Celestica.

INDEBTEDNESS OF SENIOR OFFICERS UNDER SECURITIES PURCHASE PROGRAMS (1)

NAME AND PRINCIPAL POSITION -----	LARGEST AMOUNT OUTSTANDING DURING 2000 (2) -----	AMOUNT OUTSTANDING AS AT MARCH 1, 2001 (2), (3) -----
Eugene V. Polistuk..... DIRECTOR, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER	\$387,973	nil
J. Marvin MaGee..... PRESIDENT AND CHIEF OPERATING OFFICER	\$173,941	\$160,315
Anthony P. Puppi..... DIRECTOR, EXECUTIVE VICE-PRESIDENT AND CHIEF FINANCIAL OFFICER AND GENERAL MANAGER -- SERVICES	\$173,941	nil
R. Thomas Tropea..... VICE-CHAIRMAN, GLOBAL CUSTOMER UNITS AND WORLDWIDE MARKETING AND BUSINESS DEVELOPMENT	\$420,304	\$420,304
Alastair Kelly.....	\$225,572	\$138,254

EXECUTIVE VICE-PRESIDENT, CORPORATE DEVELOPMENT

Andrew G. Gort.....	\$ 96,537	nil
EXECUTIVE VICE-PRESIDENT, GLOBAL SUPPLY CHAIN MANAGEMENT		
Lisa J. Colnett.....	\$130,464	nil
SENIOR VICE-PRESIDENT, WORLDWIDE PROCESS MANAGEMENT AND CHIEF INFORMATION OFFICER		
Iain S. Kennedy.....	\$ 55,661	nil
SENIOR VICE-PRESIDENT, INTEGRATION		
Daniel P. Shea.....	\$289,902	\$289,902
SENIOR VICE-PRESIDENT AND CHIEF TECHNOLOGY OFFICER		
Rahul Suri.....	\$987,434	\$987,434
SENIOR VICE-PRESIDENT, MERGERS AND ACQUISITIONS		
Elizabeth L. DelBianco.....	\$ 66,905	nil
VICE-PRESIDENT, GENERAL COUNSEL AND SECRETARY		
Graham Thouret.....	\$182,671	nil
VICE-PRESIDENT AND CORPORATE TREASURER		
Peter Bar.....	\$127,869	\$ 95,902
VICE-PRESIDENT AND CORPORATE CONTROLLER		

- (1) In 2000, the Corporation guaranteed a loan in the amount of \$987,434 to enable Mr. Suri to purchase 20,000 Subordinate Voting Shares. All of the shares purchased are pledged by Mr. Suri as security for the loan guarantee. No securities were purchased by any other officers or directors during 2000 with the financial assistance of Celestica.
- (2) All amounts are shown in U.S. dollars converted, where necessary, from Canadian dollars at an exchange rate of U.S.\$1.00 =C\$1.5465 and from British pounds sterling at an exchange rate of U.S.\$1.00 = L0.6871.
- (3) All guaranteed amounts incur interest at a rate equal to certain commercial banks' prime lending rates. The security for each of the guaranteed amounts is the purchased Subordinate Voting Shares.

No director, officer or employee was indebted to Celestica other than in connection with securities purchase programs during the fiscal year ended December 31, 2000.

INDEMNIFICATION AGREEMENTS

Celestica and certain of its subsidiaries have entered into indemnification agreements with certain of the directors and officers of Celestica and its subsidiaries. These agreements generally provide that Celestica or the subsidiary of Celestica which is a party to the agreement, as applicable, will indemnify the director or officer in question (including his or her heirs and legal representatives) against all costs, charges and expenses incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a director or officer of such corporation or a subsidiary thereof, provided that (a) he or she has acted honestly and in good faith with a view to the best interests of the corporation, and (b) in the case of a criminal or administrative proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

INTEREST OF INSIDERS IN CERTAIN TRANSACTIONS

Celestica and Onex are parties to a Management Services Agreement under which Onex has agreed to provide management, administrative, strategic planning, financial and support services to Celestica of such nature as Celestica may reasonably request from time to time having regard to Onex's experience, expertise and personnel or the personnel of its subsidiaries, as the case may be. Celestica has agreed to pay Onex certain fees under the Management Services Agreement equal to approximately \$2.0 million per year adjusted for changes in the Canadian consumer price index. The Management Services Agreement also provides that if Celestica uses Onex management personnel to provide investment

banking or financial advice in connection with any acquisition, Onex will be entitled to receive fees consistent in the determination of the Board of Directors of Celestica with fees typically paid for financial advice in such circumstances to investment bankers or other expert advisors at arm's-length to Celestica. The Management Services Agreement has a term of five years with automatic renewal for successive one-year periods thereafter, subject to termination on 12 months' prior written notice at any time after the initial five-year term by the directors of Celestica who are independent of Celestica and Onex, and provided that in any event the Management Services Agreement, and the rights of Onex to receive fees (other than accrued and unpaid fees), will terminate 30 days after the first day upon which Onex ceases to hold at least one Multiple Voting Share. During 2000, Celestica paid to Onex management and investment banking fees of approximately \$2.5 million.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

In December 1994, The Toronto Stock Exchange Committee on Corporate Governance in Canada released its guidelines on corporate governance (the "Guidelines"). The Board of Directors considers good corporate governance to be important to the effective and efficient operation of the Corporation. The Board of Directors is responsible for the structures and procedures necessary for good corporate governance at the Corporation. The TSE requires the Corporation to disclose its approach to corporate governance on an annual basis. The Corporation's disclosure is set out in Schedule C hereto.

BOARD COMMITTEES

The Board of Directors has established three standing committees of three directors, each with a specific mandate. The Executive Committee includes a majority of unrelated directors. The Audit Committee and Compensation Committee each are composed of unrelated directors.

EXECUTIVE COMMITTEE

Subject to the limitations set out in subsection 127(3) of the BUSINESS CORPORATIONS ACT (Ontario), the Board of Directors has delegated to the Executive Committee the powers to consider and approve certain matters relating to the management of the Corporation, subject to any regulations or restrictions that may from time to time be made or imposed upon the Executive Committee by the Board of Directors. The members of the Executive Committee are Messrs. Crandall, Melman and Polistuk.

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AUDIT COMMITTEE

The Audit Committee, which consists of Messrs. Love, Martin and Melman, selects and engages, on behalf of Celestica, the independent public accountants to audit Celestica's annual financial statements, and reviews and approves the planned scope of the annual audit. The Audit Committee has direct communication channels with the auditors to discuss and review specific issues as appropriate. The Audit Committee's duties include the responsibility for reviewing financial statements with management and the auditors, monitoring the integrity of the Corporation's management information systems and internal control procedures, and reviewing the adequacy of the Corporation's processes for identifying and managing risk, including the management of risk with respect to environmental and health and safety matters.

COMPENSATION COMMITTEE

The Compensation Committee approves the Corporation's executive compensation policies and establishes remuneration levels of Celestica's executive officers and performs such functions as provided for under Celestica's employee benefit programs and executive compensation programs. The Compensation Committee consists of Messrs. Melman, Tapscott and Walter, all of whom are unrelated to the Corporation.

PERFORMANCE GRAPH

The Subordinate Voting Shares of the Corporation have been listed and posted for trading under the symbol "CLS" on The Toronto Stock Exchange and The New York Stock Exchange since June 30, 1998. The following chart compares the cumulative total shareholder return of \$100 invested in Subordinate Voting Shares of the Corporation on June 30, 1998 with the cumulative total shareholder return of The Toronto Stock Exchange 300 Index for the period June 30, 1998 to

December 31, 2000 (assuming reinvestment of dividends).

[GRAPH]

PARTICULARS OF OTHER MATTERS

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted upon such matters in accordance with the best judgment of the person voting the proxy.

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AVAILABILITY OF DOCUMENTS

The Corporation will provide to any person, upon request to the Secretary of the Corporation, the following documents:

- (a) one copy of the latest annual information form, together with one copy of any document, or the pertinent pages of any document, incorporated therein by reference;
- (b) one copy of the comparative financial statements of the Corporation for the year ended December 31, 2000, together with the accompanying report of the auditor, and one copy of any interim financial statements of the Corporation subsequent thereto; and
- (c) the Corporation's management proxy circular for its last annual meeting of shareholders.

CERTIFICATE

The contents of this Circular and the sending thereof to the shareholders of the Corporation have been approved by the Board of Directors.

Toronto, Ontario, March 9, 2001.

By Order of the Board of Directors

[ELIZABETH L. DELBIANCO]

Elizabeth L. DelBianco
Vice-President, General Counsel
and Secretary

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SCHEDULE A RESOLUTION OF THE SHAREHOLDERS OF CELESTICA INC. BY-LAW ENACTMENT RESOLUTION

BE IT RESOLVED THAT:

1. By-law A, a copy of which is attached hereto as Appendix 1, repealing By-law No. 1 and By-law No. 4 of the Corporation be and is hereby confirmed;
2. By-law 1, a copy of which is attached hereto as Appendix 2, updating terminology and the description of the company officers to reflect current practice and providing for the holding of shareholders' meetings by electronic means and the electronic signature of proxies, be and is hereby confirmed; and
3. any director or officer of the Corporation be and is hereby authorized, for, in the name of and on behalf of the Corporation, to do all such acts and things and to execute, whether under the corporate seal of the Corporation or otherwise, and to deliver all such documents and instruments as may be considered necessary or desirable in order to carry out the provisions of this resolution.

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APPENDIX 1 CELESTICA INC. BY-LAW A

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of CELESTICA INC.
(hereinafter called the "Corporation") as follows:

REPEAL OF BY-LAWS

1. By-Law No. 1 of the Corporation be and the same is hereby repealed without prejudice to any action heretofore taken hereunder.
2. By-Law No. 4 of the Corporation be and the same is hereby repealed without prejudice to any action heretofore taken hereunder.
3. The numbers designating the by-laws hereby repealed may be allocated to any by-laws of the Corporation hereafter made by the directors of the Corporation.

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APPENDIX 2 CELESTICA INC. BY-LAW 1

A by-law relating generally to the conduct of the affairs of CELESTICA INC.

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of CELESTICA INC.
(hereinafter called the "Corporation") as follows:

DEFINITIONS

1. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:
 - (a) "Act" means the BUSINESS CORPORATIONS ACT, R.S.O. 1990, c. B.16, as from time to time amended, and every statute that may be substituted therefor and, in the case of such amendment or substitution, any reference in the by-laws of the Corporation shall be read as referring to the amended or substituted provisions;
 - (b) "by-law" means any by-law of the Corporation from time to time in force and effect;
 - (c) all terms contained in the by-laws which are defined in the Act shall have the meanings given to such terms in the Act;
 - (d) words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; and
 - (e) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

REGISTERED OFFICE

2. The Corporation may from time to time (i) by resolution of the directors change the address of the registered office of the Corporation within the municipality or geographic township within Ontario specified in its articles, and (ii) by special resolution, change the municipality or geographic township within Ontario in which its registered office is situated.

SEAL

3. The Corporation may, but need not, have a corporate seal. An instrument or agreement executed on behalf of the Corporation by a director, an officer or an agent of the Corporation is not invalid merely because the corporate seal, if any, is not affixed thereto.

DIRECTORS

4. NUMBER AND POWERS. The number of directors, or the minimum and maximum number of directors of the Corporation, is set out in the articles of the Corporation. A majority of the directors shall be resident Canadians, but if the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian. Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the Corporation and may exercise all

such powers and do all such acts and things as may be exercised or done by the Corporation and are not by the Act, the articles, the by-laws, any special resolution of the Corporation, a unanimous shareholder agreement or by statute expressly directed or required to be done in some other manner.

Notwithstanding any vacancy among the directors, the remaining directors may exercise all the powers of the directors so long as a quorum of the directors remains in office.

Subject to subsections 124(1), (2), (4) and (5) of the Act and to the Corporation's articles, where there is a quorum of directors in office and a vacancy occurs, the directors remaining in office may appoint a qualified person to hold office for the unexpired term of his predecessor.

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5. DUTIES. Every director and officer of the Corporation in exercising his powers and discharging his duties shall:

- (a) act honestly and in good faith with a view to the best interests of the Corporation; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Every director and officer of the Corporation shall comply with the Act, the regulations thereunder, the Corporation's articles and by-laws and any unanimous shareholder agreement.

6. QUALIFICATION. Every director shall be an individual 18 or more years of age and no one who is of unsound mind and has been so found by a court in Canada or elsewhere or who has the status of a bankrupt shall be a director.

7. TERM OF OFFICE. A director's term of office (subject to the provisions, if any, of the Corporation's articles, and subject to his election for an expressly stated term) shall be from the date of the meeting at which he is elected or appointed until the close of the annual meeting of shareholders next following his election or appointment or until his successor is elected or appointed.

8. VACATION OF OFFICE. The office of a director shall be vacated if:

- (a) he dies or, subject to subsection 119(2) of the Act, sends to the Corporation a written resignation and such resignation, if not effective upon receipt by the Corporation, becomes effective in accordance with its terms;
- (b) he is removed from office;
- (c) he becomes bankrupt; or
- (d) he is found by a court in Canada or elsewhere to be of unsound mind.

9. ELECTION AND REMOVAL. Directors shall be elected by the shareholders by ordinary resolution on a show of hands, or by ballot if a ballot is demanded. Except for those directors elected for an expressly stated term, all the directors then in office shall cease to hold office at the close of the meeting of shareholders at which directors are to be elected but, if qualified, are eligible for re-election. Subject to subsection 122(2) of the Act, the shareholders of the Corporation may by ordinary resolution at an annual or special meeting remove any director before the expiration of his term of office and may, by a majority of the votes cast at the meeting, elect any person in his stead for the remainder of his term.

Whenever at any election of directors of the Corporation the number or the minimum number of directors required by the articles is not elected by reason of the disqualification, incapacity or the death of any candidates, the directors elected at that meeting may exercise all the powers of the directors if the number of directors so elected constitutes a quorum pending the holding of a meeting of shareholders in accordance with subsection 124(3) of the Act.

A retiring director shall cease to hold office at the close of the meeting at which his successor is elected unless such meeting was called for the purpose of removing him from office as a director in which case the director so removed shall vacate office forthwith upon the passing of the resolution for his removal.

10. VALIDITY OF ACTS. An act done by a director or by an officer is not invalid by reason only of any defect that is thereafter discovered in his appointment, election or qualification.

MEETINGS OF DIRECTORS

11. PLACE OF MEETING. Meetings of directors and of any committee of directors may be held at any place within or outside Ontario and in any financial year a majority of the meetings of the board of directors need not be held at a place within Canada. A meeting of directors may be convened by the Chairman of the Board (if any), the President or any director at any time and the Secretary shall upon direction of any of the foregoing convene a meeting of directors. A quorum of the directors may, at any time, call a meeting of the directors for the transaction of any business the general nature of which is specified in the notice calling the meeting.

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12. NOTICE. Notice of the time and place for the holding of any such meeting shall be sent to each director not less than two days (exclusive of the day on which the notice is sent but inclusive of the day for which notice is given) before the date of the meeting; provided that meetings of the directors or of any committee of directors may be held at any time without formal notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the absent directors have waived notice.

Notice of the time and place for the holding of any meeting of directors or any committee of directors may be given by delivery, telegraph, cable, telex or other electronic means that produces a written copy.

For the first meeting of directors to be held following the election of directors at an annual or special meeting of the shareholders or for a meeting of directors at which a director is appointed to fill a vacancy in the board, no notice of such meeting need be given to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided a quorum of the directors is present.

13. WAIVER OF NOTICE. Notice of a meeting of directors or of any committee of directors or any irregularity in a meeting or in the notice thereof may be waived in any manner by any director and such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a director at a meeting of directors is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

14. TELEPHONE PARTICIPATION. Where all the directors of the Corporation present at or participating in the meeting consent thereto (either before or after the meeting), a director may participate in a meeting of directors or of any committee of directors by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in a meeting by such means shall be deemed for the purposes of the Act to be present at that meeting. If the majority of the directors participating in the meeting are then in Canada, the meeting shall be deemed to be held in Canada.

15. ADJOURNMENT. Any meeting of directors or of any committee of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place and no notice of the time and place for the holding of the adjourned meeting need be given to any director if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

16. QUORUM AND VOTING. A majority of the number of directors or minimum number of directors required by the articles shall constitute a quorum for the transaction of business. If the Corporation has fewer than three directors, all

directors must be present at any meeting of directors to constitute a quorum. Subject to subsection 124(1) and subsection 126(7) of the Act, no business shall be transacted by the directors except at a meeting of directors at which a quorum is present and at which a majority of the directors present are resident Canadians or, where the Corporation has fewer than three directors, at which one of the directors present is a resident Canadian. Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting in addition to his original vote shall not have a second or casting vote.

COMMITTEES OF DIRECTORS

17. GENERAL. The directors may from time to time appoint from their number a committee of directors, a majority of whom shall be resident Canadians, and may delegate to such committee any of the powers of the directors, except that no such committee shall have the authority to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;

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- (b) fill a vacancy among the directors or in the office of auditor or appoint or remove any of the chief executive officer, however designated, the chief financial officer, however designated, the chairman or the president of the Corporation;
- (c) subject to section 184 of the Act, issue securities except in the manner and on the terms authorized by the directors;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (f) pay a commission referred to in section 37 of the Act;
- (g) approve a management information circular referred to in Part VIII of the Act;
- (h) approve a take-over bid circular, directors' circular or issuer bid circular referred to in Part XX of the SECURITIES ACT;
- (i) approve any financial statements referred to in clause 154(1)(b) of the Act and Part XVIII of the SECURITIES ACT;
- (j) approve an amalgamation under section 177 or an amendment to the articles under subsection 168(2) or (4) of the Act; or
- (k) adopt, amend or repeal by-laws.

18. AUDIT COMMITTEE. If the Corporation is an "offering corporation" as defined in paragraph 1(1) of the Act, the board of directors shall, and otherwise the directors may, elect annually from among their number an audit committee to be composed of not fewer than three directors, a majority of whom are not officers or employees of the Corporation or any of its affiliates, to hold office until the next annual meeting of the shareholders.

Each member of the audit committee shall serve during the pleasure of the board of directors and, in any event, only so long as he shall be a director. The directors may fill vacancies in the audit committee by election from among their number.

The audit committee shall have power to fix its quorum at not less than a majority of its members and to determine its own rules of procedure subject to any regulations imposed by the board of directors from time to time and to the following paragraph.

The auditor of the Corporation is entitled to receive notice of every meeting of the audit committee and, at the expense of the Corporation, to attend and be heard thereat; and, if so requested by a member of the audit committee, shall attend every meeting of the committee held during the term of office of the auditor. The auditor of the Corporation or any member of the audit committee may call a meeting of the committee.

The audit committee shall review the financial statements of the Corporation

and shall report thereon to the board of directors of the Corporation prior to approval thereof by the board of directors and shall have such other powers and duties as may from time to time by resolution be assigned to it by the board.

REMUNERATION OF DIRECTORS, OFFICERS AND EMPLOYEES

19. The remuneration to be paid to the directors of the Corporation shall be such as the directors shall from time to time by resolution determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a director. The directors may also by resolution award special remuneration to any director in undertaking any special services on the Corporation's behalf other than the normal work ordinarily required of a director of a corporation. The confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors may fix the remuneration of the officers and employees of the Corporation. The directors, officers and employees shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

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SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

20. The directors in their discretion may submit any contract, act or transaction for approval, ratification or confirmation at any meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or by-laws) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified and/or confirmed by every shareholder of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

21. No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office of trust or in relation thereto, unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Corporation, and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, provided that nothing herein contained shall relieve a director or officer from the duty to act in accordance with the Act or regulations made thereunder or relieve him from liability for a breach thereof. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his being a shareholder, director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

INDEMNITIES TO DIRECTORS AND OTHERS

22. Subject to subsections 136(2) and (3) of the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer

of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of such corporation or body corporate, if

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

The Corporation is hereby authorized to execute agreements evidencing its indemnity in favour of the foregoing persons to the full extent permitted by law.

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OFFICERS

23. APPOINTMENT OF OFFICERS. The directors may annually or as often as may be required appoint a President and a Secretary and if deemed advisable may annually or as often as may be required appoint a Chairman of the Board, one or more Vice-Presidents, a Treasurer and one or more Assistant Secretaries and/or one or more Assistant Treasurers. None of such officers, except the Chairman of the Board, need be a director of the Corporation. Any director may be appointed to any office of the Corporation. Two or more of such offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer he may but need not be known as the Secretary-Treasurer. The directors may from time to time appoint such other officers, employees and agents as they shall deem necessary who shall have such authority and shall perform such functions and duties as may from time to time be prescribed by resolution of the directors.

24. REMOVAL OF OFFICERS, ETC. All officers, employees and agents, in the absence of agreement to the contrary, shall be subject to removal by resolution of the directors at any time, with or without cause.

25. DUTIES OF OFFICERS MAY BE DELEGATED. In case of the absence or inability or refusal to act of any officer of the Corporation or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

26. CHAIRMAN OF THE BOARD. The Chairman of the Board shall, when present, preside at all meetings of the directors, any committee of the directors and shareholders, shall sign such documents as may require his signature in accordance with the by-laws of the Corporation and shall have such other powers and shall perform such other duties as may from time to time be assigned to him by resolution of the directors or as are incidental to his office.

27. PRESIDENT. In the absence of the Chairman of the Board, and if the President is also a director of the Corporation, the President shall, when present, preside at all meetings of the directors, any committee of the directors and shareholders; he shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and shall perform such other duties as may from time to time be assigned to him by resolution of the directors or as are incidental to his office.

28. CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall exercise general supervision over the business and affairs of the Corporation. The position of Chief Executive Officer may be held by any officer or director of the Corporation, or other individual, in each case appointed by the directors. The Chief Executive Officer shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and shall perform such other duties as may from time to time be assigned to him by resolution of the directors or as are incidental to his office.

29. VICE-PRESIDENT. The Vice-President or, if more than one, the Vice-Presidents in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or

refusal to act of the President; provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of directors or shareholders. The Vice-President or, if more than one, the Vice-Presidents in order of seniority, shall sign such contracts, documents or instruments in writing as require his or their signatures and shall also have such other powers and duties as may from time to time be assigned to him or them by resolution of the directors or by the Chief Executive Officer or as are incidental to his office.

30. SECRETARY. The Secretary shall give or cause to be given notices for all meetings of the directors, any committee of the directors and shareholders when directed to do so and shall have charge of the minute books of the Corporation and, subject to the provisions of paragraph 45 hereof, of the documents and registers referred to in subsections 140(1) and (2) of the Act. He shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by resolution of the directors or as are incidental to his office.

31. TREASURER/CONTROLLER. Subject to the provisions of any resolution of the directors, the Treasurer or the Controller shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depository or depositories as the directors may by resolution direct. He shall prepare and maintain adequate accounting records. He shall manage the Corporation's financial information systems and shall provide financial information and data to the directors

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of the Corporation. He shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office. He may be required to give such bond for the faithful performance of his duties as the directors in their uncontrolled discretion may require and no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided. If the Corporation should appoint both a Treasurer and a Controller, their respective duties shall be allocated between them in such manner as the directors or the Chief Executive Officer may determine.

32. COMPLIANCE OFFICER. Subject to the provisions of any resolution of the directors, the Compliance Officer shall have the responsibility for ensuring that the Corporation complies with all rules and regulations of any statutory or regulatory body or similar authority having jurisdiction over the Corporation or any organization of which the Corporation is a member, including any stock exchange, securities exchange or commodities exchange. He shall advise the Corporation of the requirements of such entities and shall assist the directors in the development of policies to ensure compliance therewith. He shall prepare and maintain adequate records to comply with the requirements of any such institution or organization and he shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office.

33. ASSISTANT SECRETARY AND ASSISTANT TREASURER. The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall perform all the duties of the Secretary and Treasurer, respectively, in the absence or inability to act of the Secretary or Treasurer, as the case may be. The Assistant Secretary or Assistant Secretaries, if more than one, and the Assistant Treasurer or Assistant Treasurers, if more than one, shall sign such contracts, documents or instruments in writing as require his or their signatures, respectively, and shall have such other powers and duties as may from time to time be assigned to them by resolution of the directors.

34. MANAGING DIRECTOR. The directors may from time to time appoint from their number a Managing Director who is a resident Canadian and may delegate to the Managing Director any of the powers of the directors subject to the limits on authority provided by subsection 127(3) of the Act. A Managing Director shall conform to all lawful orders given to him by the directors of the Corporation and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by a Managing Director shall be subject to discharge by the directors.

35. VACANCIES. If the office of Chairman of the Board, President, Vice-President, Secretary, Assistant Secretary, Treasurer, Controller, Assistant Treasurer, Compliance Officer, or any other office created by the directors pursuant to paragraph 23 hereof shall be or become vacant by reason of death, resignation or in any other manner whatsoever, the directors shall in the case of the President or the Secretary and may in the case of the other officers appoint an officer to fill such vacancy.

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SHAREHOLDERS' MEETINGS

36. ANNUAL OR SPECIAL MEETINGS. Subject to subsection 104(1) of the Act, the directors of the Corporation,

(a) shall call an annual meeting of shareholders not later than 15 months after holding the last preceding annual meeting; and

(b) may at any time call a special meeting of shareholders.

37. PLACE OF MEETINGS. Subject to the articles and any unanimous shareholder agreement, a meeting of the shareholders of the Corporation may be held at such place in or outside Ontario as the directors may determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located.

38. MEETING BY ELECTRONIC MEANS. A meeting of the shareholders may be held by telephonic or electronic means and a shareholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed for the purposes of the Act to be present at the meeting. A meeting held by telephonic or electronic means shall be deemed to be held at the place where the registered office of the Corporation is located.

39. NOTICE. A notice stating the day, hour and place of meeting and, if special business is to be transacted thereat, stating (or accompanied by a statement of) (i) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and (ii) the text of any special resolution or by-law to be submitted to the meeting, shall be served by sending such notice to each person who is entitled to notice of such meeting and who on the record date for notice appears on the records of the Corporation or its transfer agent as a shareholder entitled to vote at the meeting and to each director of the Corporation and to the auditor of the Corporation by prepaid mail not less than 21 days and not more than 50 days (exclusive of the day of mailing and of the day for which notice is given) before the date (if the Corporation is an offering corporation as such term is defined in the Act) or not less than 10 days before the date (if the Corporation is not an offering corporation) of every meeting addressed to the latest address of each such person as shown in the records of the Corporation or its transfer agent, or if no address is shown therein, then to the last address of each such person known to the Secretary; provided that a meeting of shareholders may be held for any purpose at any date and time and at any place without notice if all the shareholders and other persons entitled to notice of such meeting are present in person or represented by proxy at the meeting (except where the shareholder or such other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the shareholders and other persons entitled to notice of such meeting and not present in person nor represented by proxy thereat waive notice of the meeting. Notice of any meeting of shareholders or the time for the giving of any such notice or any irregularity in any such meeting or in the notice thereof may be waived in any manner by any shareholder, the duly appointed proxy of any shareholder, any director or the auditor of the Corporation and any other person entitled to attend a meeting of shareholders, and any such waiver may be validly given either before or after the meeting to which such waiver relates.

The auditor of the Corporation is entitled to attend any meeting of shareholders of the Corporation and to receive all notices and other communications relating to any such meeting that a shareholder is entitled to receive.

40. OMISSION OF NOTICE. The accidental omission to give notice of any meeting to or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at any meeting of shareholders.

41. RECORD DATES FOR NOTICE OF MEETINGS. Subject to subsection 95(4) of the

Act, the directors may fix in advance the date as the record date for the determination of shareholders entitled to receive notice of a meeting of shareholders, but such record date shall not precede by more than 50 days or by less than 21 days the date on which the meeting is to be held.

If no record date is fixed, the record date for the determination of the shareholders entitled to receive notice of a meeting of the shareholders shall be

- (i) at the close of business on the day immediately preceding the day on which notice is given; or
- (ii) if no notice is given, the day on which the meeting is held.

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42. VOTES. Every question submitted to any meeting of shareholders shall be decided in the first instance on a show of hands and in case of an equality of votes the chairman of the meeting shall neither on a show of hands nor on a ballot have a second or casting vote in addition to the vote or votes to which he may be entitled as a shareholder or proxy nominee.

At any meeting, unless a ballot is demanded by a shareholder or proxyholder entitled to vote at the meeting, either before or after any vote by a show of hands, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

In the absence of the Chairman of the Board (if any), the President and any Vice-President who is a director, the shareholders present entitled to vote shall choose another director as chairman of the meeting and if no director is present or if all the directors decline to take the chair then the shareholders present shall choose one of their number to be chairman.

If at any meeting a ballot is demanded on the election of a chairman or on the question of adjournment or termination, the ballot shall be taken forthwith without adjournment. If a ballot is demanded on any other question or as to the election of directors, the ballot shall be taken in such manner and either at once or later at the meeting or after adjournment as the chairman of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be made either before or after any vote by a show of hands and may be withdrawn.

Where two or more persons hold the same share or shares jointly, any one of such persons present at a meeting of shareholders has the right, in the absence of the other or others, to vote in respect of such share or shares, but if more than one of such persons are present or represented by proxy and vote, they shall vote together as one on the share or shares jointly held by them.

43. PROXIES. Votes at meetings of the shareholders may be given either personally or by proxy. At every meeting at which he is entitled to vote, every shareholder present in person and every proxyholder shall have one vote on a show of hands. Upon a poll at which he is entitled to vote every shareholder present in person or by proxy shall (subject to the Corporation's articles) have one vote for every share registered in his name.

Every shareholder, including a shareholder that is a body corporate, entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or proxyholders or one or more alternate proxyholders, who need not be shareholders, as his nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy.

A proxy shall be in written or printed format or a format generated by telephonic or electronic means and becomes a proxy when completed and signed in writing or by electronic signature by the shareholder or his attorney authorized by a document that is signed in writing or by electronic signature or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized. If a proxy or document authorizing an attorney is signed by electronic signature, the means of electronic signature shall permit a reliable determination that the proxy or document was created or communicated by or on behalf of the shareholder or the attorney, as the case may be. If the Corporation is an "offering corporation" as defined in paragraph 1(1) of the Act, any such proxy appointing a proxyholder to attend and act at a meeting or meetings of shareholders ceases to be valid one year from its date.

An instrument appointing a proxyholder may be in the following form or in any other form which complies with the regulations made under the Act:

"The undersigned shareholder of CELESTICA INC. hereby appoints of _____, whom failing, _____, of _____ as the nominee of the undersigned to attend and act for and on behalf of the undersigned at the meeting of the shareholders of the said Corporation to be held on the _____ day of _____, _____ and at any adjournment thereof in the same manner, to the same extent and with the same power as if the undersigned were present, either personally or by telephonic or electronic means, at the said meeting or such adjournment thereof.

Dated the _____ day of _____, _____.

Signature of Shareholder

This form of proxy must be signed in writing or by electronic signature by a shareholder or his attorney authorized by a document that is signed in writing or by electronic signature or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized."

The directors may from time to time pass regulations regarding the lodging of instruments appointing a proxyholder at some place or places other than the place at which a meeting or adjourned meeting of shareholders is to be held and for particulars of such instruments to be telegraphed, cabled, telexed, sent in writing or otherwise communicated by electronic means that produces a written copy before the meeting or adjourned meeting to the Corporation or any agent of the Corporation appointed for the purpose of receiving such particulars and providing that instruments appointing a proxyholder so lodged may be voted upon as though the instruments themselves were produced at the meeting or adjourned meeting and votes given in accordance with such regulations shall be valid and shall be counted. The chairman of the meeting of shareholders may, subject to any regulations made as aforesaid, in his discretion accept telegraphic, telex, cable or written communication, or electronic communication that produces a written copy, as to the authority of anyone claiming to vote on behalf of and to represent a shareholder notwithstanding that no instrument of proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such telegraphic, telex, cable, written or electronic communication accepted by the chairman of the meeting shall be valid and shall be counted.

44. ADJOURNMENT. The chairman of the meeting may with the consent of the meeting adjourn any meeting of shareholders from time to time to a fixed time and place and if the meeting is adjourned for less than 30 days, no notice of the time and place for the holding of the adjourned meeting need be given to any shareholder, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting but, unless the meeting is adjourned by one or more adjournments for an aggregate of more than 90 days, section 111 of the Act does not apply. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form a quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

45. QUORUM. Two persons present and each holding or representing by proxy at least one issued share of the Corporation shall be a quorum of any meeting of shareholders for the choice of a chairman of the meeting and for the adjournment of the meeting to a fixed time and place but may not transact any other business; for all other purposes a quorum for any meeting shall be persons present not being less than two in number and holding or representing by proxy not less than 35% of the total number of the issued shares of the Corporation for the time being enjoying voting rights at such meeting. If a quorum is present at the opening of a meeting of

shareholders, the shareholders present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting.

Notwithstanding the foregoing, if the Corporation has only one shareholder, or only one shareholder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting and a quorum for such meeting.

SHARES AND TRANSFERS

46. ISSUANCE. Subject to the articles of the Corporation and any unanimous shareholder agreement, shares in the Corporation may be issued at such time and issued to such persons and for such consideration as the directors may determine.

47. SECURITY CERTIFICATES. Security certificates (and the form of transfer power on the reverse side thereof) shall (subject to compliance with section 56 of the Act) be in such form as the directors may from time to time by resolution approve and, subject to subsection 55(3) of the Act, such certificates shall be signed manually by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture, and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon. Notwithstanding any change in the persons holding an office between the time of actual signing and the issuance of any certificate and notwithstanding that a person signing may not have held office at the date of issuance of such certificate, any such certificate so signed shall be valid and binding upon the Corporation.

48. TRANSFER AGENTS. For each class of securities and warrants issued by the Corporation, the directors may from time to time by resolution appoint or remove,

- (a) a trustee, transfer agent or other agent to keep the securities register and the register of transfer and one or more persons or agents to keep branch registers; and
- (b) a registrar, trustee or agent to maintain a record of issued security certificates and warrants,

and, subject to section 48 of the Act, one person may be appointed for the purposes of both clauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof.

49. SURRENDER OF SECURITY CERTIFICATES. Subject to the Act, no transfer of a security issued by the Corporation shall be recorded or registered unless and until (i) the security certificate representing the security to be transferred has been surrendered and cancelled, or (ii) if no security certificate has been issued by the Corporation in respect of such share, a duly executed security transfer power in respect thereof has been presented for registration.

50. DEFACED, DESTROYED, STOLEN OR LOST SECURITY CERTIFICATES. In case of the defacement, destruction, theft or loss of a security certificate, the fact of such defacement, destruction, theft or loss shall be reported by the owner to the Corporation or to an agent of the Corporation (if any) acting on behalf of the Corporation, with a statement verified by oath or statutory declaration as to the defacement, destruction, theft or loss and the circumstances concerning the same and with a request for the issuance of a new security certificate to replace the one so defaced, destroyed, stolen or lost. Upon the giving to the Corporation (or, if there be an agent, hereinafter in this paragraph referred to as the "Corporation's agent", then to the Corporation and the Corporation's agent) of an indemnity bond of a surety company in such form as is approved by the directors or by the Chairman of the Board (if any), the President, a Vice-President, the Secretary or the Treasurer of the Corporation, indemnifying the Corporation (and the Corporation's agent, if any) against all loss, damage and expense, which the Corporation and/or the Corporation's agent may suffer or be liable for by reason of the issuance of a new security certificate to such shareholder, and provided the Corporation or the Corporation's agent does not have notice that the security has been acquired by a bona fide purchaser, a new security certificate may be issued in replacement of the one defaced, destroyed, stolen or lost, if such issuance is ordered and authorized by any one of the Chairman of the Board (if any), the President, a Vice-President, the Secretary or the Treasurer of the Corporation or by resolution of the directors.

DIVIDENDS

51. The directors may from time to time by resolution declare and the Corporation may pay dividends on its issued shares, subject to the provisions (if any) of the Corporation's articles.

The directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

- (a) the Corporation is, or, after the payment, would be unable to pay its liabilities as they become due; or
- (b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

The directors may declare and the Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and, subject to section 38 of the Act, the Corporation may pay a dividend in money or property.

52. In case several persons are registered as the joint holders of any securities of the Corporation, any one of such persons may give effectual receipts for all dividends and payments on account of dividends, principal, interest and/or redemption payments on redemption of securities (if any) subject to redemption in respect of such securities.

RECORD DATES

53. Subject to subsection 95(4) of the Act, the directors may fix in advance a date as the record date for the determination of shareholders (i) entitled to receive payment of a dividend, (ii) entitled to participate in a liquidation or distribution, or (iii) for any other purpose except the right to receive notice of or to vote at a meeting of shareholders, but such record date shall not precede by more than 50 days the particular action to be taken.

If no record date is fixed, the record date for the determination of shareholders for any purpose, other than to establish a record date for the determination of shareholders entitled to receive notice of a meeting of shareholders or to vote, shall be the close of business on the day on which the directors pass the resolution relating thereto.

VOTING SECURITIES IN OTHER ISSUERS

54. All securities of any other body corporate or issuer of securities carrying voting rights held from time to time by the Corporation may be voted at all meetings of shareholders, bondholders, debenture holders or holders of such securities, as the case may be, of such other body corporate or issuer and in such manner and by such person or persons as the directors of the Corporation shall from time to time determine and authorize by resolution. The duly authorized signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the directors.

NOTICES, ETC.

55. SERVICE. Any notice or other document required to be given or sent by the Corporation to any shareholder or director of the Corporation shall be delivered personally or sent by prepaid mail or by telegram, telex or other electronic means that produces a written copy addressed to:

- (a) the shareholder at his latest address as shown on the records of the Corporation or its transfer agent; and
- (b) the director at his latest address as shown in the records of the Corporation or in the last notice filed under the CORPORATIONS INFORMATION ACT, whichever is the more current.

With respect to every notice or other document sent by prepaid mail it shall be sufficient to prove that the envelope or wrapper containing the notice or

other document was properly addressed and put into a post office or into a post office letter box and shall be deemed to be received by the addressee on the fifth day after mailing.

56. If the Corporation sends a notice or document to a shareholder and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

57. SHARES REGISTERED IN MORE THAN ONE NAME. All notices or other documents shall, with respect to any shares in the capital of the Corporation registered in more than one name, be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficient notice or delivery of such document to all the holders of such shares.

58. PERSONS BECOMING ENTITLED BY OPERATION OF LAW. Every person who by operation of law, transfer or by any other means whatsoever shall become entitled to any shares in the capital of the Corporation shall be bound by every notice or other document in respect of such shares which prior to his name and address being entered on the records of the Corporation shall have been duly given to the person or persons from whom he derives his title to such shares.

59. DECEASED SHAREHOLDER. Any notice or other document delivered or sent by post or left at the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder be then deceased and whether or not the Corporation has notice of his death, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with other persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or other document on his heirs, executors or administrators and all persons (if any) interested with him in such shares.

60. SIGNATURES TO NOTICES. The signature of any director or officer of the Corporation to any notice may be written, printed or otherwise mechanically reproduced.

61. COMPUTATION OF TIME. Where a given number of days' notice or notice extending over any period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service, posting or other communication of the notice shall not be counted in such number of days or other period, and such number of days or other period shall commence on the day following the day of service, posting or other communication of the notice and shall terminate at midnight of the last day of the period except that if the last day of the period falls on a Sunday or holiday the period shall terminate at midnight of the day next following that is not a Sunday or holiday.

62. PROOF OF SERVICE. A certificate of any officer of the Corporation in office at the time of the making of the certificate or of an agent of the Corporation as to facts in relation to the mailing or delivery or service of any notice or other documents to any shareholder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation, as the case may be.

CHEQUES, DRAFTS, NOTES, ETC.

63. All cheques, drafts or orders for the payment of money and all notes, acceptances and bills of exchange shall be signed by such officer or officers or other person or persons, whether or not officers of the Corporation, and in such manner as the directors may from time to time designate by resolution.

CUSTODY OF SECURITIES

64. All securities (including warrants) owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safe or safety deposit box or, if so authorized by resolution of the directors, with such other depositaries or in such other manner as may be determined from time to time by the directors.

issued and held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with the right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer thereof to be completed and registration thereof to be effected.

EXECUTION OF CONTRACTS, ETC.

65. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by any director or officer and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The directors are authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal, if any, of the Corporation may, when required, be affixed to contracts, documents or instruments in writing signed as aforesaid or by an officer or officers, person or persons appointed as aforesaid by resolution of the board of directors.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, powers of attorney, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of securities and all paper writings.

In particular, without limiting the generality of the foregoing, any director or officer is authorized to sell, assign, transfer, exchange, convert or convey all securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such securities.

The signature or signatures of any such officer or director of the Corporation and/or of any other officer or officers, person or persons appointed as aforesaid by resolution of the directors may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or securities of the Corporation on which the signature or signatures of any of the foregoing officers, directors or persons shall be so reproduced, by authorization by resolution of the directors, shall be deemed to have been manually signed by such officers, directors or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers, directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or securities of the Corporation.

FINANCIAL YEAR

66. The financial year of the Corporation shall terminate on such day in each year as the board of directors may from time to time by resolution determine.

SCHEDULE B

RESOLUTION OF THE SHAREHOLDERS OF CELESTICA INC. LONG-TERM INCENTIVE PLAN AMENDMENT RESOLUTION

1. The amendment to the Long-Term Incentive Plan of the Corporation (the "LTIP") to increase the maximum number of Subordinate Voting Shares of the Corporation (the "Subordinate Voting Shares") which may be issued under options or rights granted under the LTIP from 15,000,000 Subordinate Voting Shares to 23,000,000 Subordinate Voting Shares be and is hereby approved; and
2. any director or officer of the Corporation be and is hereby authorized, for, in the name and on behalf of the Corporation, to do all such acts and things

and to execute, whether under the corporate seal of the Corporation or otherwise, and to deliver all such documents and instruments as may be considered necessary or desirable in order to carry out the provisions of this resolution.

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SCHEDULE C
STATEMENT OF CORPORATE GOVERNANCE PRACTICES

TSE CORPORATE GOVERNANCE
COMMITTEE GUIDELINE

COMMENTS

1. The Board of Directors should explicitly assume responsibility for stewardship of the Corporation.

The Board of Directors is elected annually to represent the interests of all shareholders. The mandate of the Board of Directors is to supervise the business and affairs of the Corporation, and in light of this obligation, the Board assumes responsibility for matters such as those set out below:

As part of the overall stewardship responsibility, the Board should assume responsibility specifically for:

- (i) adoption of a strategic planning process

(i) The adoption of a strategic planning process including the review of long-term corporate objectives and industry positioning. Substantial strategic planning sessions are a regular part of the Board schedule.

- (ii) identification of principal risks and implementation of risk-managing systems

(ii) The regular review of the Corporation's overall business risks and ensuring that appropriate systems are in place to address and manage such risks.

- (iii) succession planning, including appointing, training and monitoring management

(iii) Succession planning for all senior management positions and skills assessments of individuals identified to fill key roles.

- (iv) communications policy

(iv) Review and approval of the contents of all major disclosure documents including the Annual Report, the Annual Information Form, the Management Information Circular and all Prospectuses; and ensuring compliance with the Corporation's continuous disclosure obligations. The Corporation complies with the U.S. Securities and Exchange Commission's Regulation FD and follows fair disclosure practices for the benefit of its shareholders.

- (v) the integrity of internal control and management information systems

(v) The integrity of the Corporation's internal business controls and management information systems, which the Board and the Audit Committee monitor and assess regularly with management and with the Auditor.

2. Majority of directors should be "unrelated" (free from conflicting interest).

The Board of Directors has considered the relationship of each of its directors to the Corporation and has determined that a majority of the Board of Directors is composed of directors that are unrelated to the Corporation. The Board of Directors, in addition to including a majority of unrelated directors, comprises five directors who do not have interests or relations with either the Corporation or its significant shareholder, Onex. The five directors who do not have interests or relations with either the Corporation or Onex are Messrs. Crandall, Love, Martin, Tapscott and Walter.

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3. Disclose for each director whether he or she is related, and how that conclusion was reached.
 4. Appoint a Committee composed of non-management directors, a majority of whom are unrelated directors, responsible for the appointment/assessment of directors.
 5. Implement a process for assessing the effectiveness of the Board, its Committees and individual directors.
 6. Provide orientation and education programs for new directors.
 7. Examination of the size of the Board and consideration with a view to determine the impact of the number upon effectiveness.
 8. Review the adequacy and form of compensation of directors in light of risks and responsibilities.
 9. Committees should generally be composed of non-management directors, the majority of whom are unrelated.

Messrs. Crandall, Love, Martin, Hilson, Melman, Schwartz, Tapscott and Walter have no material business or other relationship with the Corporation or members of the Corporation's management, other than their positions as directors, optionees and shareholders, and as a result, the Board of Directors has determined that each of Messrs. Crandall, Love, Martin, Hilson, Melman, Schwartz, Tapscott and Walter is an unrelated director. The Board of Directors has determined that Mr. Polistuk, as Chief Executive Officer of the Corporation, and Mr. Puppi, as Executive Vice-President and Chief Financial Officer of the Corporation, are not unrelated directors because they are members of the Corporation's management.

The Board of Directors has not appointed a committee of directors with responsibility for proposing nominees to the Board of Directors or assessing directors' performance on an ongoing basis. The Board of Directors does not believe that such a committee is currently necessary given that the Board of Directors has recently been reconstituted. Additional directors will be proposed from time to time as the Board of Directors considers appropriate.

While the Board of Directors has not implemented a formal process for evaluating its performance or the performance of individual directors, the Board informally reviews its role on an ongoing basis. In addition, the directors are encouraged to discuss any issues and to raise specific matters with the Chairman or with each other.

New directors will be oriented to the business and affairs of the Corporation through discussions with management and other directors and by periodic presentations from senior management on major business, industry and competitive issues.

The Board of Directors believes that its size is appropriate given the size and complexity of the Corporation's business. Concurrently with the Corporation's initial public offering, the size of the Board of Directors was increased from four to ten. The directors prior to the initial public offering, Eugene Polistuk, Anthony Puppi, Mark Hilson and Anthony Melman, remained as directors, and Robert Crandall, Richard Love, Roger Martin, Gerald Schwartz and John Walter were elected as directors of the Corporation. This reorganization resulted in a balanced representation on the Board of Directors among management, the principal shareholder and unrelated directors. In September 1998, Don Tapscott was elected a director of the Corporation by the Board of Directors.

The Board of Directors has considered the remuneration paid to directors and considers it appropriate in light of the time commitment and risks and responsibilities involved.

The Board of Directors has established three standing committees of three directors, each with a specific mandate. The Executive Committee includes a majority of unrelated directors. The Audit Committee and Compensation Committee each are composed of unrelated directors.

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10. The Board should assume responsibility for or appoint a Committee responsible for approach to corporate governance issues. This

The Board of Directors has not appointed a committee of directors with responsibility for corporate governance issues. The Board of Directors as a whole assumes responsibility for corporate governance issues.

committee would, among other things, be responsible for the response to the TSE Guidelines.

11. Develop position descriptions for the Board and for the CEO, involving the definition of limits for management's responsibilities.

The Board of Directors has not developed position descriptions for itself or for the Chief Executive Officer because it believes that such individuals' respective responsibilities are well understood. All of the directors who joined the Board of Directors following the initial public offering have extensive business experience and directorship responsibilities on the boards of other public and private institutions. The Board of Directors requires management to obtain the Board of Directors' approval for all significant decisions, including major financings, acquisitions, dispositions, budgets, capital expenditures and executive appointments. The Board of Directors expects management to keep it aware of the Corporation's performance and events affecting the Corporation's business, including opportunities in the marketplace and adverse or positive developments. The Board of Directors retains responsibility for any matter which has not been delegated to senior management or to a committee of directors.

The Board should develop the corporate objectives which the CEO is responsible for meeting.

The Board of Directors approves specific financial and business objectives which the CEO is responsible for meeting.

12. Establish appropriate procedures to enable the Board to function independently of management.

The Board of Directors includes only two directors that are members of the Corporation's management while eight directors are not part of the Corporation's management.

An appropriate structure would be to (i) appoint a Chairman of the Board who is not a member of management with responsibility to ensure that the Board discharges its responsibilities or (ii) adopt alternate means such as assigning this responsibility to a committee of the board or to a director, sometimes referred to as the "lead director".

Mr. Polistuk, who is the Chief Executive Officer, currently serves as Chairman of the Board of Directors. The Board has elected to comply with this Guideline through adoption of procedures such as regular meetings of the eight non-management members of the Board without management present. These sessions are a scheduled part of every Board of Directors meeting. The Board of Directors also has access to information independent of management through the Corporation's external Auditors.

Appropriate procedures may involve the Board meeting on a regular basis without management present or may involve expressly assigning responsibility for administering the Board's relationship to management to a committee of the Board.

The Board of Directors is of the view that appropriate structures and procedures are in place to ensure that it can function independently of management, and at the same time, the Corporation receives the benefit of having a Chairman of the Board with extensive experience and knowledge of the Corporation's business.

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TSE CORPORATE GOVERNANCE
COMMITTEE GUIDELINE

COMMENTS

13. The Audit Committee should be composed only of outside directors.

The Audit Committee is composed only of outside directors.

The roles and responsibilities of the Audit Committee should be specifically defined so as to provide appropriate guidance to Audit Committee members as to their duties. The Audit Committee duties

The Audit Committee has a well-defined mandate. It selects and engages, on behalf of Celestica, the independent public accountants to audit Celestica's annual financial statements, and reviews and approves the planned scope of the annual audit. The Audit Committee's duties include the review and approval of quarterly unaudited and annual audited financial statements with management and the

should include oversight responsibility for management reporting on internal control. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so.

The Audit Committee should have direct communication channels with the internal and the external auditors to discuss and review specific issues as appropriate.

Auditors prior to consideration by the Board of Directors; monitoring the integrity of the Corporation's management information systems and internal control procedures; and reviewing the adequacy of the Corporation's processes for identifying and managing risk, including the management of risk with respect to environmental and health and safety matters.

The Audit Committee has direct communication channels with the Auditors to discuss and review specific issues as appropriate.

14. Implement a system to enable individual directors to engage outside advisers, at the corporation's expense. The engagement of the outside advisor should be subject to the approval of an appropriate committee of the Board.

An individual director is entitled to engage an outside adviser at the expense of the Corporation in appropriate circumstances provided that such director has obtained the approval of the Chairman to do so.

CELESTICA INC.

PROXY

FOR USE AT THE

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 18, 2001

THE UNDERSIGNED HOLDER OF MULTIPLE VOTING SHARES OF CELESTICA INC. (THE "CORPORATION") HEREBY APPOINTS EUGENE V. POLISTUK, THE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER OF THE CORPORATION OR, FAILING HIM, J. MARVIN MAGEE, THE PRESIDENT OF THE CORPORATION OR, INSTEAD OF EITHER OF THE FOREGOING, AS THE NOMINEE OF THE UNDERSIGNED TO ATTEND AND ACT FOR AND ON BEHALF OF THE UNDERSIGNED AT THE ANNUAL AND SPECIAL MEETING (THE "MEETING") OF THE SHAREHOLDERS OF THE CORPORATION ("SHAREHOLDERS") TO BE HELD ON THE 18TH DAY OF APRIL, 2001 AND AT ANY ADJOURNMENT(S) OR POSTPONEMENT(S) OF THE MEETING, WITH THE SAME POWERS THE UNDERSIGNED WOULD HAVE IF THE UNDERSIGNED WAS PRESENT AT THE MEETING, OR ANY ADJOURNMENT(S) OR POSTPONEMENT(S) OF THE MEETING, WITH POWER OF SUBSTITUTION, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE NOMINEE IS DIRECTED TO VOTE AS SPECIFIED BELOW:

1. TO VOTE FOR / / OR TO WITHHOLD FROM VOTING FOR / / the election of directors.
2. TO VOTE FOR / / OR TO WITHHOLD FROM VOTING FOR / / the appointment of auditors and the authorization of the directors to fix the remuneration of the auditors.
3. TO VOTE FOR / / OR AGAINST / / the resolution confirming (i) the enactment of a by-law repealing the by-law of the Corporation relating to the quorum for a Shareholders' meeting and repealing the by-law of the Corporation relating generally to the conduct of the affairs of the Corporation, and (ii) the enactment of a by-law relating to the conduct of the affairs of the Corporation (the "By-Law Enactment Resolution"), the full text of which is set forth in Schedule A to the Corporation's Management Information Circular dated March 9, 2001.
4. TO VOTE FOR / / OR AGAINST / / the resolution approving the amendment to the Long-Term Incentive Plan of the Corporation to increase the maximum number of subordinate voting shares of the Corporation reserved for issuance thereunder (the "LTIP Amendment Resolution"), the full text of which is set forth in Schedule B to the Corporation's Management Information Circular dated March 9, 2001.
5. To vote at the nominee's discretion upon any amendments or variations to the matters specified in the notice of the Meeting or upon any other matters as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

IF NO SPECIFICATION AS TO VOTING IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF MANAGEMENT'S NOMINEES AS DIRECTORS, FOR THE APPOINTMENT OF MANAGEMENT'S NOMINEES AS AUDITORS AND THE AUTHORIZATION OF THE BOARD OF DIRECTORS OF THE CORPORATION TO FIX THE REMUNERATION OF THE AUDITORS, FOR THE BY-LAW ENACTMENT RESOLUTION AND FOR THE LTIP AMENDMENT RESOLUTION, ALL AS DESCRIBED IN THE MANAGEMENT

INFORMATION CIRCULAR. IF ANY AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING ARE PROPOSED AT THE MEETING OR IF ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, DISCRETIONARY AUTHORITY IS HEREBY CONFERRED WITH RESPECT TO SUCH MATTERS. The undersigned hereby revokes any proxy previously given by the undersigned.

THIS PROXY IS SOLICITED ON BEHALF OF THE MANAGEMENT OF THE CORPORATION. SHAREHOLDERS MAY APPOINT A PROXYHOLDER OTHER THAN THE PERSONS DESIGNATED ABOVE TO ATTEND AND ACT ON THEIR BEHALF AT THE MEETING AND MAY EXERCISE SUCH RIGHT BY INSERTING THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED FOR THIS PURPOSE OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.

DATED the _____ day of _____, 2001.

Signature of Shareholder

Name of Shareholder (Please print)

NOTES

1. Kindly fill in and sign this form of proxy and return it in the envelope provided. TO BE EFFECTIVE, PROXIES MUST BE DEPOSITED WITH COMPUTERSHARE TRUST COMPANY OF CANADA AS AGENT FOR MONTREAL TRUST COMPANY OF CANADA, 100 UNIVERSITY AVENUE, 11TH FLOOR, TORONTO, ONTARIO M5J 2Y1, ANY TIME UP TO 5:00 P.M. (TORONTO TIME) ON APRIL 17, 2001 OR AT LEAST 24 HOURS, EXCLUDING SATURDAY AND HOLIDAYS, PRIOR TO ANY ADJOURNMENT OR POSTPONEMENT OF THE MEETING AT WHICH THE PROXY IS TO BE USED, OR WITH THE CHAIRMAN OF THE MEETING PRIOR TO THE COMMENCEMENT OF THE MEETING OR ANY ADJOURNMENT(S) OR POSTPONEMENT(S) THEREOF AT WHICH THE PROXY IS TO BE USED.
2. If a Shareholder wishes to be represented at the Meeting by proxy, the proxy must be dated and executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. If this proxy is not dated in the space provided, it will be deemed to be dated as of the date on which it was mailed to Shareholders by management of the Corporation.

CELESTICA INC.

PROXY

FOR USE AT THE

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 18, 2001

THE UNDERSIGNED HOLDER OF SUBORDINATE VOTING SHARES OF CELESTICA INC. (THE "CORPORATION") HEREBY APPOINTS EUGENE V. POLISTUK, THE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER OF THE CORPORATION OR, FAILING HIM, J. MARVIN MAGEE, THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE CORPORATION OR, INSTEAD OF EITHER OF THE FOREGOING, AS THE NOMINEE OF THE UNDERSIGNED TO ATTEND AND ACT FOR AND ON BEHALF OF THE UNDERSIGNED AT THE ANNUAL AND SPECIAL MEETING (THE "MEETING") OF THE SHAREHOLDERS OF THE CORPORATION ("SHAREHOLDERS") TO BE HELD ON THE 18TH DAY OF APRIL, 2001 AND AT ANY ADJOURNMENT(S) OR POSTPONEMENT(S) OF THE MEETING, WITH THE SAME POWERS THE UNDERSIGNED WOULD HAVE IF THE UNDERSIGNED WAS PRESENT AT THE MEETING, OR ANY ADJOURNMENT(S) OR POSTPONEMENT(S) OF THE MEETING, WITH POWER OF SUBSTITUTION, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE NOMINEE IS DIRECTED TO VOTE AS SPECIFIED BELOW:

1. TO VOTE FOR / / OR TO WITHHOLD FROM VOTING FOR / / the election of directors.
2. TO VOTE FOR / / OR TO WITHHOLD FROM VOTING FOR / / the appointment of auditors and the authorization of the directors to fix the remuneration of the auditors.
3. TO VOTE FOR / / OR AGAINST / / the resolution confirming (i) the enactment of a by-law repealing the by-law of the Corporation relating to the quorum for a Shareholders' meeting and repealing the by-law of the Corporation relating generally to the conduct of the affairs of the Corporation, and (ii) the enactment of a by-law relating to the conduct of the affairs of the Corporation (the "By-Law Enactment Resolution"), the full text of which is set forth in Schedule A to the Corporation's Management Information Circular dated March 9, 2001.
4. TO VOTE FOR / / OR AGAINST / / the resolution approving the amendment to the Long-Term Incentive Plan of the Corporation to increase the maximum number of subordinate voting shares of the Corporation reserved for issuance thereunder (the "LTIP Amendment Resolution"), the full text of which is set forth in Schedule B to the Corporation's Management Information Circular dated March 9, 2001.
5. To vote at the nominee's discretion upon any amendments or variations to the matters specified in the notice of the Meeting or upon any other matters as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

IF NO SPECIFICATION AS TO VOTING IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF MANAGEMENT'S NOMINEES AS DIRECTORS, FOR THE APPOINTMENT OF MANAGEMENT'S NOMINEES AS AUDITORS AND THE AUTHORIZATION OF THE BOARD OF DIRECTORS OF THE CORPORATION TO FIX THE REMUNERATION OF THE AUDITORS, FOR THE BY-LAW AMENDMENT RESOLUTION AND FOR THE LTIP AMENDMENT

RESOLUTION, ALL AS DESCRIBED IN THE MANAGEMENT INFORMATION CIRCULAR. IF ANY AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING ARE PROPOSED AT THE MEETING OR IF ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, DISCRETIONARY AUTHORITY IS HEREBY CONFERRED WITH RESPECT TO SUCH MATTERS. The undersigned hereby revokes any proxy previously given by the undersigned.

THIS PROXY IS SOLICITED ON BEHALF OF THE MANAGEMENT OF THE CORPORATION. SHAREHOLDERS MAY APPOINT A PROXYHOLDER OTHER THAN THE PERSONS DESIGNATED ABOVE TO ATTEND AND ACT ON THEIR BEHALF AT THE MEETING AND MAY EXERCISE SUCH RIGHT BY INSERTING THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED FOR THIS PURPOSE OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.

DATED the _____ day of _____, 2001.

Signature of Shareholder

Name of Shareholder (Please print)

NOTES

1. Kindly fill in and sign this form of proxy and return it in the envelope provided. TO BE EFFECTIVE, PROXIES MUST BE DEPOSITED WITH COMPUTERSHARE TRUST COMPANY OF CANADA AS AGENT FOR MONTREAL TRUST COMPANY OF CANADA, 100 UNIVERSITY AVENUE, 11TH FLOOR, TORONTO, ONTARIO M5J 2Y1, ANY TIME UP TO 5:00 P.M. (TORONTO TIME) ON APRIL 17, 2001 OR AT LEAST 24 HOURS, EXCLUDING SATURDAY AND HOLIDAYS, PRIOR TO ANY ADJOURNMENT OR POSTPONEMENT OF THE MEETING AT WHICH THE PROXY IS TO BE USED, OR WITH THE CHAIRMAN OF THE MEETING PRIOR TO THE COMMENCEMENT OF THE MEETING OR ANY ADJOURNMENT(S) OR POSTPONEMENT(S) THEREOF AT WHICH THE PROXY IS TO BE USED.
2. If a Shareholder wishes to be represented at the Meeting by proxy, the proxy must be dated and executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. If this proxy is not dated in the space provided, it will be deemed to be dated as of the date on which it was mailed to Shareholders by management of the Corporation.

[PHOTO]

[LOGO]

[PHOTO] INVESTOR REPORT
CARD 2000

REVENUE	- 3RD STRAIGHT YEAR OF GROWTH OVER 60%
ADJUSTED NET EARNINGS	- 3RD STRAIGHT YEAR GROWING FASTER THAN REVENUE
OPERATING MARGINS	- CONSECUTIVE YEAR-OVER-YEAR EXPANSION SINCE 1998
ROIC	- 3 STRAIGHT QUARTERS OF SEQUENTIAL IMPROVEMENT

FINANCIAL HIGHLIGHTS 2000

QUARTERLY PERFORMANCE

REVENUE GROWTH
(U.S.\$ millions)

[GRAPHIC]

Q1	\$1,612
Q2	\$2,092
Q3	\$2,600
Q4	\$3,448

SEQUENTIAL OPERATING MARGIN(1)
(percentage of revenue)

[GRAPHIC]

Q1	3.3%
Q2	3.5%
Q3	3.8%
Q4	4.0%

ADJUSTED NET EARNINGS GROWTH(2)
(U.S.\$ millions)

[GRAPHIC]

Q1	\$39.5
Q2	\$63.7
Q3	\$83.9
Q4	\$117.0

ADJUSTED NET EARNINGS PER SHARE(2)
(U.S.\$ fully diluted)

[GRAPHIC]

Q1	\$0.20
Q2	\$0.30
Q3	\$0.39
Q4	\$0.52

SEQUENTIAL SG & A(5)
(percentage of revenue)

[GRAPHIC]

Q1	3.6%
Q2	3.5%
Q3	3.3%
Q4	3.2%

SEQUENTIAL ROIC(3) STRENGTH
(percentage)

[GRAPHIC]

Q1	18.1%
Q2	19.1%
Q3	20.6%
Q4	26.0%

ANNUAL PERFORMANCE

REVENUE GROWTH
(U.S.\$ billions)

[GRAPHIC]

1998	\$3.2
1999	\$5.3
2000	\$9.8

SEQUENTIAL OPERATING MARGIN (1)
(percentage of revenue)

[GRAPHIC]

1998	3.1%
1999	3.4%
2000	3.7%

ADJUSTED NET EARNINGS GROWTH(2)
(U.S.\$ millions)

[GRAPHIC]

1998	\$45.3
1999	\$123.0
2000	\$304.1

ADJUSTED NET EARNINGS PER SHARE(2)
(U.S.\$ fully diluted)

[GRAPHIC]

1998	\$0.42
1999	\$0.71
2000	\$1.44

SHARE PERFORMANCE NYSE(4)
(U.S.\$)

[GRAPHIC]

June 30, 1998	\$ 8.75
December 31, 2000	\$54.25

[GRAPH]

CORPORATE PROFILE

CELESTICA IS THE THIRD LARGEST ELECTRONICS MANUFACTURING SERVICES (EMS) PROVIDER WITH REVENUE OF U.S.\$9.8 BILLION IN 2000. WE HAVE 7 MILLION SQUARE FEET OF ADVANCED MANUFACTURING AND SUPPORT OPERATIONS THROUGH 35 LOCATIONS IN 12 COUNTRIES IN THE AMERICAS, EUROPE AND ASIA.

Our reputation has been built on manufacturing the most complex range of products and providing advanced end-to-end supply chain solutions for end markets such as communications (optical, networking, wireless and high speed access), servers, storage, workstations and personal computers. Our services include design, prototyping, assembly, testing, product assurance, supply chain management, worldwide distribution, repair and after sales support.

Our customers are a mix of the world's leading and emerging technology companies including Cisco Systems, Dell Computer, EMC Corporation, Hewlett-Packard, IBM, JDS Uniphase, Juniper Networks, Lucent Technologies, Motorola Corporation, NEC Corporation, Nortel Networks, Sun Microsystems, Sycamore Networks and others.

Our company has 30,000 employees and has built a strong corporate culture with an intense focus on customer satisfaction. We use a goal-oriented approach for growth, profitability and returns and have a current interim revenue goal of \$20 billion by 2003.

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DEAR FELLOW SHAREHOLDERS

CELESTICA HAD AN EXCEPTIONAL YEAR IN 2000

- We produced record financial results with very strong revenue and earnings growth and continued improvement in operating margins.
- We continued to grow our business at significant rates in key end markets such as communications and servers, and we expanded strategic customer relationships through organic program wins and successful acquisitions.
- We expanded our global footprint with acquisitions in the U.S., Italy and Brazil, and we continued to expand our capacity in our existing facilities such as the Czech Republic, Malaysia and Mexico.
- We also expanded our presence in Japan - an emerging market for the EMS industry - as we prepare to participate in the future outsourcing opportunities in this market.
- We continued to show our supply chain's exceptional capabilities by investing in information technology and working closely with our suppliers to ensure our customers had a stable and consistent component supply despite a very constrained environment.

In summary, 2000 was a year where Celestica delivered superior financial results driven by exceptional execution and continuing growth in the outsourcing market.

[PHOTO]

EUGENE V. POLISTUK
CHAIRMAN AND C.E.O.

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STRONG TOP LINE AND BOTTOM LINE

We finished the year with revenue of \$9.8 billion, an 84% increase from 1999, and virtually achieved our \$10 billion revenue goal one year ahead of schedule. This also represented the third straight year that the company grew revenue in excess of 60%.

Our strong revenue growth for the year was driven by a very robust organic growth rate of 50% as we continued to benefit from the diversity of our customers and end markets.

While our revenue goals were clearly on track, we were even more satisfied with our success on the bottom line and our continually improving operating margins. Adjusted EPS for the year was \$1.44, up 103% from 1999, which again represented EPS growth rates ahead of revenue growth rates. Operating margins - a key area of focus at Celestica - improved to 3.7% in 2000, compared to 3.4% in 1999 and 3.1% in 1998. We saw sequential improvement in each quarter during 2000 due to margin expansion initiatives such as improving capacity utilization and the disciplined cost reduction programs taking hold.

SOLID GROWTH IN END MARKETS AND BY GEOGRAPHY

In 2000, we continued to see strength in all of our geographies. In the Americas, revenue was up 75% to over \$6 billion. In Europe, we saw revenue increase 155% to \$2.8 billion, and Asia finished the year up 61% and topped the \$1 billion mark in annual revenue. While revenue growth was strong in each geography, operating margins in each region also improved.

As these numbers illustrate, the demand for outsourcing to Celestica was very strong on a global basis. We also benefited from the quality of our exceptional customer base and the diversity of the end markets we serve.

In communications, we finished the year with revenue of \$3.1 billion, a 129% increase over 1999. Virtually all of this revenue growth was achieved organically across a diversified customer base such as Cisco Systems, Juniper Networks, Lucent Technologies, Motorola Corporation, Nokia Corporation, Nortel Networks, Sycamore Networks and others. We believe that the quality and diversity of the customers we are engaged with - particularly in the areas of optical, networking and wireless - are reflective of our technology leadership that, in turn, has driven our strong growth.

Server-related business was also very strong in 2000, ending the year at \$3.2 billion, or a 137% increase over 1999. Diversity of customers and programs - with industry leading customers such as Hewlett-Packard, IBM and Sun Microsystems - combined with our acquisition of IBM facilities in the U.S. and Italy were key drivers in our server business growth.

INVESTING IN STRATEGIC INITIATIVES

Unquestionably, it was a great year for Celestica based on its growth and financial results, but it is equally important to note that our financial performance paralleled strong execution on many strategic initiatives.

CELESTICA ANNUAL REPORT 2000 3

In technology, Celestica continued to enhance its leadership by expanding relationships in key technologies, such as photonics, where we worked with a diverse base of optical customers such as Cisco Systems, JDS Uniphase, Lucent Technologies, Nortel Networks, Sycamore Networks and others.

In the area of supply chain management we demonstrated our ability to successfully handle accelerating growth while navigating through a very challenging component shortage environment. Driving our success in this area has been the investments we've made in information technology. We continued to invest in supply chain technology in 2000, in emerging collaborative applications such as Alventive, Partminer and Capstan. These firms are developers of leading-edge tools and processes that, in addition to the significant investments we have made over the past few years in collaborative planning systems, allow us to provide seamless supply chain capabilities for our customers.

In Japan, where the outsourcing potential is significant and the opportunities just beginning, we opened Celestica Japan and have built a dedicated Celestica team specifically focused on the relationships and opportunities in this market. In addition, we expanded relationships with NEC on a global basis with two acquisitions.

CELESTICA'S OUTSOURCING OPPORTUNITY

As you can see by Celestica's operational performance in 2000, we believe we have built an exceptional organization capable of continuing to capitalize on the significant outsourcing opportunity. Entering 2001, the drivers of the outsourcing market remain strong and, as a result, we have established a new interim revenue goal of \$20 billion by 2003.

[PHOTO]

FROM LEFT TO RIGHT:

THOMAS TROPEA - VICE CHAIR, GLOBAL CUSTOMER UNITS AND WORLDWIDE MARKETING AND BUSINESS DEVELOPMENT;

MARVIN MAGEE - PRESIDENT AND CHIEF OPERATING OFFICER;

EUGENE POLISTUK - CHAIRMAN AND CHIEF EXECUTIVE OFFICER;

ANTHONY PUPPI - EXECUTIVE VICE-PRESIDENT, CHIEF FINANCIAL OFFICER AND GENERAL MANAGER, GLOBAL SERVICES

Driving this new goal are many factors. In the recent rapid growth environment, the EMS industry provided a strategic advantage to OEMs as it allowed an unprecedented capability to scale quickly and capture critical time-to-market advantages. In a more uncertain or slower growth environment, this strategic benefit is complemented by more traditional economic benefits, where we are able to offer customers quite simply the most cost effective and flexible manufacturing model.

	2000 ACTUALS -----	2003 GOALS -----
REVENUE	\$9.8 BILLION	\$20 BILLION
OPERATING MARGIN	3.7%	GREATER THAN 5%
CASH CYCLE	35 DAYS	25 DAYS
ROIC	21.6%	GREATER THAN 30%

We also believe that the diversity and quality of our customers and end markets is an important characteristic of Celestica. We view our business as a technology portfolio of multiple customers, multiple end markets and multiple geographies where we are not overly dependent on any one source. We have a high-quality customer portfolio of established global leaders and promising future leaders and will continue to identify opportunities with new customers.

We also continue to see a significant pipeline of acquisition opportunities and our approach will continue to be selective in what we pursue. We acquired some excellent assets last year - which included operations from IBM in the U.S. and in Italy and from NEC in Brazil - and we continue to see opportunity for additional quality assets in the coming years that fit well with the various operating and financial objectives we have established.

Since our inception, we have laid out clear goals and have been focused on doing what we said we would do. Although we virtually achieved our \$10 billion revenue goal one year ahead of schedule, revenue growth is not and has not been our main priority - improving returns is our priority. As a result, we are extremely focused on improving our profitability and efficiency. We believe the company is in a very good position to achieve these goals which reflect a significant value generation opportunity for Celestica.

Finally, I would like to say that the significant performance demonstrated in 2000 could not have been achieved without the exceptional teamwork and high performance of our global organization. We have 30,000 employees working in 12 countries around the world and I would like to recognize their relentless dedication to our customers and their commitment to over-achieving our goals.

/s/ EUGENE V. POLISTUK

Eugene V. Polistuk
Chairman and CEO

DIVERSIFICATION A REVENUE PORTFOLIO OF GLOBAL OPPORTUNITY

A DIVERSE "MUTUAL FUND" OF CUSTOMERS WHO REPRESENT AMONG THE WORLD'S LEADING TECHNOLOGY FIRMS. THAT'S WHO OUR CUSTOMERS ARE. AMONG THEM: CISCO SYSTEMS, EMC CORPORATION, HEWLETT-PACKARD, IBM, MOTOROLA CORPORATION, NOKIA CORPORATION,

NORTEL NETWORKS, SUN MICROSYSTEMS.

These are technology leaders servicing diverse end markets and global customers. In 2000, our revenue growth continued to be driven by our diversity - diversity by customer, diversity by end market and diversity by geography. Like a financial portfolio or mutual fund, we strive to build a revenue stream that allows Celestica to participate in key growth segments yet not be overly dependent on any single customer or end market.

DIVERSITY BY CUSTOMER - In 2000, Celestica's top 10 customers represented 85% of total revenue. For these customers, Celestica primarily manufactures the most advanced technology products, often in multiple programs and multiple divisions. These are top tier customers - technology leaders, successful adopters of the outsourcing model, with excellent track records. They tend to be the leaders in their field or amongst the leaders. Our longer term goal is to improve diversity even further to where the top 10 customers may eventually represent 70% of our revenue. Our growth has also benefited from a selective group of emerging leaders such as Juniper Networks and Sycamore Networks, who can instantly leverage from our global, world-class manufacturing capacity.

[PHOTO]

DIVERSITY BY END MARKET - Our customers sell their products into multiple end markets. In 2000, 33% of our business was in the server market, 31% in communications, 15% in workstations, 14% in storage, and 7% in PCs. Communications and servers were our two fastest growing end markets. Communications revenue was \$3.1 billion and grew 129% in 2000, primarily through strong organic growth in optical, networking, wireless and high speed access end markets. Servers benefited from strong demand for internet infrastructure buildout and the IBM acquisition completed in the first half of 2000. While it represents our largest end market, we participate in multiple programs with multiple customers such as Hewlett-Packard, IBM, Sun Microsystems, and others.

DIVERSITY BY GEOGRAPHY - Celestica's customers sell products globally. Celestica has built its capabilities to support a customer's complete production and supply chain needs on a global basis. Celestica's global approach helped drive total revenue to \$9.8 billion, with strong revenue growth in all three of its geographies. In the Americas, revenue grew 75% to over \$6 billion with more than two-thirds of the growth being organic. In Europe, revenue grew 155% to \$2.8 billion aided in part by the very successful acquisition of two IBM facilities in Italy. And in Asia, we also showed continued strength and grew annual revenue 61% and topped the \$1 billion mark.

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DIVERSITY OF CUSTOMERS,
END MARKETS AND GEOGRAPHIES
DROVE REVENUE UP 84%
TO \$9.8 BILLION.

[PHOTO]

TECHNOLOGY LEADERSHIP
AN INTENSE FOCUS ON PROVIDING ADVANCED
TECHNOLOGY SERVICES FOR OUR CUSTOMERS

IT'S ABOUT BEING ABLE TO PROVIDE CUSTOMERS WITH THE MOST ADVANCED TECHNOLOGY SERVICES THAT GIVE THEM THE CONFIDENCE TO ENTRUST THEIR MISSION-CRITICAL PRODUCTS TO CELESTICA.

TECHNOLOGY LEADERSHIP IS CELESTICA - Within Celestica, there is a long established history and commitment to building technology capabilities that allow us to offer our customers the most advanced electronics manufacturing services in our industry. Our corporate strategy references our approach to technology: "Celestica is a company that provides its customers with innovative technologies that are required today and anticipated for tomorrow. These technologies give our customers a competitive advantage in their marketplace

which, in turn, differentiates Celestica in its industry."

The examples of our leadership and experience in technology manufacturing span two decades. In the eighties, it was the development and testing of advanced memory products and power systems. In the early nineties, it was our leadership in miniaturization such as thin cards and flip chip on organic substrates, and a focus on high interconnect density, including densely populated boards and ball-grid array technologies. In the late nineties, it was our leadership in the areas of optical networking, where we established our leadership in areas such as photonic test automation, fiber splicing and fiber management. While these examples of technology leadership are important, the real demonstration of our technology expertise continues to be reflected in our ability to quickly deploy these capabilities on a global basis.

CORE COMPETENCY IN ADVANCED TECHNOLOGY PRODUCTS - We tend to have relationships with our customers at the most advanced and highest complexity range of their products. In the information technology area, we are focused on high-end servers, mainframes and workstations. In communications, we are biased towards switching, routing and wired/wireless/optical transmission products. In areas of storage, we participate in storage area networks, network-attached storage and fiber channel. These products are mission-critical applications and our success in these markets is based on our proven track record in test engineering and reliability science processes.

OPTICAL LEADERSHIP - In 2000, we continued to scale in our optical capabilities. Our capabilities include fiber management, fiber splicing optimization, adhesives, high-speed test, failure analysis, assembly process development, yield improvement and module assembly. Today Celestica is providing advanced optical capabilities in nine facilities around the world. Customers include Cisco Systems, Juniper Networks, Lucent Technologies, NEC Corporation, Nortel Networks and Sycamore Networks. We announced a program with JDS Uniphase in 2000 where we began manufacturing optical amplifiers. This program is unique to Celestica because of its photonic complexity with a wide range of optical components integrated into its sub assembly. We introduced this program into our Toronto facility and quickly migrated production to our Thailand facility with a very successful start-up.

FUTURE TECHNOLOGY ROADMAP - Today, Celestica has over 2,500 engineers and has established centers of technology excellence in each of our major geographic regions around the world. We take a leadership role with our active participation in numerous industry and academic associations which allow us to share ideas and continue to build our knowledge base.

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CELESTICA'S CUSTOMER RELATIONSHIPS
ARE BIASED TOWARDS THE MOST
ADVANCED AND HIGHEST COMPLEXITY
RANGE OF THEIR PRODUCTS.

[PHOTO]

GLOBAL SUPPLY CHAIN
DELIVERING SOPHISTICATED END-TO-END
SUPPLY CHAIN SOLUTIONS FOR OUR CUSTOMERS

HOW CRITICAL TO OUR SUCCESS IS HAVING A WORLD-CLASS SUPPLY CHAIN ORGANIZATION?
THE PERSPECTIVE: IN 2000, CELESTICA'S SUPPLY CHAIN ORGANIZATION PROCURED AND
MANAGED OVER \$8 BILLION IN COMPONENTS AND RELATED SERVICES FOR ITS CUSTOMERS.

SUPPLY CHAIN MANAGEMENT DRIVES THE EMS INDUSTRY - Celestica's global supply chain organization is responsible for the management and procurement of billions of dollars of components and related quality and manufacturing services. These components include items such as complex circuit boards, application specific integrated circuits, capacitors, resistors, plastics and system enclosures - all used in the manufacturing of customers' products around the world. Our global supply chain organization consists of thousands of professionals including engineers and other specialists in the areas of information technology, procurement, asset management and acquisition support and integration - who work

on global, local site or customer specific execution teams.

While the challenges for this organization are complex at the best of times, the year 2000 was even more challenging as Celestica operated in an environment of strong global growth and chronic component shortages seen all year throughout the electronics industry. However, despite this challenging environment, the results for Celestica were outstanding as our supply chain organization was able to meet customer requirements on a global basis, which in turn drove significant revenue growth in all geographies.

[PHOTO]

DRIVERS OF CELESTICA'S SUPPLY CHAIN SUCCESS - The success of Celestica's supply chain management (SCM) is driven by multiple factors. Information Technology was at the core of Celestica's SCM success last year as we reaped the benefits of the investments made in this area. Our customers represent some of the largest global developers of information technology and communications systems and need to be able to do business with us seamlessly whether we are manufacturing for them in the U.S., Thailand, Italy or the Czech Republic. To meet these needs, Celestica utilizes an open-architecture enterprise resource planning (ERP) system that is enhanced with best-of-breed applications. Our core ERP engines (SAP and BPCS) are deployed globally and then enhanced with advanced supply chain tools such as I2 (material planning and manufacturing), Aspect and Matrix (engineering), SFDM (manufacturing) and Oracle (data management). These systems are integrated to not only allow our customers to operate in the same, seamless environment regardless of location, but they also allow us to control our production facilities and identify the components required. An extension of these systems is our investment in and deployment of advanced Business-to-Business (B2B) tools. These B2B tools allow Celestica to get even closer to its customers and suppliers in areas such as interactive design (Alventive, Inc.), design for manufacturability (E4Enet Incorporated), component procurement and dissipation (Partminer, Inc.) and order tracking and tracing (Capstan Systems).

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IN 2000, CELESTICA'S SUPPLY CHAIN
ORGANIZATION PROCURED AND
MANAGED OVER \$8 BILLION IN
COMPONENTS AND RELATED SERVICES.

[PHOTO]

GLOBAL ORGANIZATION
WE'VE BUILT A GLOBAL COMPANY TO SERVICE
OUR CUSTOMERS ANYWHERE IN THE WORLD

HOW GLOBAL IS GLOBAL? FOR CELESTICA, BEING GLOBAL MEANS EXECUTING FOR OUR CUSTOMERS WITH OUR TEAM OF 30,000 EMPLOYEES IN 12 COUNTRIES IN 35 MANUFACTURING FACILITIES ENCOMPASSING 7 MILLION SQUARE FEET OF ADVANCED OPERATIONS CAPABILITIES.

TOP EXECUTION DURING SIGNIFICANT GROWTH - Celestica's global operations had exceptional performance in 2000 as they successfully helped drive \$9.8 billion in revenue, 84% higher than the \$5.3 billion in 1999. Each of our geographies contributed to this significant growth. The Americas - Canada, U.S., Mexico and Brazil - generated 62% of our production. Europe - U.K., Ireland, Italy and Czech Republic - generated 27% of our production. Asia-Thailand, China, Hong Kong and Malaysia - generated 11% of our production. Beyond revenue growth, our global operations helped contribute to the company's global margin expansion goals by focusing on improving utilization and implementing cost reduction activities through deployment of best practices.

[PHOTO]

STRATEGIC ACQUISITIONS - Revenue grew 84% in 2000. Organic revenue growth was 50% with the remaining 34% growth from acquisitions. We signed two three-year supply agreements with IBM with estimated annual revenue of approximately \$1.5 billion which included the purchase of a facility in the U.S. and two in Italy.

These operations expanded our high-end manufacturing and technology capabilities and made a significant contribution to our growth in areas such as servers. We also expanded our operations in Brazil, where we acquired a facility from NEC Corporation and signed a five-year supply agreement with estimated total revenue of \$1.2 billion. This contributed to our communications revenue portfolio and, importantly, gave us very capable operations with a proven manufacturing track record in this market.

GLOBAL ACCOUNT TEAM FOCUS - In 2000, 85% of our revenue came from our top 10 customers. To support these strategic customers, we utilize global account teams to meet the significant and diverse manufacturing needs of each of these technology leaders. These teams - which are each led by a senior executive and could have anywhere from several hundred to several thousand employees engaged in the design and manufacturing of their products - allow us to present a smaller, focused organization with a single contact point to the customers. These global account teams were very successful in driving customer satisfaction levels higher and managing the significant growth rates achieved in 2000.

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CELESTICA'S STRONG
PERFORMANCE WAS DRIVEN
BY CRISP EXECUTION
IN ALL GEOGRAPHIES.

[PHOTO]

FINANCIAL PERFORMANCE
AN INTENSE FOCUS ON DELIVERING
ON OUR FINANCIAL GOALS

WE CONTINUED TO GROW AT A REMARKABLE PACE IN 2000. BUT WHAT'S MOST IMPORTANT TO US IS THAT DESPITE ALL THE CHALLENGES ASSOCIATED WITH DELIVERING SIGNIFICANT GROWTH, WE CONTINUED TO EXECUTE ON OUR GOALS FOR REVENUE GROWTH, MARGIN EXPANSION, EARNINGS GROWTH AND IMPROVING RETURNS.

REVENUE GROWTH - Celestica continued to have superior revenue growth in 2000. Revenue of \$9.8 billion reflects an increase of 84% over 1999. With these results, the company virtually achieved its previous \$10 billion revenue goal for 2001 one year ahead of schedule. Excluding acquisition-related revenue added in 2000, the company had an organic growth rate of 50% year-over-year. This also represented the third straight year of revenue growth in excess of 60%. The company has established a new interim revenue goal of \$20 billion by 2003.

MARGIN EXPANSION - Celestica's focus on operating margin (EBIAT) continued to improve in 2000. EBIAT margin for the year was 3.7%, compared to 3.4% in 1999. Margin expansion was achieved sequentially in each quarter in 2000 and improved in each geography year over year. These improvements were reflective of better factory utilization and the continued implementation of cost management programs. We continue to make progress toward achieving our goal of greater than 5% operating margin by the year 2003.

[PHOTO]

EARNINGS GROWTH - With continuing strong top line growth and expanding margins, Celestica had even more impressive growth on its bottom line in 2000. Adjusted net earnings grew by 147% to \$304 million while adjusted net earnings per share more than doubled to \$1.44 per share, on a fully diluted basis in 2000 compared to \$0.71 in 1999. In all four quarters in 2000, adjusted net earnings per share growth rates exceeded revenue growth rates on a year-over-year basis.

IMPROVING RETURNS - With the continued margin improvement shown in 2000, return on invested capital was virtually unchanged at 21.6% compared to 21.7% in 1999. This was achieved despite an extremely challenging component environment in 2000 that impacted asset velocity throughout the year. While annual performance was relatively flat, there was solid sequential improvement in returns, finishing the year with a very strong 26% in the fourth quarter. The company has set a goal to achieve return on invested capital of greater than 30% by 2003.

BALANCE SHEET STRENGTH - The company continued to maintain its strong financial position with a cash balance at the end of 2000 of \$884 million. The company also had \$500 million in undrawn credit facilities. Treating the company's convertible notes as debt (although these are presented as equity on the financial statements in accordance with Canadian generally accepted accounting principles requirements), the debt to capital ratio net of cash at the end of the year was 4%. This financial position gives Celestica considerable financing flexibility to support continued strong growth and acquisitions in the future. Celestica's financial strength was noted by both Standard and Poors and Moody's Investor Service who raised their credit ratings on Celestica to BB+ and Baa1 respectively. These ratings are just below investment grade and reflect the company's progress in moving steadily toward its goal of investment grade status.

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CELESTICA DELIVERED STRONG
REVENUE GROWTH AND
MARGIN EXPANSION IN
EACH QUARTER IN 2000.

[PHOTO]

2000 FINANCIAL INFORMATION

UNAUDITED QUARTERLY FINANCIAL HIGHLIGHTS (in millions, except per share amounts)

2000	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL YEAR
REVENUE	\$1,612.3	\$2,091.9	\$2,600.1	\$3,447.8	\$9,752.1
EBIAT (1)	\$ 52.6	\$ 72.3	\$ 98.4	\$ 138.6	\$ 361.9
%	3.3%	3.5%	3.8%	4.0%	3.7%
NET EARNINGS	\$ 26.1	\$ 41.4	\$ 55.7	\$ 83.5	\$ 206.7
ADJUSTED NET EARNINGS (2)	\$ 39.5	\$ 63.7	\$ 83.9	\$ 117.0	\$ 304.1
%	2.4%	3.0%	3.2%	3.4%	3.1%
AVERAGE NET INVESTED CAPITAL	\$1,160.6	\$1,518.2	\$1,912.9	\$2,131.3	\$1,674.7
WEIGHTED AVERAGE # OF SHARES OUTSTANDING (M)					
- BASIC	190.1	202.7	203.0	203.2	199.8
- FULLY DILUTED	204.1	216.8	223.8	228.5	217.9
BASIC EARNINGS PER SHARE	\$ 0.14	\$ 0.20	\$ 0.26	\$ 0.39	\$ 1.01
FULLY DILUTED EARNINGS PER SHARE	\$ 0.14	\$ 0.20	\$ 0.26	\$ 0.38	\$ 0.99
FULLY DILUTED ADJUSTED NET EARNINGS PER SHARE	\$ 0.20	\$ 0.30	\$ 0.39	\$ 0.52	\$ 1.44
ROIC (3)	18.1%	19.1%	20.6%	26.0%	21.6%

1999	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL YEAR
Revenue	\$1,081.8	\$1,249.7	\$1,356.9	\$1,608.8	\$5,297.2
EBIAT (1)	\$ 33.0	\$ 41.3	\$ 47.0	\$ 59.0	\$ 180.3
%	3.1%	3.3%	3.5%	3.7%	3.4%
Net earnings	\$ 9.5	\$ 13.2	\$ 19.5	\$ 26.2	\$ 68.4
Adjusted net earnings (2)	\$ 21.9	\$ 27.5	\$ 32.6	\$ 41.0	\$ 123.0

%	2.0%	2.2%	2.4%	2.5%	2.3%
Average net invested capital	\$ 661.5	\$ 784.2	\$ 877.1	\$ 988.1	\$ 830.6

Weighted average # of shares outstanding (M)					
- basic	154.7	168.2	168.6	177.0	167.2
- fully diluted	166.7	180.0	180.2	189.3	178.4
Basic earnings per share	\$ 0.06	\$ 0.08	\$ 0.12	\$ 0.15	\$ 0.41
Fully diluted earnings per share	\$ 0.06	\$ 0.08	\$ 0.11	\$ 0.14	\$ 0.40
Fully diluted adjusted net earnings per share	\$ 0.13	\$ 0.16	\$ 0.18	\$ 0.22	\$ 0.71

ROIC (3)	20.0%	21.1%	21.4%	23.9%	21.7%

- (1) Earnings before interest, amortization of intangible assets, income taxes, integration costs related to acquisitions and other charges (also referred to as operating margin).
- (2) Net earnings adjusted for amortization of intangible assets, integration costs related to acquisitions and other charges, net of related income taxes.
- (3) ROIC is equivalent to EBIAT/average net invested capital. Net invested capital includes tangible assets and liabilities and excludes cash and debt.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the financial condition and results of operations of the Company should be read in conjunction with the Consolidated Financial Statements.

Certain statements contained in the following Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this Annual Report, including, without limitation, statements containing the words believes, anticipates, estimates, expects, and words of similar import, constitute forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties which could cause actual results to differ materially from those anticipated in these 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; lower-than-expected customer demand; component constraints; 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 filings with SEDAR and the U.S. Securities and Exchange Commission.

GENERAL

Celestica is a leading provider of electronics manufacturing services to OEMs worldwide and is the third-largest EMS provider in the world with 2000 revenue of \$9.8 billion. Celestica provides a wide variety of products and services to its customers, including the high-volume manufacture of complex PCAs and the full system assembly of final products. In addition, the Company is a leading-edge provider of design, repair and engineering services, supply chain management and power products.

At January 30, 2001, Celestica operated 34 facilities in 12 countries. During 1998, Celestica operated 18 facilities across North America and Europe. The acquisition of IMS in December 1998 provided the Company with an immediate and major presence in Asia, increasing the number of facilities to 23. Seven facilities were added in 1999 through five acquisitions and two greenfield establishments. In 2000, seven facilities were added through four acquisitions and one greenfield, and three smaller facilities were consolidated.

In 1998 and 1999, Celestica completed three equity offerings, including its initial public offering, issuing a total of 81.9 million subordinate voting shares for net proceeds (after tax) of \$1.1 billion. The net proceeds from the initial public offering were used to prepay a significant portion of Celestica's debt. The net proceeds of the subsequent offerings were used to fund organic and acquisition-related growth. In March 2000, Celestica issued 16.6 million

subordinate voting shares for net proceeds (after tax) of \$740.1 million, which provided Celestica with additional flexibility to support its growth strategy. In August 2000, Celestica completed an offering of 20-year Liquid Yield Option(TM) Notes, or LYONs, for net proceeds (after tax) of \$850.4 million. The LYONs are recorded as an equity instrument pursuant to Canadian GAAP. See "Convertible Debt." The Company's net debt to capitalization ratio decreased from 57% at July 1998 to negative 28% at December 31, 2000.

In December 1999, the Company completed a two-for-one stock split of the subordinate voting and multiple voting shares by way of a stock dividend. All historical share and per share information has been restated to reflect the effects of this stock split on a retroactive basis.

Celestica prepares its financial statements in accordance with accounting principles which are generally accepted in Canada with a reconciliation to accounting principles generally accepted in the United States, as disclosed in Note 24 to the Consolidated Financial Statements.

ACQUISITIONS

A significant portion of Celestica's growth has been generated by the strengthening of its customer relationships and increases in the breadth of its service offerings through facility and business acquisitions completed since the beginning of 1997.

During 1997 and 1998, Celestica completed 12 acquisitions and established one greenfield operation. In 1999, Celestica completed five acquisitions and established two greenfield operations. In 2000, Celestica completed four acquisitions.

In April 1999, Celestica acquired Signar SRO from Gossen-Metrawatt GmbH ("Gossen-Metrawatt") in the Czech Republic, which provided Celestica with a strategic presence in a low-cost geography in Central Europe. In connection with the acquisition, Celestica entered into a long-term supply and cooperation agreement with Gossen-Metrawatt. In September 1999, Celestica acquired VXI Electronics, Inc. in Milwaukie, Oregon, which enhanced the Company's power systems product and service operations in North America and expanded its customer base. In October 1999, Celestica acquired certain assets related to Hewlett-Packard's Healthcare Solutions Group's printed circuit board assembly operations in Andover, Massachusetts. This acquisition enhanced the Company's presence in the Northeast region of the United States and provided further product diversification into the medical equipment market segment. In December 1999, Celestica acquired EPS Wireless, Inc. in Dallas, Texas. Also in December 1999, Celestica acquired certain assets of Fujitsu-ICL's repair business in Dallas, Texas. These acquisitions enhanced the Company's repair capabilities in North America and diversified its relationships with its customers. The aggregate purchase price paid by the Company for acquisitions in 1999 was \$65.1 million. In June 1999, Celestica established greenfield operations in Brazil and Malaysia.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In February and May, 2000, the Company acquired certain assets from the Enterprise Systems Group and Microelectronics Division of IBM in Rochester, Minnesota and Vimercate and Santa Palomba, Italy, respectively, for a total purchase price of \$470.0 million. The purchase price, including capital assets, working capital and intangible assets, was financed with cash on hand. The Company signed two three-year strategic supply agreements with IBM to provide a complete range of electronics manufacturing services, with estimated annual revenue of approximately \$1.5 billion. The Rochester, Minnesota operation provides printed circuit board assembly and test services. The Vimercate operation provides printed circuit board assembly services and the Santa Palomba operation provides system assembly services. Approximately 1,800 employees joined Celestica.

In June 2000, Celestica acquired NDB Industrial Ltda., NEC Corporation's wholly-owned manufacturing subsidiary in Brazil. The Company signed a five-year supply agreement to manufacture NEC communications network equipment for the

Brazilian market, with estimated revenue of approximately \$1.2 billion over the five-year term of the agreement. Approximately 680 employees joined Celestica. This acquisition enhanced the Company's presence in South America and put Celestica in a leadership position with communications and Internet infrastructure customers. In August 2000, the Company acquired Bull Electronics Inc., the North American contract manufacturing operation of Groupe Bull of France. The operations, which are located in Lowell, Massachusetts, have enhanced the Company's service offerings in the New England area. The Company has moved its printed circuit board assembly operation from Andover into this Lowell facility, resulting in lower infrastructure costs. In November 2000, Celestica acquired NEC Technologies (UK) Ltd., in Telford, UK, which enhanced the Company's wireless communications capacity in Europe. The aggregate price for these three acquisitions in 2000 was \$169.8 million. In 2000, Celestica established a greenfield operation in Singapore.

Celestica's 21 acquisitions and the four greenfield operations completed through January 30, 2001 had purchase prices, or initial investment costs, in the case of greenfield operations, ranging from \$2.5 million to \$470.0 million, totalling \$1,203.7 million. Celestica continues to examine numerous acquisition opportunities in order to:

- create strategic relationships with new customers and diversify end-product programs with existing customers;
- expand its capacity in selected geographic regions to take advantage of existing infrastructure or low cost manufacturing;
- diversify its customer base to serve a wide variety of end-markets with increasing emphasis on the communications sector;
- broaden its product and service offerings; and
- optimize its global positioning.

In December 2000, the Company announced that it had entered into agreements with Motorola Inc. to purchase certain assets in Dublin, Ireland and Mt. Pleasant, Iowa. These agreements are expected to close in the first quarter of 2001. See "Recent Developments."

Consistent with its past practices and as a normal course of business, Celestica is engaged in ongoing discussions with respect to several possible acquisitions of widely varying sizes, including small single facility acquisitions, significant multiple facility acquisitions and corporate acquisitions. Celestica has identified several possible acquisitions that would enhance its global operations, increase its penetration in the computer and communication industries and establish strategic relationships with new customers. There can be no assurance that any of these discussions will result in a definitive purchase agreement and, if they do, what the terms or timing of any agreement would be. Celestica expects to continue its current discussions and actively pursue other acquisition opportunities.

RESULTS OF OPERATIONS

Celestica's revenue and margins can vary from period to period as a result of the level of business volumes, seasonality of demand, component supply availability, and the timing of acquisitions. There is no certainty that the historical pace of Celestica's acquisitions will continue in the future.

Celestica's contracts with its key customers generally provide a framework for its overall relationship with the customer. Actual production volumes are based on purchase orders for the delivery of products. These orders typically do not commit to firm production schedules for more than 30 to 90 days in advance. Celestica minimizes risk relative to its inventory by ordering materials and components only to the extent necessary to satisfy existing customer orders. Celestica is largely protected from the risk of inventory cost fluctuations as these costs are generally passed through to customers.

Celestica's annual and quarterly operating results are primarily affected by the level and timing of customer orders, fluctuations in materials costs, and relative mix of value add products and services. The level and timing of a customer's orders will vary due to the customer's attempt to balance its inventory, changes in its manufacturing strategy and variation in demand for its products. Celestica's annual and quarterly operating results are also affected by capacity utilization and other factors, including price competition, manufacturing effectiveness and efficiency, the degree of automation used in the assembly process, the ability to manage inventory and capital assets

effectively, the timing of expenditures in anticipation of increased sales, the timing of acquisitions and related integration costs, customer product delivery requirements and shortages of components or labour. Historically, Celestica has experienced some seasonal variation in revenue, with revenue typically being highest in the fourth quarter and lowest in the first quarter.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The table below sets forth certain operating data expressed as a percentage of revenue for the years indicated:

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
Revenue	100.0%	100.0%	100.0%
Cost of sales	92.9	92.8	92.9
Gross profit	7.1	7.2	7.1
Selling, general and administrative expenses	4.0	3.8	3.3
Amortization of intangible assets	1.4	1.0	1.0
Integration costs related to acquisitions	0.3	0.2	0.2
Other charges	2.0	0.0	0.0
Operating income (loss)	(0.6)	2.2	2.6
Interest expense (income), net	1.0	0.2	(0.2)
Earnings (loss) before income taxes	(1.6)	2.0	2.8
Income taxes (recovery)	(0.1)	0.7	0.7
Net earnings (loss)	(1.5)%	1.3%	2.1%

ADJUSTED NET EARNINGS INCREASES
(IN MILLIONS)

[GRAPHIC]

1998	\$45.3
1999	\$123.0
2000	\$304.1

ADJUSTED NET EARNINGS

As a result of the significant number of acquisitions made by Celestica over the past four years, management of Celestica uses adjusted net earnings as a measure of operating performance on an enterprise-wide basis. Adjusted net earnings exclude the effects of acquisition-related charges (most significantly, amortization of intangible assets and integration costs related to acquisitions), other charges (the write-down of intellectual property and goodwill and the write-off of deferred financing costs and debt redemption fees) and the related income tax effect of these adjustments. Adjusted net earnings is not a measure of performance under Canadian GAAP or U.S. GAAP. Adjusted net earnings should not be considered in isolation or as a substitute for net earnings prepared in accordance with Canadian GAAP or U.S. GAAP or as a measure of operating performance or profitability. The following table reconciles net earnings (loss) to adjusted net earnings:

	YEAR ENDED DECEMBER 31,		
	(IN MILLIONS)		
	1998	1999	2000

Net earnings (loss)	\$ (48.5)	\$ 68.4	\$206.7
Amortization of intangible assets	45.4	55.6	88.9
Integration costs related to acquisitions	8.1	9.6	16.1
Other charges	64.7	-	-
Income tax effect of above	(24.4)	(10.6)	(7.6)

Adjusted net earnings	\$ 45.3	\$123.0	\$304.1

As a percentage of revenue	1.4%	2.3%	3.1%

REVENUE

Revenue increased \$4,454.9 million, or 84.1%, to \$9,752.1 million in 2000 from \$5,297.2 million in 1999. This increase resulted from growth achieved both organically and through strategic acquisitions. This growth was driven primarily by customers in the communications and server industries. The Company defines organic revenue as revenue which excludes business from operations acquired in the preceding 12 months. Organic revenue growth in 2000 was 49.8% and represented approximately 59.2% of the total year-over-year growth. Organic growth came from growth in existing business and new customers across all geographic segments. The IBM acquisition accounted for the majority of the acquisition growth in 2000. Revenue from the Americas operations grew \$2,684.8 million, or 74.8%, to \$6,272.4 million in 2000 from \$3,587.6 million in 1999. Revenue from European operations grew \$1,714.7 million, or 154.7%, to \$2,823.3 million in 2000 from \$1,108.6 million in 1999. The Italian facilities generated over half of Europe's increase from the prior year, with the remainder due to an overall increase in Europe's base business. Revenue from Asian operations increased \$431.7 million, or 60.8%, to \$1,141.9 million in 2000 from \$710.2 million in 1999. Inter-segment revenue in 2000 was \$485.5 million, compared to \$109.1 million in 1999. Revenue from customers in the communications industry in 2000 increased to 31% of revenue, compared to 25% of revenue in 1999. This increase is consistent with the Company's strategy to increase the portion of its revenue from customers in the communications industry. Revenue from customers in the server-related business in 2000 increased to 33% of revenue, compared to 25% of revenue in 1999, mainly as a result of the IBM acquisition in 2000.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Revenue increased \$2,048.0 million, or 63.0%, to \$5,297.2 million in 1999 from \$3,249.2 million in 1998. This increase resulted from growth achieved both organically and through strategic acquisitions. Organic revenue growth in 1999 was 37.9% and represented 60.2% of the total year-to-year growth. The organic growth resulted from new program wins with existing and new customers across the Canadian, U.S. and European geographic segments. Revenue from Asian operations was not considered part of the organic growth since the operations were acquired at the end of 1998. Revenue from the Americas operations grew \$1,087.7 million, or 43.5%, to \$3,587.6 million in 1999 from \$2,499.9 million in 1998, substantially all through organic growth with new program wins from both existing and new customers. Revenue from European operations grew \$359.3 million, or 48.0%, to \$1,108.6 million in 1999 from \$749.3 million in 1998. Celestica Asia (formerly IMS) contributed \$710.2 million in revenue in 1999 after acquisition on December 30, 1998. Inter-segment revenue in 1999 was \$109.1 million compared to no inter-segment revenue in 1998. Acquisitions completed in 1999 together with the IMS acquisition contributed \$816.4 million of revenue in 1999 with the majority of revenue being from Asian (formerly IMS) operations. Revenue from customers in the communications industry increased to 25% of revenue in 1999 compared to 16% of revenue in 1998.

STRONG REVENUE GROWTH (IN BILLIONS)

[GRAPHIC]

1998	\$3.2
1999	\$5.3

2000 \$9.8

The following customers represented more than 10% of total revenue for each of the indicated years:

	1998	1999	2000
Sun Microsystems	Y	Y	Y
IBM	Y		Y
Hewlett-Packard	Y	Y	
Cisco Systems		Y	

Celestica's top five customers represented in the aggregate 68.5% of total revenue in 2000 compared to 67.6% in 1999 and 71.8% in 1998. The Company is dependent upon continued revenue from its top five customers. There can be no guarantee that revenue from these or any other customers will not increase or decrease as a percentage of consolidated revenue either individually or as a group. Any material decrease in revenue from these or other customers could have a material adverse effect on the Company's results of operations.

GROSS PROFIT

Gross profit increased \$305.5 million, or 79.9%, to \$688.0 million in 2000 from \$382.5 million in 1999. Gross margin decreased to 7.1% in 2000 from 7.2% in 1999. Gross margin has decreased as a result of a change in product mix and start-up costs for new programs, particularly in Mexico.

Gross profit increased \$152.0 million, or 65.9%, to \$382.5 million in 1999 from \$230.5 million in 1998. Gross margin increased to 7.2% in 1999 from 7.1% in 1998. The improvement in gross profit and gross margin was due to improved cost management, supply-chain initiatives and increased facility utilization levels in Canada, the United States and Europe, offset by lower Asian margins, greenfield start-up operations in Brazil, Malaysia and Mexico and new product introductions.

For the foreseeable future, the Company's gross margin is expected to depend primarily on product mix, production efficiencies, utilization of manufacturing capacity, start-up activity, new product introductions, and pricing within the electronics industry. Over time, gross margins at individual sites and for the Company as a whole are expected to fluctuate. Changes in product mix, additional costs associated with new product introductions and price erosion within the electronics industry could adversely affect the Company's gross margin. Also, the availability of raw materials, which are subject to lead time and other constraints, could possibly limit the Company's revenue growth.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased \$123.9 million, or 61.3%, in 2000 to \$326.1 million (3.3% of revenue) from \$202.2 million (3.8% of revenue) in 1999. The increase in expenses was a result of increased staffing levels and higher selling, marketing and administrative costs to support sales growth, as well as the impact of expenses incurred by operations acquired during 1999 and 2000. Selling, general and administrative expenses increased at a slower rate than revenue in 2000.

SEQUENTIAL SG &A (PERCENTAGE OF REVENUE)

[GRAPHIC]

1998	4.0%
1999	3.8%
2000	3.3%

Selling, general and administrative expenses increased \$71.7 million, or 54.9%, to \$202.2 million (3.8% of revenue) in 1999 from \$130.5 million (4.0% of revenue) in 1998. The increase in expenses was a result of increased staffing levels and higher selling, marketing and administrative costs to support the sales growth of the Company, as well as the impact of expenses incurred by operations acquired during 1998 and 1999.

Research and development costs remained flat at \$19.5 million (0.2% of revenue) in 2000 compared to \$19.7 million (0.4% of revenue) in 1999 and \$19.8 million (0.6% of revenue) in 1998.

INTANGIBLE ASSETS AND AMORTIZATION

Amortization of intangible assets increased \$33.3 million, or 59.9%, to \$88.9 million in 2000 from \$55.6 million in 1999. This increase is attributable to the intangible assets arising from the 1999 and 2000 acquisitions, with the largest portion relating to the IBM and NEC acquisitions. The excess of the purchase price paid over the fair value of tangible assets acquired in the five acquisitions completed in 1999 and the four acquisitions completed in 2000 totalled \$348.9 million and has been allocated to goodwill, intellectual property and other intangible assets.

Amortization of intangible assets increased \$10.2 million, or 22.5%, to \$55.6 million in 1999 from \$45.4 million in 1998. This increase is attributable to the intangible assets arising from the 1998 and 1999 acquisitions, with the largest portion relating to the intangible assets arising from the IMS acquisition.

At December 31, 2000, intangible assets represented 9.7% of Celestica's total assets compared to 13.8% at December 31, 1999.

INTEGRATION COSTS RELATED TO ACQUISITIONS

Integration costs related to acquisitions represent one-time costs incurred within 12 months of the acquisition date, such as the costs of implementing compatible information technology systems in newly acquired operations, establishing new processes related to marketing and distribution processes to accommodate new customers and salaries of personnel directly involved with integration activities. All of the integration costs incurred related to newly acquired facilities, and not to the Company's existing operations.

Integration costs were \$16.1 million in 2000 compared to \$9.6 million in 1999 and \$8.1 million in 1998. The integration costs incurred in 2000 relate primarily to the IBM and NEC acquisitions.

Integration costs vary from period to period due to the timing of acquisitions and related integration activities. Celestica expects to incur additional integration costs in 2001 as it completes the integration of its 2000 acquisitions. Celestica will incur future additional integration costs as the Company continues to make acquisitions as part of its growth strategy.

OTHER CHARGES

Other charges are non-recurring items or items that are unusual in nature. Celestica did not incur any other charges in 1999 or 2000.

Other charges in 1998 totalled \$64.7 million and is comprised of a write-down of the carrying value of intellectual property and goodwill amounting to \$41.8 million, the write-off of deferred financing costs and debt redemption fees of \$17.8 million and other charges of \$5.1 million.

INTEREST INCOME, NET

Interest income, net of interest expense, in 2000 amounted to \$19.0 million. The Company incurred net interest expense of \$10.7 and \$32.2 million in 1999 and 1998, respectively. Cash balances were higher in 2000 compared to 1999 due to the timing and size of the public offerings. In 2000, the Company earned interest income on its cash balance which more than offset the interest expense incurred on the Company's Senior Subordinated Notes. In 1999, the Company earned less interest income to offset against the higher interest expense. In 1998, the Company incurred higher interest expense due to higher debt levels. Debt was used to finance acquisitions in the first half of 1998 and the growth in operations. Debt levels for the second half of 1998 were lower due to proceeds from the initial public offering in July 1998.

INCOME TAXES

Income tax expense in 2000 was \$69.2 million, reflecting an effective tax

rate of 25%. This is compared to an income tax expense of \$36.0 million in 1999, or an effective tax rate of 34.5%, and a net income tax recovery of \$2.0 million in 1998, which arose on recognizing the tax benefit of net operating losses in 1998. Commencing in the second half of 1999, the Company's effective tax rate decreased from 39% to 32%. In the second quarter of 2000, the effective tax rate decreased further to 24%. Celestica believes this tax rate is sustainable for the foreseeable future. The decrease in the Company's effective tax rates is attributable to the mix and volume of business in lower tax jurisdictions within Europe and Asia. These lower tax rates include special tax holidays or similar tax incentives that Celestica has negotiated with the respective tax authorities.

Celestica has recognized a net deferred tax asset at December 31, 2000 of \$83.5 million (\$45.4 million at December 31, 1999), which relates to the recognition of net operating losses and future income tax deductions available to reduce future years' income for income tax purposes. Celestica's current projections demonstrate that it will generate sufficient taxable income (in excess of \$265 million) in the future to realize the benefit of these deferred income tax assets in the carry-forward periods. These losses will expire over a 15 year period commencing in 2006.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CONVERTIBLE DEBT

In August 2000, Celestica issued LYONs with a principal amount at maturity of \$1,813.6 million, payable August 1, 2020. The Company received gross proceeds of \$862.9 million and incurred \$12.5 million in underwriting commissions, net of tax of \$6.9 million. No interest is payable on the LYONs and the issue price of the LYONs represents a yield to maturity of 3.75%. The LYONs are subordinated in right of payment to all existing and future senior indebtedness of the Company.

The LYONs are convertible at any time at the option of the holder, unless previously redeemed or repurchased, into 5.6748 subordinate voting shares for each \$1,000 principal amount at maturity. Holders may require the Company to repurchase all or a portion of their LYONs on August 2, 2005, August 1, 2010 and August 1, 2015 and the Company may redeem the LYONs at any time on or after August 1, 2005 (and, under certain circumstances, before that date). The Company is required to offer to repurchase the LYONs if there is a change in control or a delisting event. Generally, the redemption or repurchase price is equal to the accreted value of the LYONs. The Company may elect to pay the principal amount at maturity of the LYONs, or the repurchase price that is payable in certain circumstances, in cash or subordinate voting shares or any combination thereof.

The Company has recorded the LYONs as an equity instrument pursuant to Canadian GAAP. The LYONs are bifurcated into a principal equity component (representing the present value of the notes) and an option component (representing the value of the conversion features of the notes). The principal equity component is accreted over the 20-year term through periodic charges to retained earnings. Under U.S. GAAP, the LYONs are classified as a long-term liability and, accordingly, the accrued yield on the LYONs during any period (at 3.75% per year) is classified as interest expense for that period.

To calculate basic earnings per share for Canadian GAAP, the accretion of the convertible debt is deducted from net earnings for the period to determine earnings available to shareholders.

LIQUIDITY AND CAPITAL RESOURCES

For the year ended December 31, 2000, Celestica used cash of \$85.1 million from operating activities, principally to support higher working capital requirements relating to revenue growth, which was offset by cash generated from operations. Investing activities in 2000 included capital expenditures of \$282.8 million and \$634.7 million for acquisitions. The acquisitions included IBM's assets in Minnesota and Italy, NDB Industrial Ltda. in Brazil, Bull Electronics Inc. in Massachusetts and NEC Technologies (UK) Ltd. in the UK. In March 2000, Celestica completed an equity offering and issued 16.6 million subordinate voting shares,

for gross proceeds of \$757.4 million less expenses and underwriting commissions of \$26.8 million (pre-tax). In August 2000, Celestica completed the LYONs offering, raising gross proceeds of \$862.9 million less underwriting commissions of \$19.4 million (pre-tax).

For the year ended December 31, 1999, Celestica's operating activities utilized \$94.4 million in cash. Investing activities in 1999 included capital expenditures of \$211.8 million and \$64.8 million for acquisitions. In 1999, Celestica completed two equity offerings, issuing 34.5 million subordinate voting shares for gross proceeds of \$751.6 million less expenses and underwriting commissions of \$34.3 million (pre-tax).

CAPITAL RESOURCES

Celestica has two \$250 million global, unsecured, revolving credit facilities totalling \$500 million, each provided by a syndicate of lenders. The credit facilities permit Celestica and certain designated subsidiaries to borrow funds directly for general corporate purposes (including acquisitions) at floating rates. The credit facilities are available until April 2003 and July 2003, respectively. Under the credit facilities: Celestica is required to maintain certain financial ratios; its ability and that of certain of its subsidiaries to grant security interests, dispose of assets, change the nature of its business or enter into business combinations, is restricted; and a change in control is an event of default. No borrowings were outstanding under the revolving credit facilities at December 31, 2000.

The only other financial covenant in effect is a debt incurrence covenant contained in Celestica's Senior Subordinated Notes due 2006. This covenant is based on Celestica's fixed charge coverage ratio, as defined in the indenture governing the Senior Subordinated Notes.

Celestica was in compliance with all debt covenants as at December 31, 2000.

During the year, Celestica's public credit ratings were upgraded by both Standard and Poors and by Moody's Investors Service. Standard and Poor's senior corporate credit rating for Celestica is BB+ with a stable outlook. Moody's senior implied rating for Celestica is Ba1, also with a stable outlook.

NET DEBT TO CAPITALIZATION STRENGTHENS (PERCENTAGE)

[GRAPHIC]

1998	11%
1999	-17%
2000	-28%

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Celestica believes that cash flow from operating activities, together with cash on hand and borrowings available under its global, unsecured, revolving credit facilities, will be sufficient to fund currently anticipated working capital, planned capital spending and debt service requirements for the next 12 months. The Company expects capital spending for 2001 to be approximately \$300 million to \$350 million. At December 31, 2000, Celestica had committed \$56 million in capital expenditures. In addition, Celestica regularly reviews acquisition opportunities, and may therefore require additional debt or equity financing.

Celestica prices the majority of its products in U.S. dollars, and the majority of its material costs are also denominated in U.S. dollars. However, a significant portion of its non-material costs (including payroll, facilities costs and costs of locally sourced supplies and inventory) are primarily denominated in Canadian dollars, British pounds sterling, Euros and Mexican pesos. As a result, Celestica may experience transaction and translation gains or losses because of currency fluctuations. At December 31, 2000, Celestica had forward foreign exchange contracts covering various currencies in an aggregate notional amount of \$653 million with expiry dates up to May 2002. The fair value of these contracts at December 31, 2000 was an unrealized gain of \$7.5 million. Celestica's current hedging activity is designed to reduce the variability of

its foreign currency costs and involves entering into contracts to sell U.S. dollars to purchase Canadian dollars, British pounds sterling, Mexican pesos and Euros at future dates. In general, these contracts extend for periods of less than 18 months. Celestica may, from time to time, enter into additional hedging transactions to minimize its exposure to foreign currency and interest rate risks. There can be no assurance that such hedging transactions, if entered into, will be successful.

BACKLOG

Although Celestica obtains firm purchase orders from its customers, OEM customers typically do not make firm orders for delivery of products more than 30 to 90 days in advance. Celestica does not believe that the backlog of expected product sales covered by firm purchase orders is a meaningful measure of future sales since orders may be rescheduled or cancelled.

RECENT DEVELOPMENTS

In December 2000, the Company announced that it had entered into agreements providing for a strategic EMS alliance with Motorola, Inc., of Schaumburg, Illinois. Celestica will acquire Motorola's manufacturing assets in Dublin, Ireland and Mt. Pleasant, Iowa for a purchase price of approximately \$70 million. Celestica has also entered into a three-year supply agreement with an estimated revenue of more than \$1 billion over the three-year period. Approximately 1,200 employees will join Celestica. The acquisition is expected to close in the first quarter of 2001.

EURO CONVERSION

As of January 1, 2001, 12 of the 15 member countries of the European Union (the participating countries) had established fixed conversion rates between their existing sovereign currencies and the Euro. For three years after the introduction of the Euro, the participating countries can perform financial transactions in either the Euro or their original local currencies. This will result in a fixed exchange rate among the participating countries, whereas the Euro (and the participating countries' currencies in tandem) will continue to float freely against the U.S. dollar and currencies of other non-participating countries.

Management continuously monitors and evaluates the effects of the Euro conversion on the Company. Celestica does not believe that significant modifications of its information technology systems are needed in order to handle Euro transactions and reporting. The Company has modified its hedging policies to take the Euro conversion into account. While the Company currently believes that the effects of the conversion do not and will not have a material adverse effect on the Company's business and operations, there can be no assurances that such conversion will not have a material adverse effect on the Company's results of operations and financial position due to competitive and other factors that may be affected by the conversion and that cannot be predicted by the Company.

RECENT ACCOUNTING DEVELOPMENTS

The SEC issued Staff Accounting Bulletins (SAB) 101 and 101A in December 1999 and 101B in June 2000, "Revenue Recognition," which provided guidelines in applying generally accepted accounting principles to revenue recognition in financial statements and was to be implemented as of the fourth quarter of 2000. The Company believes that its revenue recognition practices are consistent with these guidelines.

The Financial Accounting Standards Board (FASB) has issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" and SFAS No. 138 which amends SFAS No. 133. SFAS No. 133 establishes methods of accounting for derivative financial instruments and hedging activities related to those instruments as well as other hedging activities. The standard requires that all derivatives be recorded on the balance sheet at fair value. The Company will implement SFAS No. 133 for its first quarter ended March 31, 2001 for purposes of the U.S. GAAP reconciliation. In accordance with the new standard, the Company will account for its existing foreign currency contracts as cash flow hedges. Accordingly, on January 1, 2001, the Company recorded an asset in the amount of \$7,498 and a corresponding credit to other comprehensive income as a cumulative-effect type adjustment to reflect the initial mark-to-market on the foreign currency contracts. The Company expects to release \$6,477 of the gain to earnings in the next 12 months as the related hedged items are recognized in earnings.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying Consolidated Financial Statements have been prepared by management and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these financial statements and in other sections of this Annual Report.

The Company maintains appropriate processes to ensure that relevant and reliable financial information is produced. The Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in Canada. The significant accounting policies, which management believes are appropriate for the Company, are described in note 2 to the Consolidated Financial Statements.

The Board of Directors is responsible for reviewing and approving the Consolidated Financial Statements and overseeing management's performance of its financial reporting responsibilities. An Audit Committee of three non-management Directors is appointed by the Board.

The Audit Committee reviews the Consolidated Financial Statements, adequacy of internal controls, audit process and financial reporting with management and with the external auditors. The Audit Committee reports to the Directors prior to the approval of the audited Consolidated Financial Statements for publication.

KPMG LLP, the Company's external auditors, who are appointed by the shareholders, audited the Consolidated Financial Statements in accordance with Canadian generally accepted auditing standards and United States generally accepted auditing standards to enable them to express to the shareholders their opinion on the Consolidated Financial Statements. Their report is set out below.

/s/ ANTHONY P. PUPPI

Anthony P. Puppi
Executive Vice-President,
Chief Financial Officer
January 22, 2001

AUDITORS' REPORT

TO THE SHAREHOLDERS OF CELESTICA INC.

We have audited the consolidated balance sheets of Celestica Inc. as at December 31, 1999 and 2000 and the consolidated statements of earnings (loss), shareholders' equity and cash flows for each of the years in the three year period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

With respect to the consolidated financial statements for the year ended December 31, 2000, we conducted our audit in accordance with Canadian generally accepted auditing standards and United States generally accepted auditing standards. With respect to the consolidated financial statements for each of the years in the two year period ended December 31, 1999, we conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1999 and 2000 and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2000 in accordance with Canadian generally accepted accounting principles, which, except as described in note 24, also conform, in all material respects, with generally accepted accounting principles in the United States.

/s/ KPMG LLP

Chartered Accountants
Toronto, Canada
January 22, 2001

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CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS OF U.S. DOLLARS)

	AS AT DECEMBER 31,	
	1999	2000

ASSETS		
Current assets:		
Cash and short-term investments	\$ 371,522	\$ 883,757
Accounts receivable (note 4)	700,775	1,785,716
Inventories (note 5)	722,333	1,664,304
Prepaid and other assets	37,501	138,830
Deferred income taxes	19,182	48,357
	-----	-----
	1,851,313	4,520,964
Capital assets (note 6)	365,447	633,438
Intangible assets (note 7)	367,553	578,272
Other assets (note 8)	71,277	205,311
	-----	-----
	\$2,655,590	\$5,937,985

LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 613,110	\$1,730,460
Accrued liabilities	205,100	466,310
Income taxes payable	23,257	52,572
Deferred income taxes	6,997	7,702
Current portion of long-term debt (note 9)	2,654	1,364
	-----	-----
	851,118	2,258,408
Accrued post-retirement benefits (note 17)	10,007	38,086
Long-term debt (note 9)	131,543	130,581
Other long-term liabilities	890	3,000
Deferred income taxes	3,891	38,641
	-----	-----
	997,449	2,468,716
Shareholders' equity	1,658,141	3,469,269
	-----	-----
	\$2,655,590	\$5,937,985

Commitments and contingencies (notes 19 and 20)
Subsequent event (note 23)
Canadian and United States accounting policy differences (note 24)

On behalf of the Board:

/s/ ROBERT L. CRANDALL

Robert L. Crandall
Director

/s/ EUGENE V. POLISTUK

Eugene V. Polistuk
Director

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS)

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
Revenue	\$ 3,249,200	\$ 5,297,233	\$ 9,752,075
Cost of sales	3,018,665	4,914,674	9,064,074
Gross profit	230,535	382,559	688,001
Selling, general and administrative expenses (note 12)	130,565	202,215	326,052
Amortization of intangible assets (note 7)	45,372	55,569	88,939
Integration costs related to acquisitions (note 13)	8,123	9,616	16,103
Other charges (note 14)	64,743	--	--
	248,803	267,400	431,094
Operating income (loss)	(18,268)	115,159	256,907
Interest on long-term debt	38,959	17,300	17,767
Interest income, net	(6,710)	(6,631)	(36,750)
Earnings (loss) before income taxes	(50,517)	104,490	275,890
Income taxes (note 15):			
Current	15,047	30,735	80,128
Deferred (recovery)	(17,093)	5,329	(10,917)
	(2,046)	36,064	69,211
Net earnings (loss)	\$ (48,471)	\$ 68,426	\$ 206,679
Basic earnings (loss) per share	\$ (0.47)	\$ 0.41	\$ 1.01
Fully diluted earnings per share	N/A	\$ 0.40	\$ 0.99
Weighted average number of shares outstanding			
- basic (in thousands)	102,992	167,195	199,786
- fully diluted (in thousands)	N/A	178,428	217,907
Net earnings (loss) in accordance with U.S. GAAP (note 24)	\$ (54,717)	\$ 66,526	\$ 197,368
Basic earnings (loss) per share, in accordance with U.S. GAAP (note 24)	\$ (0.53)	\$ 0.40	\$ 0.99
Diluted earnings per share, in accordance with U.S. GAAP (note 24)	N/A	\$ 0.38	\$ 0.96

N/A - Fully diluted loss per share has not been disclosed as the effect of the potential conversion of dilutive securities is anti-dilutive

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(IN THOUSANDS OF U.S. DOLLARS)

	CONVERTIBLE DEBT (NOTE 10)	CAPITAL STOCK (NOTE 11)	RETAINED EARNINGS (DEFICIT)	FOREIGN CURRENCY TRANSLATION ADJUSTMENT	TOTAL SHAREHOLDERS' EQUITY
Balance -- December 31, 1997	\$ --	\$367,417	\$ (3,747)	\$ (444)	\$ 363,226
Shares issued, net (note 11)	--	535,197	--	--	535,197
Shares to be issued (note 11)	--	9,460	--	--	9,460
Currency translation	--	--	--	(146)	(146)
Net loss for the year	--	--	(48,471)	--	(48,471)
Balance -- December 31, 1998	--	912,074	(52,218)	(590)	859,266
Shares issued, net (note 11)	--	734,003	--	--	734,003
Currency translation	--	--	--	(3,554)	(3,554)
Net earnings for the year	--	--	68,426	--	68,426
Balance -- December 31, 1999	--	1,646,077	16,208	(4,144)	1,658,141
Convertible debt issued, net (note 10)	850,372	--	--	--	850,372
Convertible debt accretion, net of tax					

(note 10)	10,175	--	(5,375)	--	4,800
Shares issued, net (note 11)	--	749,337	--	--	749,337
Currency translation	--	--	--	(60)	(60)
Net earnings for the year	--	--	206,679	--	206,679
<hr/>					
BALANCE -- DECEMBER 31, 2000	\$860,547	\$2,395,414	\$217,512	\$ (4,204)	\$3,469,269
<hr/>					

See accompanying notes to consolidated financial statements

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CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS OF U.S. DOLLARS)

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
<hr/>			
CASH PROVIDED BY (USED IN):			
OPERATIONS:			
Net earnings (loss)	\$ (48,471)	\$ 68,426	\$ 206,679
Items not affecting cash:			
Depreciation and amortization	86,935	126,544	212,500
Deferred income taxes	(17,093)	5,329	(10,917)
Other charges	64,743	--	--
Other	(1,255)	(2,987)	(4,336)
Cash from earnings	84,859	197,312	403,926
Changes in non-cash working capital items:			
Accounts receivable	(13,256)	(227,664)	(995,337)
Inventories	(50,732)	(265,006)	(656,713)
Other assets	(6,783)	1,763	(94,709)
Accounts payable and accrued liabilities	53,643	194,583	1,230,414
Income taxes payable	13,847	4,655	27,293
Non-cash working capital changes	(3,281)	(291,669)	(489,052)
Cash provided by (used in) operations	81,578	(94,357)	(85,126)
<hr/>			
INVESTING:			
Acquisitions, net of cash acquired	(48,678)	(64,778)	(634,684)
Purchase of capital assets	(65,770)	(211,831)	(282,780)
Other	(5,241)	(648)	(59,511)
Cash used in investing activities	(119,689)	(277,257)	(976,975)
<hr/>			
FINANCING:			
Bank indebtedness	(890)	--	(8,631)
Repayments of long-term debt	(423,226)	(9,978)	(2,252)
Deferred financing costs	(2,179)	(1,495)	(143)
Debt redemption fees	(8,596)	--	--
Issuance of convertible debt	--	--	862,865
Convertible debt issue costs, pre-tax	--	--	(19,405)
Issuance of share capital	423,715	758,176	766,583
Share issue costs, pre-tax	(26,906)	(34,271)	(26,788)
Other	1,862	(1,017)	2,107
Cash provided by (used in) financing activities	(36,220)	711,415	1,574,336
Increase (decrease) in cash	(74,331)	339,801	512,235
Cash, beginning of year	106,052	31,721	371,522
Cash, end of year	\$ 31,721	\$ 371,522	\$ 883,757
<hr/>			
Supplemental information			
Paid during the year:			
Interest	\$ 38,959	\$ 17,240	\$ 15,944
Taxes	\$ 5,024	\$ 26,080	\$ 55,019
<hr/>			
Non-cash financing activities:			
Convertible debt accretion, net of tax (note 10)	\$ --	\$ --	\$ 5,375

Cash is comprised of cash and short-term investments.

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS)

1. NATURE OF BUSINESS:

The primary operations of the Company include providing a full range of electronics manufacturing services including design, prototyping, assembly, testing, product assurance, supply chain management, worldwide distribution and after-sales service to its customers primarily in the computer and communications industries. The Company operates 34 facilities located in the United States, Canada, Mexico, United Kingdom, Ireland, Italy, Thailand, China, Hong Kong, Czech Republic, Brazil, Singapore and Malaysia.

The Company's accounting policies are in accordance with accounting principles generally accepted in Canada and, except as outlined in note 24, are, in all material respects, in accordance with accounting principles generally accepted in the United States.

2. SIGNIFICANT ACCOUNTING POLICIES:

(A) PRINCIPLES OF CONSOLIDATION:

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Inter-company transactions and balances are eliminated on consolidation.

(B) REVENUE:

Revenue is comprised of product sales and service revenue earned from engineering, design and repair services. Revenue from product sales is recognized upon shipment of the goods recorded. Service revenue is recognized as services are performed.

(C) CASH AND SHORT-TERM INVESTMENTS:

Cash and short-term investments include cash on account, demand deposits and short-term investments with original maturities of less than three months.

(D) INVENTORIES:

Inventories are valued on a first-in, first-out basis at the lower of cost and replacement cost for production parts and at the lower of cost and net realizable value for work in progress and finished goods. Cost includes materials and an application of relevant manufacturing value-add.

(E) CAPITAL ASSETS:

Capital assets are carried at cost and amortized over their estimated useful lives on a straight-line basis. Estimated useful lives for the principal asset categories are as follows:

Buildings	25 years
Buildings/leasehold improvements	Up to 25 years or term of lease
Office equipment	5 years
Machinery and equipment	5 years
Software	1 to 5 years

(F) INTANGIBLE ASSETS:

Intangible assets are comprised of goodwill, other intangible assets representing the excess of cost over the fair value of tangible assets acquired in facility acquisitions and intellectual property, including process know-how. Goodwill and other intangible assets are amortized on a straight-line basis over 10 years and intellectual property over 5 years.

(G) IMPAIRMENT OF LONG-LIVED ASSETS:

The Company reviews long-lived assets for impairment on a regular basis or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of capital assets is assessed by comparison of the carrying amount to the projected future net cash flows the long-lived assets are expected to generate.

The Company assesses the recoverability of enterprise level goodwill by determining whether the unamortized goodwill balance can be recovered through undiscounted projected future net cash flows of the acquired operation. An impairment in the value of intellectual property is assessed based on projected future net cash flows.

(H) PENSION AND NON-PENSION, POST-RETIREMENT BENEFITS:

The Company accrues its obligations under employee benefit plans and the related

costs, net of plan assets. The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees and expected health care costs. For the purpose of calculating the expected return on plan assets, those assets are valued at fair value. Past service costs arising from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment. The net actuarial gain (loss) is amortized over the average remaining service period of active employees. The average remaining service period of active employees covered by the pension plans is 14 years for 1999 and 2000. The average remaining service period of active employees covered by the other retirement benefit plans is 21 years for 1999 and 2000.

(I) DEFERRED FINANCING COSTS:

Costs incurred relating to the issuance of long-term debt are deferred and amortized over the term of the related debt.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS)

(J) INCOME TAXES:

The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for future consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. When necessary, a valuation allowance is recorded to reduce tax assets to an amount for which realization is more likely than not. The effect of changes in tax rates is recognized in the period in which the rate change occurs.

(K) FOREIGN CURRENCY TRANSLATION:

The functional currency of all the Company's subsidiaries is the United States dollar. Prior to January 1, 2000, the functional currency of Celestica U.K. was the British pound sterling whose accounts were translated into U.S. dollars using the current rate method. Assets and liabilities were translated at the year-end exchange rate and revenue and expenses were translated at average exchange rates. Gains and losses arising from the translation of financial statements of foreign operations were deferred in the foreign currency translation adjustment account included as a separate component of shareholders' equity.

Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the year-end rate of exchange. Non-monetary assets and liabilities denominated in foreign currencies are translated at historic rates and revenue and expenses are translated at average exchange rates prevailing during the month of the transaction. Exchange gains or losses arising from the translation of long-term monetary assets and liabilities are deferred and amortized on a straight-line basis over the remaining life of the asset or liability. All other exchange gains or losses are reflected in the consolidated statements of earnings (loss). At December 31, 1999 and 2000, there were no deferred foreign exchange gains or losses associated with long-term monetary assets and liabilities.

The Company enters into forward exchange contracts to hedge certain firm purchase commitments. Gains and losses on hedges of firm commitments are included in the cost of the hedged transactions when they occur.

(L) RESEARCH AND DEVELOPMENT:

The Company annually incurs costs on activities that relate to research and development which are expensed as incurred unless development costs meet certain criteria for capitalization.

(M) USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

(N) RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS:

In December 2000, the Canadian Institute of Chartered Accountants released Section 3500, "Earnings per share," which will be effective for the Company's first quarter ended March 31, 2001. The standard will require the use of the treasury stock method for calculating diluted earnings per share, consistent with United States generally accepted accounting principles. Had the Company applied the new standard in 2000, the calculation of 2000 diluted earnings per share would have been \$0.98 per share.

3. ACQUISITIONS:

During 1999 and 2000 the Company completed certain acquisitions which were accounted for as purchases. The results of operations of the net assets acquired are included in these financial statements from their respective dates of acquisition.

1999 ACQUISITIONS:

In April 1999, the Company acquired 100% of the issued and outstanding shares of Signar SRO from Gossen-Metrawatt GmbH in the Czech Republic. In September 1999, the Company acquired 100% of the issued and outstanding shares of VXI Electronics, Inc. in Milwaukie, Oregon. In October 1999, the Company acquired certain assets of a manufacturing facility in Andover, Massachusetts from Hewlett-Packard Company. In December 1999, the Company acquired 100% of the issued and outstanding shares of EPS Wireless, Inc. from Preferred Networks Inc. and certain assets of a repair facility from Fujitsu-ICL Systems Inc., both in Dallas, Texas. The total purchase price for these acquisitions of \$65,094 was financed with cash.

Details of the net assets acquired in these acquisitions, at fair value, are as follows:

	ACQUISITIONS
Current assets	\$ 37,172
Capital assets	8,178
Other long-term assets	48
Goodwill and intellectual property	32,375
Other intangible assets	16,380
Liabilities assumed	(29,059)
Net assets acquired	\$ 65,094

Other intangible assets represent the excess of purchase price over the fair value of tangible assets acquired in facility acquisitions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS)

2000 ACQUISITIONS:

(A) IBM:

In February and May, 2000, the Company acquired certain assets from the Enterprise Systems Group and Microelectronics Division of IBM in Rochester, Minnesota and Vimercate and Santa Palomba, Italy, respectively. The total purchase price of \$470,021 was financed with cash.

(B) OTHER ACQUISITIONS:

In June 2000, the Company acquired 100% of the issued and outstanding shares of NDB Industrial Ltda. in Brazil from NEC Corporation. In August 2000, the Company acquired 100% of the issued and outstanding shares of Bull Electronics Inc. in Lowell, Massachusetts from Groupe Bull. In November 2000, the Company acquired 100% of the issued and outstanding shares of NEC Technologies (UK) Ltd. in Telford, U.K. from NEC Corporation. The total purchase price for these acquisitions of \$169,757 was financed with cash.

Details of the net assets acquired in these acquisitions, at fair value, are as follows:

	IBM	OTHER ACQUISITIONS
Current assets	\$ 301,143	\$ 86,533
Capital assets	98,164	35,133
Other long-term assets	2,327	--
Goodwill and intellectual property	213,855	74,045
Other intangible assets	12,201	--
Liabilities assumed	(157,669)	(25,954)
Net assets acquired	\$ 470,021	\$ 169,757

Other intangible assets represent the excess of purchase price over the fair value of tangible assets acquired in facility acquisitions.

4. ACCOUNTS RECEIVABLE:

Accounts receivable are net of an allowance for doubtful accounts of \$40,730 at December 31, 2000 (1999 - \$12,800).

5. INVENTORIES:

	1999	2000
Raw materials	\$ 503,509	\$1,298,469
Work in progress	108,928	215,185
Finished goods	109,896	150,650
	\$ 722,333	\$1,664,304

6. CAPITAL ASSETS:

	1999		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Land	\$ 6,170	\$ --	\$ 6,170
Buildings	56,666	4,738	51,928
Building improvements	25,969	4,420	21,549
Office equipment	41,608	15,532	26,076
Machinery and equipment	322,940	89,010	233,930
Software	28,417	2,623	25,794
	\$481,770	\$116,323	\$365,447

	2000		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Land	\$ 17,987	\$ --	\$ 17,987
Buildings	131,877	8,662	123,215
Building improvements	42,760	9,088	33,672
Office equipment	64,531	25,441	39,090

Machinery and equipment	510,202	152,398	357,804
Software	76,925	15,255	61,670
	-----	-----	-----
	\$844,282	\$210,844	\$633,438
	-----	-----	-----

The above amounts include \$8,070 (1999 - \$7,577) of assets under capital lease and accumulated amortization of \$6,106 (1999 - \$4,006) related thereto.

Depreciation and rental expense for the year ended December 31, 2000 was \$121,851 (1999 - \$69,488; 1998 - \$39,631) and \$46,739 (1999 - \$21,081; 1998 - \$13,338), respectively.

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CELESTICA INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS)

7. INTANGIBLE ASSETS:

1999			
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
	-----	-----	-----
Goodwill	\$319,624	\$ 64,891	\$254,733
Other intangible assets	88,668	16,935	71,733
Intellectual property	77,124	36,037	41,087
	-----	-----	-----
	\$485,416	\$117,863	\$367,553
	-----	-----	-----

2000			
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
	-----	-----	-----
Goodwill	\$434,082	\$104,028	\$330,054
Other intangible assets	100,869	27,684	73,185
Intellectual property	250,123	75,090	175,033
	-----	-----	-----
	\$785,074	\$206,802	\$578,272
	-----	-----	-----

Other intangible assets represent the excess of cost over the fair value of tangible assets acquired in facility acquisitions.

The intellectual property primarily represents the cost of certain non-patented intellectual property and process know-how.

Amortization expense is as follows:

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
	-----	-----	-----
Amortization of goodwill	\$22,844	\$31,064	\$39,137
Amortization of other intangible assets	7,736	8,288	10,749

Amortization of intellectual property	14,792	16,217	39,053
	\$45,372	\$55,569	\$88,939

8. OTHER ASSETS:

	1999	2000
Deferred pension (note 17)	\$ 23,054	\$ 25,806
Deferred income taxes	37,146	81,504
Commodity taxes recoverable	--	78,290
Other	11,077	19,711
	\$ 71,277	\$205,311

Amortization of deferred financing costs for the year ended December 31, 2000 was \$1,710 (1999 - \$1,487; 1998 - \$1,932).

9. LONG-TERM DEBT:

	1999	2000
Global, unsecured, revolving credit facility due 2003 (a)	\$ --	\$ --
Global, unsecured, revolving credit facility due 2003 (b)	--	--
Senior Subordinated Notes due 2006 (c)	130,000	130,000
Other	4,197	1,945
	134,197	131,945
Less current portion	2,654	1,364
	\$131,543	\$130,581

(a) Concurrently with the initial public offering on July 7, 1998, the Company entered into a global, unsecured, revolving credit facility providing up to \$250,000 of borrowings. The credit facility permits the Company and certain designated subsidiaries to borrow funds for general corporate purposes (including acquisitions). Borrowings under the facility bears interest at LIBOR plus a margin and are repayable in July 2003. The weighted average interest rate on this facility during 1999 was 5.8%. In 2000, there were no drawings against this facility. There were no outstanding borrowings on this facility at December 31, 1999 and 2000. Commitment fees in 2000 were \$496.

(b) In February 2000, the Company renewed its second global, unsecured, revolving credit facility providing up to \$250,000 of borrowings including a swing line facility that provides for short-term borrowings up to a maximum of seven days. The credit facility permits the Company and certain designated subsidiaries to borrow funds for general corporate purposes (including acquisitions). The revolving facility is repayable in April 2003. Borrowings under the facility bears interest at LIBOR plus a margin except that borrowings occurring under the swing line facility bears interest at a base rate. Other than short-term borrowings under the swing line facility in 1999, there were no borrowings on the revolving credit facility during 1999 and 2000. Commitment fees in 2000 were \$683.

(c) The Senior Subordinated Notes bear interest at 10.5%, are unsecured and are subordinated to the payment of all senior debt of the Company. The Senior Subordinated Notes may be redeemed December 31, 2001 or later at various premiums above face value. In August 1998, the Company redeemed 35% of the aggregate principal amount of the Senior Subordinated Notes originally issued with proceeds from the initial public offering, at 110.5% of the principal amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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As at December 31, 2000, principal repayments due within each of the next five years on all long-term debt are as follows:

2001	\$ 1,364
2002	326
2003	255
2004	--
2005	--
Thereafter	130,000

The global, unsecured, revolving credit facilities have restrictive covenants relating to debt incurrence and sale of assets and also contains financial covenants that indirectly restrict the Company's ability to pay dividends. A change of control is an event of default. The Company's Senior Subordinated Notes due 2006 include a covenant restricting the Company's ability to pay dividends.

10. CONVERTIBLE DEBT:

In August 2000, Celestica issued Liquid Yield Option(TM) Notes (LYONs) with a principal amount at maturity of \$1,813,550, payable August 1, 2020. The Company received gross proceeds of \$862,865 and incurred \$12,493 in underwriting commissions, net of tax of \$6,912. No interest is payable on the LYONs and the issue price of the LYONs represents a yield to maturity of 3.75%. The LYONs are subordinated in right of payment to all existing and future senior indebtedness of the Company.

The LYONs are convertible at any time at the option of the holder, unless previously redeemed or repurchased, into 5.6748 subordinate voting shares for each \$1 principal amount at maturity. Holders may require the Company to repurchase all or a portion of their LYONs on August 2, 2005, August 1, 2010 and August 1, 2015 and the Company may redeem the LYONs at any time on or after August 1, 2005 (and, under certain circumstances, before that date). The Company is required to offer to repurchase the LYONs if there is a change in control or a delisting event. Generally, the redemption or repurchase price is equal to the accreted value of the LYONs. The Company may elect to pay the principal amount at maturity of the LYONs or the repurchase price that is payable in certain circumstances, in cash or subordinate voting shares or any combination thereof.

Pursuant to Canadian generally accepted accounting principles, the LYONs are recorded as an equity instrument and bifurcated into a principal equity component (representing the present value of the notes) and an option component (representing the value of the conversion features of the notes). The principal equity component is accreted over the 20-year term through periodic charges to retained earnings.

Supplementary fully diluted earnings per share is \$0.95 for the year ended December 31, 2000 and has been determined by assuming the principal element of the convertible debt at maturity will be settled by the issuance of common shares based on current share prices.

11. CAPITAL STOCK:

(A) AUTHORIZED:

An unlimited number of subordinate voting shares, which entitle the holder to one vote per share, and an unlimited number of multiple voting shares, which entitle the holder to twenty-five votes per share. Except as otherwise required by law, the subordinate voting shares and multiple voting shares vote together as a single class on all matters submitted to a vote of shareholders, including the election of directors. The holders of the subordinate voting shares and multiple voting shares are entitled to share ratably, as a single class, in any dividends declared subject to any preferential rights of any outstanding preferred shares in respect of the payment of dividends. Each multiple voting share is convertible at any time at the option of the holder thereof into one

subordinate voting share. The Company is also authorized to issue an unlimited number of preferred shares, issuable in series.

(B) ISSUED AND OUTSTANDING:

NUMBER OF SHARES	SUBORDINATE VOTING SHARES	MULTIPLE VOTING SHARES	TOTAL SUBORDINATE AND MULTIPLE VOTING SHARES OUTSTANDING	SHARES TO BE ISSUED
Balance December 31, 1998	110,013,288	39,065,950	149,079,238	1,507,348
LTIP award (i)	52,886	--	52,886	--
Equity offerings (ii)	34,500,000	--	34,500,000	--
Other share issuances (iii)	726,955	--	726,955	--
Issued as consideration for acquisitions (iv)	1,000,172	--	1,000,172	(1,000,172)
Balance December 31, 1999	146,293,301	39,065,950	185,359,251	507,176
Equity offering (v)	16,600,000	--	16,600,000	--
Other share issuances (vi)	1,279,137	--	1,279,137	--
Issued as consideration for acquisitions (vii)	147,999	--	147,999	(147,999)
BALANCE DECEMBER 31, 2000	164,320,437	39,065,950	203,386,387	359,177

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AMOUNT	SUBORDINATE VOTING SHARES	MULTIPLE VOTING SHARES	SHARES TO BE ISSUED	TOTAL AMOUNT
Balance December 31, 1998	\$ 763,803	\$ 138,811	\$ 9,460	\$ 912,074
LTIP award (i)	534	--	--	534
Equity offerings, net of issue costs (ii)	727,408	--	--	727,408
Other share issuances (iii)	6,061	--	--	6,061
Issued as consideration for acquisitions (iv)	6,616	--	(6,616)	--
Balance December 31, 1999	1,504,422	138,811	2,844	1,646,077
Equity offering, net of issue costs (v)	740,129	--	--	740,129
Other share issuances (vi)	9,208	--	--	9,208
Issued as consideration for acquisitions (vii)	1,113	--	(1,113)	--
BALANCE DECEMBER 31, 2000	\$2,254,872	\$ 138,811	\$ 1,731	\$2,395,414

1999 CAPITAL TRANSACTIONS:

In December 1999, the Company completed a two-for-one split of the subordinate voting and multiple voting shares by way of a stock dividend. All historical share and per share information has been restated to reflect the effects of the two-for-one stock split on a retroactive basis.

(i) In January 1999, the Company issued 52,886 subordinate voting shares under the LTIP program for a cost of \$534.

(ii) In 1999, the Company completed two equity offerings, issuing 34,500,000 subordinate voting shares for gross cash proceeds of \$751,611 and incurred \$24,203 in share issuance costs, net of tax of \$10,068. In March 1999, the Company issued 18,400,000 subordinate voting shares for gross cash proceeds of \$263,580 and incurred \$8,917 in share issuance costs, net of tax of \$3,822. In November 1999, the Company issued 16,100,000 subordinate voting shares for gross cash proceeds of \$488,031 and incurred \$15,286 in share issuance costs, net of tax of \$6,246.

(iii) During 1999, pursuant to employee share purchase and option plans and LTIP awards, the Company issued 726,955 subordinate voting shares as a result of the exercise of options for cash of \$6,061.

(iv) In 1999, the Company issued 1,000,172 subordinate voting shares to former stockholders of International Manufacturing Services, Inc. (IMS), in connection with the merger with IMS, at an ascribed value of \$6,616 for \$1,078 cash. Total shares of 1,507,348 were reserved for issuance at the time of the IMS merger on December 31, 1998. As at December 31, 1999, 507,176 subordinate voting shares are reserved for issuance at an ascribed value of \$2,844 for IMS options with an exercise price below fair value at the date of the merger.

2000 CAPITAL TRANSACTIONS:

(v) In March 2000, the Company issued 16,600,000 subordinate voting shares for gross cash proceeds of \$757,375 and incurred \$17,246 in share issue costs, net of tax of \$9,542.

(vi) During 2000, pursuant to employee share purchase and option plans and LTIP awards, the Company issued 1,279,137 subordinate voting shares as a result of the exercise of options for cash of \$9,208.

(vii) In 2000, the Company issued 147,999 subordinate voting shares to former stockholders of IMS, in connection with the merger with IMS, at an ascribed value of \$1,113 for \$241 cash. Total shares of 1,507,348 were reserved for issuance at the time of the IMS merger on December 31, 1998. As at December 31, 2000, 359,177 subordinate voting shares are reserved for issuance at an ascribed value of \$1,731 for IMS options with an exercise price below fair value at the date of the merger.

(C) STOCK OPTION PLANS:

(i) LONG-TERM INCENTIVE PLAN ("LTIP")

The Company established the LTIP prior to the closing of its initial public offering. Under this plan, the Company may grant stock options, performance shares, performance share units and stock appreciation rights to directors, permanent employees and consultants ("eligible participants") of the Company, its subsidiaries and other companies or partnerships in which the Company has a significant investment. Under the LTIP, up to 15,000,000 subordinate voting shares may be issued from treasury. Options are granted at prices equal to the market value at the date of the grant and are exercisable during a period not to exceed ten years from such date.

(II) EMPLOYEE SHARE PURCHASE AND OPTION PLANS ("ESPO")

The Company has ESPO plans that were available to certain of its employees and executives. As a result of the establishment of the LTIP, no further options or shares may be issued under the ESPO plans. Pursuant to the ESPO plans, employees and executives of the Company were offered the opportunity to purchase, at prices equal to market value, subordinate voting shares and, in connection with such purchase, receive options to acquire an additional number of subordinate voting shares based on the number of subordinate voting shares acquired by them under the ESPO plans. The exercise price for the options is equal to the price per share paid for the corresponding subordinate voting shares acquired under the ESPO plans.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Stock option transactions were as follows:

NUMBER OF OPTIONS	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at December 31, 1997	6,246,016	\$ 5.00
Granted	1,982,746	\$ 8.06
Exercised	(12,540)	\$ 5.00
Cancelled	(34,448)	\$ 5.00
Assumed	3,346,080	\$ 4.61
Outstanding at December 31, 1998	11,527,854	\$ 5.41
Granted	5,219,100	\$ 30.05
Exercised	(1,710,155)	\$ 8.25

Cancelled	(442,012)	\$ 7.37
-----	-----	-----
Outstanding at December 31, 1999	14,594,787	\$ 14.84
Granted	4,162,929	\$ 55.40
Exercised	(1,427,136)	\$ 6.85
Cancelled	(176,689)	\$ 7.33
-----	-----	-----
OUTSTANDING AT DECEMBER 31, 2000	17,153,891	\$ 25.16
-----	-----	-----
Cash consideration received on options exercised	\$ 9,208	
-----	-----	-----
Shares reserved for issuance upon exercise of stock options or awards	21,915,472	
-----	-----	-----

The following options were outstanding as at December 31, 2000:

PLAN	RANGE OF EXERCISE PRICES	OUTSTANDING OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	EXERCISABLE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	REMAINING LIFE (YEARS)
-----	-----	-----	-----	-----	-----	-----
ESPO	\$ 5.00 - \$ 7.50	5,970,827	\$ 5.36	2,786,370	\$ 5.31	7
LTIP	\$ 8.75 - \$ 13.69	1,840,987	\$ 12.13	547,258	\$ 11.60	8
	\$ 24.18 - \$ 24.18	829,200	\$ 24.18	207,300	\$ 24.18	9
	\$ 39.03 - \$ 39.03	3,035,600	\$ 39.03	758,900	\$ 39.03	9
	\$ 55.40 - \$ 56.19	4,158,929	\$ 55.95	--	--	9
Other	\$ 0.93 - \$ 13.31	1,318,348	\$ 4.61	999,741	\$ 4.97	6
		17,153,891				

12. RESEARCH AND DEVELOPMENT COSTS:

Total research and development costs for 2000 were \$19,517 (1999 - \$19,728; 1998 - \$19,790).

13. INTEGRATION COSTS RELATED TO ACQUISITIONS:

The Company incurred costs of \$16,103 in 2000 (1999 - \$9,616; 1998 - \$8,123) relating to the establishment of business processes, infrastructure and information systems for acquired operations. None of the integration costs incurred related to existing operations.

14. OTHER CHARGES:

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
-----	-----	-----	-----
Write-down of intellectual property and goodwill (a)	\$ 41,813	\$ --	\$ --
Deferred financing costs and debt redemption fees (b)	17,830	--	--
Other	5,100	--	--
-----	-----	-----	-----
	\$ 64,743	\$ --	\$ --
-----	-----	-----	-----

(a) During 1998, the Company completed a review of the recoverability of the carrying value of its intellectual property. As a result of this review, the Company concluded that certain processes and technologies acquired from IBM in 1996 were no longer in use and the future benefit of other technologies was less certain than was previously the case. Accordingly, the Company's results of operations for 1998 included a non-cash charge of \$35,000 to reflect a write-down of the carrying value of this intellectual property.

As a result of the merger with IMS, certain goodwill in the amount of \$6,813 became impaired and was written off in 1998.

(b) In 1998, the Company incurred \$17,830 in charges relating to the write-off of deferred financing costs and debt redemption fees associated with the

prepayment of debt from the proceeds of the initial public offering. These charges would be recorded as an extraordinary loss under United States generally accepted accounting principles.

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15. INCOME TAXES:

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000

INCOME (LOSS) BEFORE TAX:			
Canadian operations	\$ 209	\$ 84,849	\$ 179,405
Foreign operations	(50,726)	19,641	96,485
	\$ (50,517)	\$ 104,490	\$ 275,890

CURRENT INCOME TAX EXPENSE:			
Canadian operations	\$ 9,969	\$ 25,470	\$ 51,290
Foreign operations	5,078	5,265	28,838
	\$ 15,047	\$ 30,735	\$ 80,128

DEFERRED INCOME TAX EXPENSE (RECOVERY):			
Canadian operations	\$ (10,490)	\$ 14,427	\$ 33,030
Foreign operations	(6,603)	(9,098)	(43,947)
	\$ (17,093)	\$ 5,329	\$ (10,917)

The overall income tax provision differs from the provision computed at the statutory rate as follows:

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000

Combined Canadian federal and provincial income tax rate	44.6%	44.6%	44.0%

Income taxes (recovery) based on earnings (loss) before income taxes at statutory rates	\$ (22,530)	\$ 46,602	\$ 121,392
Increase (decrease) resulting from:			
Manufacturing and processing deduction	1,694	(8,043)	(17,668)
Foreign income taxed at lower rates	(3,016)	(11,373)	(43,871)
Amortization of non-deductible costs	17,036	9,514	8,842
Other, including large corporations tax	4,770	(636)	516
Income tax expense (recovery)	\$ (2,046)	\$ 36,064	\$ 69,211

Deferred income taxes are recognized for future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases. Deferred tax assets and liabilities are comprised of the following as at December 31, 1999 and 2000:

	1999	2000
DEFERRED TAX ASSETS:		
Income tax effect of net operating losses carried forward	\$ 14,288	\$ 52,504
Accounting provisions not currently deductible	13,633	21,560
Capital, intangible and other assets	18,115	6,746
Share issue and convertible debt issue costs	15,815	23,004
Other	2,402	1,829
Total deferred tax assets	64,253	105,643
DEFERRED TAX LIABILITIES:		
Capital, intangible and other assets	(4,223)	(12,382)
Deferred pension asset	(7,925)	(8,868)
Other	(6,665)	(875)
Total deferred tax liabilities	(18,813)	(22,125)
Deferred income tax asset, net	\$ 45,440	\$ 83,518

Celestica has been granted tax incentives, including tax holidays, for its Czech Republic, China, Malaysia and Thailand subsidiaries. These tax incentives expire between 2002 and 2012, and are subject to certain conditions with which the Company expects to comply.

As at December 31, 2000, the Company had \$131,000 of non-capital (net operating) losses, the income tax benefits of which have been recognized in the financial statements. These losses will expire over a 15 year period commencing in 2006.

The Company also has net capital losses amounting to \$15,500, and has recognized the benefit of these losses in the financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, the character of the tax asset and tax planning strategies in making this assessment. In order to fully realize the deferred tax assets, the Company will need to generate future taxable income of approximately \$265,000. Based upon projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that it is more likely than not that the Company will realize the benefits of these assets.

16. RELATED PARTY TRANSACTIONS:

In 2000, the Company expensed acquisition and management related fees of \$2,087 (1999 - \$2,040; 1998 - \$2,020) and capitalized acquisition related fees of \$500 (1999 - \$Nil; 1998 - \$2,000) charged by its parent company. Management believes that the fees charged were reasonable in relation to the services provided.

17. PENSION AND NON-PENSION POST-RETIREMENT BENEFIT PLANS:

The Company provides various pension and non-pension post-retirement benefit plans for its employees. Non-pension post-retirement benefits are available to all Company retirees. The benefits include medical, surgical, hospitalization coverage, supplemental health, dental and group life insurance. Certain employees participate in defined benefit plans; all other employees participate in defined contribution plans.

The following information is provided with respect to the defined contribution

plans:

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
Period cost, plans providing pension benefits	\$ 5,685	\$ 8,617	\$ 12,815

For the defined benefit pension plans, actuarial estimates are based on projections of employees' compensation levels at the time of retirement. Maximum retirement benefits are based upon the employees' best three consecutive years' earnings. The Company has funded the plans over the past four years based on actuarial calculations to maintain the plans on a fully funded basis. The most recent actuarial valuations were completed as at January, March and April 2000. The Company accrues the expected costs of providing non-pension, post-retirement benefits during the periods in which the employees render service.

The estimated present value of accrued plan benefits and the estimated market value of the net assets available to provide for these benefits at December 31, 1999 and 2000 are as follows:

	PENSION PLANS		OTHER BENEFIT PLANS	
	1999	2000	1999	2000
Plan assets, at fair value	\$ 191,132	\$ 188,559	\$ --	\$ --
Projected benefit obligations	147,281	170,295	17,504	47,699
Excess of plan assets over projected benefit obligations	43,851	18,264	(17,504)	(47,699)
Unamortized past service costs	--	--	3,873	4,287
Unrecognized net loss (gain) from past experience and effects of changes in assumptions	(17,865)	9,778	3,499	5,373
Foreign currency exchange rate changes	(2,932)	(2,236)	125	(47)
Deferred amount	\$ 23,054	\$ 25,806	\$ (10,007)	\$ (38,086)

The Company continues to make contributions to support ongoing plan obligations; these contributions have been included in the deferred pension amount on the consolidated balance sheets.

Pension fund assets consist primarily of fixed income and equity securities, valued at market value. The following information is provided on pension fund assets:

	Pension Plans	
	1999	2000
Opening plan assets	\$ 151,300	\$ 191,132
Actual return on plan assets	30,046	1,504
Foreign currency exchange rate changes	2,518	(11,176)
Contributions by employees	1,873	2,107
Contributions by employer	7,033	7,526
Benefits paid	(1,638)	(2,534)
	\$ 191,132	\$ 188,559

Vested benefit obligations	\$ 89,251	\$ 100,641
Accumulated benefit obligations	\$ 133,414	\$ 143,150

There are no assets recorded for the other benefit plans.

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Projected benefit obligations are outlined below:

	PENSION PLANS		OTHER BENEFIT PLANS	
	1999	2000	1999	2000
Opening projected benefit obligations	\$ 125,695	\$ 147,281	\$ 15,482	\$ 17,504
Service cost	6,557	7,459	1,149	1,455
Interest cost	8,959	10,583	1,123	1,481
Benefits paid	(1,638)	(2,534)	(18)	(155)
Actuarial gains and losses	--	7,297	(937)	360
Plan amendments	--	--	--	657
Acquisitions	--	--	--	26,345
Changes in assumptions	4,446	7,484	--	538
Foreign currency exchange rate changes	3,262	(7,275)	705	(486)
	\$ 147,281	\$ 170,295	\$ 17,504	\$ 47,699

Net plan expense is outlined below:

	PENSION PLANS			OTHER BENEFIT PLANS		
	YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,		
	1998	1999	2000	1998	1999	2000
Plan cost:						
Service cost - benefits earned	\$ 5,659	\$ 6,557	\$ 7,459	\$ 841	\$ 1,149	\$ 1,455
Interest cost on projected benefit obligations	7,467	8,959	10,583	855	1,123	1,481
Actual return on plan assets	(14,194)	(30,046)	(1,504)	--	--	--
Amortization of past service costs	--	--	2,405	--	--	--
Net amortization and deferral	3,994	18,584	(14,982)	334	1,388	391
	\$ 2,926	\$ 4,054	\$ 3,961	\$ 2,030	\$ 3,660	\$ 3,327

Actuarial assumptions:

Weighted average discount rate for projected benefit obligations	6.50%	6.00% - 6.50%	6.50%	6.50% - 6.75%	6.50% - 8.00%	7.00% - 7.75%
Weighted average rate of compensation increase	4.00%	3.50% - 4.00%	4.00%	5.10%	4.50%	4.50%
Weighted average expected long-term rate of return on plan assets	7.50%	7.50%	7.25% - 7.50%	--	--	--
Health care cost trend rate	--	--	--	5.10% - 5.50%	5.10% - 7.40%	5.10% - 6.80%

A one-percentage point increase and decrease in the assumed health care cost trend rate would increase by \$540 and decrease by \$377 the service cost and increase by \$3,465 and decrease by \$2,728 the accumulated obligation for other benefit plans for the year ended December 31, 2000.

18. FINANCIAL INSTRUMENTS:

FAIR VALUES:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments.

(a) The carrying amounts of cash, short-term investments, accounts receivable, accounts payable and accrued liabilities approximate fair value due to the short-term nature of these instruments.

(b) The fair values of the Company's long-term debt, including the current portion thereof, is estimated based on the current trading value, where available, or with reference to similarly traded instruments with similar terms.

(c) The fair values of foreign currency contract obligations are estimated based on the current trading value, as quoted by brokers active in these markets.

The carrying amounts and fair values of the Company's financial instruments, where there are differences at December 31, 1999 and 2000, are as follows:

	DECEMBER 31, 1999		DECEMBER 31, 2000	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE

Senior Subordinated Notes and other long-term debt	\$ 130,000	\$ 136,013	\$ 130,000	\$ 135,200
Foreign currency contracts	--	4,250	--	7,498

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS)

OTHER DISCLOSURES:

(a) The Company has entered into foreign currency contracts to hedge foreign currency risk. These financial instruments include, to varying degrees, elements of market, credit and exchange risk in excess of amounts recognized in the balance sheets. The Company's forward exchange contracts do not subject the Company to risk from exchange rate movements because gains and losses on such contracts offset losses and gains on transactions being hedged. The Company does not require collateral or other security to support financial instruments with credit risk. As at December 31, 2000, the Company had outstanding foreign exchange contracts to sell \$425,091 in exchange for Canadian dollars over a period of 17 months at a weighted average exchange rate of U.S. \$0.67. In addition, the Company had exchange contracts to sell \$28,609 in exchange for Euros over a period of 12 months at a weighted average exchange rate of U.S. \$0.88, \$160,169 in exchange for British pounds sterling over a period of 12 months at a weighted average exchange rate of U.S. \$1.44, and \$35,133 in exchange for Mexican pesos over a period of 12 months at a weighted average exchange rate of U.S. \$0.10. At December 31, 2000, these contracts had a fair value asset of \$7,498 (1999 - \$4,250).

(b) The Company is a turnkey manufacturer of sophisticated electronics for original equipment manufacturers engaged in the electronics manufacturing industry. Financial instruments that potentially subject the Company to concentrations of credit risk are primarily inventory repurchase obligations of

customers, accounts receivable and cash equivalents. The Company performs ongoing credit evaluations of its customers' financial conditions and, generally, requires no collateral from its customers. The Company maintains cash and cash equivalents in high quality short-term investments or on deposit with major financial institutions.

19. COMMITMENTS:

The Company has operating leases and license commitments that require future payments as follows:

	OPERATING LEASES	LICENSE COMMITMENTS	TOTAL
2001	\$ 52,465	\$ 10,681	\$ 63,146
2002	45,510	562	46,072
2003	33,976	--	33,976
2004	14,083	--	14,083
2005	8,939	--	8,939
Thereafter	42,016	--	42,016

20. CONTINGENCIES:

Contingent liabilities in the form of letters of credit and guarantees, including guarantees of employee share purchase loans, amounted to \$12,018 at December 31, 2000 (1999 - \$30,784).

In the normal course of operations the Company may be subject to litigation and claims from customers, suppliers and former employees. Management believes that adequate provisions have been recorded in the accounts where required. Although it is not possible to estimate the extent of potential costs, if any, management believes that the ultimate resolution of such contingencies would not have a material adverse effect on the financial position of the Company.

21. SIGNIFICANT CUSTOMERS:

During 2000, two customers individually comprised 25% and 21% of total revenue across all geographic segments. At December 31, 2000, these customers represented 21% and 26%, respectively, of the Company's accounts receivable.

During 1999, three customers individually comprised 25%, 18% and 12% of total revenue across all geographic segments. At December 31, 1999, these customers represented 15%, 14% and 4%, respectively, of the Company's accounts receivable.

During 1998, three customers individually comprised 27%, 19% and 11% of total revenue across all geographic segments. At December 31, 1998, these customers represented 16%, 14% and 12%, respectively, of the Company's accounts receivable.

22. 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, income taxes, amortization of intangible assets, 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 (which is after income taxes); capital expenditures; total assets; intangible assets; and capital assets by operating segment. Certain comparative information has been restated to reflect changes in the management of operating segments.

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000

Revenue			
Canada	\$ 1,555,592	\$ 2,226,978	\$ 3,006,576
United States	944,324	1,360,609	3,265,786
Europe	749,284	1,108,615	2,823,268
Asia	--	710,164	1,141,925
Elimination of inter-segment revenue	--	(109,133)	(485,480)
	\$ 3,249,200	\$ 5,297,233	\$ 9,752,075

EBIAT			
Americas	\$ 75,058	\$ 114,168	\$ 202,376
Europe	24,912	42,840	121,144
Asia	--	23,336	38,429
	99,970	180,344	361,949
Interest, net	(32,249)	(10,669)	18,983
Amortization of intangible assets	(45,372)	(55,569)	(88,939)
Integration costs related to acquisitions	(8,123)	(9,616)	(16,103)
Other charges	(64,743)	--	--
Earnings (loss) before income taxes	\$ (50,517)	\$ 104,490	\$ 275,890
Adjusted net earnings	\$ 45,372	\$ 122,974	\$ 304,062

CAPITAL EXPENDITURES			
Americas	\$ 39,118	\$ 138,004	\$ 154,006
Europe	26,652	29,102	86,833
Asia	--	44,725	41,941
	\$ 65,770	\$ 211,831	\$ 282,780

	AS AT DECEMBER 31,	
	1999	2000

TOTAL ASSETS		
Americas	\$ 1,755,682	\$ 3,444,528
Europe	519,204	1,904,731
Asia	380,704	588,726
	\$ 2,655,590	\$ 5,937,985

INTANGIBLE ASSETS		
Americas	\$ 238,093	\$ 307,802
Europe	54,214	196,557
Asia	75,246	73,913
	\$ 367,553	\$ 578,272

CAPITAL ASSETS		
Americas	\$ 226,617	\$ 327,020
Europe	71,647	216,049
Asia	67,183	90,369

	\$ 365,447	\$ 633,438
--	------------	------------

23. SUBSEQUENT EVENT:

In December 2000, the Company entered into agreements with Motorola Inc. of Schaumburg, Illinois to purchase the manufacturing assets in Dublin, Ireland and Mt. Pleasant, Iowa. The purchase price is estimated to be approximately \$70,000. At the same time, the Company entered into a strategic supply agreement. This acquisition is expected to close in the first quarter of 2001.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS)

24. CANADIAN AND UNITED STATES ACCOUNTING POLICY DIFFERENCES:

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles ("GAAP") as applied in Canada. The significant differences between Canadian and United States GAAP and their effect on the consolidated financial statements of the Company are described below:

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS):

The following table reconciles net earnings (loss) as reported in the accompanying consolidated statements of earnings (loss) to net earnings (loss) that would have been reported had the consolidated financial statements been prepared in accordance with United States GAAP:

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
Net earnings (loss) in accordance with Canadian GAAP	\$ (48,471)	\$ 68,426	\$ 206,679
Compensation expense (a) (b)	(6,246)	(1,900)	(2,500)
Interest expense on convertible debt, net of tax of \$3,768 (c)	--	--	(6,811)
Net earnings (loss) in accordance with United States GAAP	\$ (54,717)	\$ 66,526	\$ 197,368
Other comprehensive income:			
Foreign currency translation adjustment	(146)	(3,554)	(60)
Comprehensive income (loss) in accordance with United States GAAP	\$ (54,863)	\$ 62,972	\$ 197,308
Basic earnings (loss) per share	\$ (0.53)	\$ 0.40	\$ 0.99
Diluted earnings per share (d)	N/A	\$ 0.38	\$ 0.96
Net earnings (loss) is comprised of the following:			
Net earnings (loss)	\$ (54,717)	\$ 66,526	\$ 197,368
Extraordinary loss on debt redemption, net of tax (note 14)	14,367	--	--
Net earnings (loss) before extraordinary loss	\$ (40,350)	\$ 66,526	\$ 197,368
Basic earnings (loss) per share before extraordinary loss	\$ (0.39)	\$ 0.40	\$ 0.99
Diluted earnings per share before extraordinary loss (d)	N/A	\$ 0.38	\$ 0.96

N/A - Diluted loss per share, calculated using the treasury stock method in accordance with U.S. GAAP, has not been disclosed as the effect of the potential conversion of dilutive securities is anti-dilutive.

The cumulative effect of these adjustments on shareholders' equity of the

Company is as follows:

	1998	DECEMBER 31, 1999	2000
Shareholders' equity in accordance with Canadian GAAP	\$ 859,266	\$1,658,141	\$3,469,269
Compensation expense (a) (b)	(6,246)	(8,146)	(10,646)
Interest expense on convertible debt, net of tax (c)	--	--	(6,811)
Convertible debt (c)	--	--	(860,547)
Convertible debt accretion, net of tax (c)	--	--	5,375
Shareholders' equity in accordance with United States GAAP	\$ 853,020	\$1,649,995	\$2,596,640

(a) In 1998, the Company amended the vesting provisions of 6,235,890 employee stock options issued in 1997 and 1998. Under the previous vesting provisions, such options vested based on the achievement of earnings targets. A portion of these options now vest over a specified time period and the balance vested on completion of the initial public offering in 1998. Under United States GAAP, this amendment required a new measurement date for purposes of accounting for compensation expense, resulting in a charge equal to the aggregate difference between the fair value of the underlying subordinate voting shares at the date of the amendment and the exercise price for such options. As a result, under United States GAAP the Company will record a \$15,600 non-cash stock compensation charge to be reflected in earnings over the vesting period as follows: 1998 - \$4,200; 1999 - \$1,900; 2000 - \$2,500; 2001 - \$3,200; 2002 - \$3,800. No similar charge is required to be recorded by the Company under Canadian GAAP.

(b) Under United States GAAP, the contingent consideration of \$2,046 associated with the final settlement of the earn-out provision related to the 1997 acquisition of Ascent Power Technology Inc. was recorded as compensation expense in 1998. Under Canadian GAAP, this contingent consideration has been recorded as goodwill.

(c) Under Canadian GAAP, the Company recorded the convertible debt as an equity instrument and recorded accretion charges to retained earnings. Under United States GAAP, the convertible debt was recorded as a long-term liability and accordingly, the Company recorded the accretion charges and amortization of debt issue costs to interest expense.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS)

(d) Under United States GAAP, diluted earnings per share is calculated using the treasury stock method. Under the treasury stock method, the denominator is adjusted for the assumed number of shares that would be repurchased by the Company using the proceeds from the exercise of stock options, net of the number of shares issued upon exercise of those options. Under Canadian GAAP, the denominator is adjusted only for the assumed number of shares issued upon exercise of the stock options and the numerator is adjusted for the imputed interest income earned on the exercise proceeds.

OTHER DISCLOSURES REQUIRED UNDER UNITED STATES GAAP:
(a) Stock based compensation:

The Company measures compensation costs related to stock options granted to employees using the intrinsic value method as prescribed by APB Opinion No. 25, "Accounting for Stock Issued to Employees" as permitted by SFAS No. 123.

However, SFAS No. 123 does require the disclosure of pro forma net earnings (loss) and earnings (loss) per share information as if the Company had accounted for its employee stock options under the fair value method prescribed by SFAS No. 123. Accordingly, the fair value of the options issued was determined using the Black-Scholes option pricing model with the following assumptions: risk-free rate of 5.4% (1999 - 5%; 1998 - 5%), dividend yield of 0%, a volatility factor of the expected market price of the Company's shares of 70% (1999 - 47%; 1998 - 50%); and a weighted-average expected option life of 7.5 years in 2000 (1999 - 5 years; 1998 - 5 years). The weighted-average grant date fair values of options issued in 2000 was \$40.49 per share (1999 - \$10.24 per share; 1998 - \$4.30 per share). For purposes of pro forma disclosures, the estimated fair value of the options is amortized to income over the vesting period. For the year ended December 31, 2000, the Company's United States GAAP pro forma net earnings (loss) is \$176,231 and basic earnings (loss) per share is \$0.88 (1999 - \$52,345 and \$0.31 per share; 1998 - \$(61,699) and \$(0.60) per share).

(b) Earnings per share supplemental disclosure:

The following table sets forth the computation of United States GAAP basic and diluted earnings (loss) per share:

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
Earnings (loss) available to shareholders - basic	\$ (54,717)	\$ 66,526	\$ 197,368
Add: Interest expense on convertible debt, net of tax	--	--	6,811
Earnings (loss) available to shareholders - diluted	\$ (54,717)	\$ 66,526	\$ 204,179
Weighted average shares - basic (in thousands)	102,992	167,195	199,786
Weighted average shares - diluted (in thousands) (i)	N/A	175,582	211,815
Basic earnings (loss) per share	\$ (0.53)	\$ 0.40	\$ 0.99
Diluted earnings (loss) per share	N/A	\$ 0.38	\$ 0.96

(i) Adjusted for the dilutive impact of outstanding stock options and convertible debt.

N/A - In 1998, the effect of stock options has been excluded from the computation of diluted earnings (loss) per share as the effect was anti-dilutive due to the loss for the year.

(c) Other recent United States accounting pronouncements:

The Financial Accounting Standards Board (FASB) has issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" and SFAS No. 138 which amends SFAS No. 133. SFAS No. 133 establishes methods of accounting for derivative financial instruments and hedging activities related to those instruments as well as other hedging activities. The standard requires that all derivatives be recorded on the balance sheet at fair value. The Company will implement SFAS No. 133 for its first quarter ended March 31, 2001. In accordance with the new standard, the Company will account for its existing foreign currency contracts as cash flow hedges. Accordingly, on January 1, 2001, the Company recorded an asset in the amount of \$7,498 and a corresponding credit to other comprehensive income as a cumulative-effect type adjustment to reflect the initial mark-to-market on the foreign currency contracts. The Company expects to release \$6,477 of the gain to earnings in the next 12 months as the related hedged items are recognized in earnings.

MARKET LISTINGS (SYMBOL: CLS)	SHARES OUTSTANDING	AS AT DECEMBER 31, 2000
New York Stock Exchange (NYSE)	Basic*	203,386,387
Toronto Stock Exchange (TSE)	Fully Diluted	230,831,812
* Composed of 164,320,437 Subordinate Voting Shares and 39,065,950 Multiple Voting Shares		

CLOSING PRICE OF SHARES

	AS AT DECEMBER 31, 2000
New York Stock Exchange	\$ 54.25 (U.S.)
Toronto Stock Exchange	\$ 81.00 (CDN)

SHARE TRADING INFORMATION

(IPO PRICE: CDN\$12.87, U.S.\$8.75)	CLOSING SHARE PRICE		END OF QUARTER	VOLUME
	HIGH	LOW		
NYSE (U.S.\$)				
2000 First Quarter	\$ 60.06	\$ 37.56	\$ 53.06	75,117,400
2000 Second Quarter	\$ 54.56	\$ 38.00	\$ 49.00	39,642,500
2000 Third Quarter	\$ 84.00	\$ 48.69	\$ 69.25	80,355,200
2000 Fourth Quarter	\$ 84.50	\$ 46.50	\$ 54.25	119,371,000
TSE (Cdn\$)				
2000 First Quarter	\$ 87.40	\$ 54.00	\$ 76.35	61,429,900
2000 Second Quarter	\$ 79.90	\$ 57.85	\$ 72.10	41,617,200
2000 Third Quarter	\$ 123.65	\$ 72.60	\$ 103.65	43,279,500
2000 Fourth Quarter	\$ 128.00	\$ 70.80	\$ 81.00	55,976,600

VOLUME OF SHARES TRADED

(TRADING PERIOD: YEAR ENDED DECEMBER 31, 2000)	
New York Stock Exchange	314,486,100
Toronto Stock Exchange	202,303,300

Relative CSL Share Price Performance Versus TSE and S&P Indexes

[GRAPHIC]

JUNE 30, 1998 (IPO)
DECEMBER 31, 2000

RESEARCH COVERAGE

A.G. Edwards
Banc of America Securities
Bear Stearns
BMO Nesbitt Burns
CIBC World Markets
Credit Suisse First Boston
Deutsche Banc Alex. Brown
Edward Jones
FleetBoston Robertson Stephens
Goldman Sachs
Griffiths McBurney
HSBC
ING Barings
JP Morgan Chase
Lehman Brothers
Merrill Lynch
Midwest Research
Morgan Stanley Dean Witter
National Bank Financial Services
Needham and Company
Paradigm Capital
Prudential Securities
RBC Dominion Securities
Salomon Smith Barney
Scotia Capital Markets
Sprott Securities
TD Securities
UBS Warburg
Yorkton Securities

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DIRECTORS

EUGENE V. POLISTUK is the founder, Chairman of the Board of Directors and Chief Executive Officer of Celestica. He has been the Chief Executive Officer of Celestica since its establishment in 1994, and was the company's President until February 2001. Since 1986, Mr. Polistuk has been instrumental in charting Celestica's transformation and executing the company's successful evolution from its early history as an operating unit with IBM, to a standalone company, to a US\$9.8 billion public company and leader in the electronics manufacturing services industry. Previously, Mr. Polistuk spent 25 years with IBM Canada where, over the course of his career, he managed all key functional areas of the business. Mr. Polistuk holds a Bachelor of Applied Science degree in Electrical Engineering from the University of Toronto. In 1994, he was presented with the '25 Meritorious Service Medal' in recognition for his meritorious service in and for the profession, by his peers in the University of Toronto Engineering Alumni Association. He has been recognized in the industry with awards such as Electronic Business' Outstanding CEO award and recognized as one of the 'Hot 25' by Electronic Buyers' News.

DIRECTORS

ANTHONY P. PUPPI has been the Chief Financial Officer of Celestica since its establishment and a director of Celestica since October 1996. He was appointed Executive Vice-President in October 1999 and General Manager, Global Services in January 2001. Mr. Puppi is responsible for Celestica's financial activities and Global Services. From 1980 to 1992, he held positions of increasing financial management responsibility with IBM Canada. Mr. Puppi holds a Bachelor of Business Administration degree in Finance and a Master of Business Administration degree from York University in Ontario.

ROBERT L. CRANDALL is the retired Chairman of the Board and Chief Executive Officer of AMR Corporation/American Airlines Inc. Mr. Crandall has been a director of Celestica since July 1998. He is also a director of American Express Company, Anixter International Inc., Clear Channel Communications Inc., and Halliburton Company. Mr. Crandall holds a Bachelor of Science degree from the University of Rhode Island and a Master of Business Administration degree from

The Wharton School of the University of Pennsylvania.

MARK L. HILSON is a Vice-President of Onex and has acted as a director of Celestica since 1996. Mr. Hilson joined Onex in 1988 and was appointed Vice-President in 1993. Prior to 1988, he was an associate in the Mergers & Acquisitions Group at Merrill Lynch. Mr. Hilson is also a director of Lantic Sugar Limited and Rogers Sugar Ltd. (sugar processing), MAGNATRAX Corporation (metal fabrication), Unitive Inc. (advanced semi conductor packaging), Vincor International Inc. (vintner) and a governor of Wilfrid Laurier University and the Shaw Festival. Mr. Hilson holds an Honours Bachelor of Business Administration (gold medallist) from Wilfrid Laurier University and a Master of Business Administration (George F. Baker Scholar) from the Harvard University Graduate School of Business Administration.

RICHARD S. LOVE is a former Vice-President of Hewlett-Packard and a former general manager of the Computer Order Fulfillment and Manufacturing Group for Hewlett-Packard's Computer Systems Organization. Mr. Love has been a director of Celestica since July 1998. From 1962 until 1997, he held positions of increasing responsibility with Hewlett-Packard, becoming Vice-President in 1992. He is a former director of HMT Technology Corporation (electronics manufacturing) and a former director of The Vendo Company (electronics) and the Information Technology Industry Council. Mr. Love holds a Bachelor of Science degree in Business Administration and Technology from Oregon State University and a Master of Business Administration degree from Fairleigh Dickinson University.

ROGER L. MARTIN is Dean of the University of Toronto's Joseph L. Rotman School of Management and has been a director of Celestica since July 1998. Mr. Martin is a director of Monitor Company, a Cambridge, Massachusetts-based consulting firm, and Thomson Corporation, one of the world's leading information companies, and a trustee of the Hospital for Sick Children. Mr. Martin holds an AB degree (cum laude) from Harvard College and a Master of Business Administration degree from the Harvard University Graduate School of Business Administration.

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ANTHONY R. MELMAN is a Vice-President of Onex and has been a director of Celestica since 1996. Mr. Melman joined Onex as a shareholder and Vice-President in 1984. From 1977 to 1984, he was Senior Vice-President of Canadian Imperial Bank of Commerce responsible for worldwide merchant banking, project financing, acquisitions and other specialized financing activities. Prior to emigrating to Canada in 1977, Mr. Melman had extensive merchant banking experience in South Africa and the United Kingdom. He is a director of a number of Onex-controlled companies. Mr. Melman is also a director of Baycrest Centre for Geriatric Care, as well as a member of their Finance Committee and Nominating Committee; director of University of Toronto Asset Management Corporation; and a member of the Board of Governors of Mount Sinai Hospital. Mr. Melman holds a Bachelor of Science in Chemical Engineering from the University of The Witwatersrand, a Master of Business Administration (gold medallist) from Cape Town University and a Ph.D. in Finance from the University of The Witwatersrand.

GERALD W. SCHWARTZ is the Chairman of the Board, President and Chief Executive Officer of Onex and has been a director of Celestica since July 1998. Prior to founding Onex in 1983, Mr. Schwartz was a co-founder (in 1977) of CanWest Capital Corp., now CanWest Global Communications Corp. He is a director of Onex, The Bank of Nova Scotia, SC International Services, Inc. (airline catering) and Phoenix Pictures Inc. (entertainment). Mr. Schwartz holds a Bachelor of Commerce degree and a Bachelor of Laws degree from the University of Manitoba, a Master of Business Administration degree from the Harvard University Graduate School of Business Administration and a Doctor of Laws (Hon.) from St. Francis Xavier University.

DON TAPSCOTT is Chairman of Itemus Inc., a leading architect of next generation Internet strategies, solutions and software for Global 2000 organizations. He is also Chairman of Digital 4Sight Corp., Itemus' strategy consulting and research firm. Mr. Tapscott has been a director of Celestica since September 1998. He has authored numerous books on the application of technology in business. He is a Forum Fellow of the World Economic Forum and advises corporate executives around the world on business strategy. Mr. Tapscott holds a Bachelor of Science degree in Psychology and Statistics and a Master of Education degree specializing in Research Methodology.

JOHN R. WALTER is the Chairman of the Board of Manpower, Inc., is the retired

President and Chief Operating Officer of AT&T Corp. and has been a director of Celestica since July 1998. Mr. Walter joined AT&T Corp. in 1996. From 1969 to 1996, he held positions of increasing responsibility with R.R. Donnelley & Sons Company, becoming President in 1987 and Chief Executive Officer and Chairman of the Board in 1989. He is a director of Abbott Laboratories (pharmaceuticals), Deere & Company (equipment and financial services), and Jones, Lang, LaSalle (real estate services) and is a trustee of the Chicago Symphony Orchestra and of Northwestern University. Mr. Walter holds a Bachelor of Science degree in business administration from Miami University of Ohio.

OFFICERS OF THE COMPANY

EUGENE V. POLISTUK

Chairman and Chief Executive Officer

J. MARVIN MAGEE

President and Chief Operating Officer

ANTHONY P. PUPPI

Executive Vice-President, Chief Financial Officer and General Manager, Global Services

R. THOMAS TROPEA

Vice Chair, Global Customer Units
and Worldwide Marketing and Business Development

ALASTAIR KELLY

Executive Vice-President,
Corporate Development

ARTHUR P. CIMENTO

Senior Vice-President, Corporate Strategies

LISA J. COLNETT

Senior Vice-President, Worldwide Process Management
and Chief Information Officer

ANDREW G. GORT

Executive Vice-President, Global Supply Chain Management

IAIN S. KENNEDY

Senior Vice-President, Integration

DONALD S. MCCREESH

Senior Vice-President, Human Resources

DANIEL P. SHEA

Senior Vice-President and Chief Technology Officer

RAHUL SURI

Senior Vice-President,
Mergers and Acquisitions

PETER J. BAR

Vice-President and Corporate Controller

ELIZABETH L. DELBIANCO

Vice-President,
General Counsel and Secretary

F. GRAHAM THOURET

Vice-President and Corporate Treasurer

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VALUES

AT CELESTICA, WE ARE PROUD OF OUR HISTORY IN THE TECHNOLOGY INDUSTRY. WE COMPETE TO WIN IN THE GLOBAL MARKETPLACE WITH PRODUCTS AND SERVICES THAT DELIGHT OUR CUSTOMERS. WE ARE COMMITTED TO PROVIDING SUPERIOR VALUE TO OUR STAKEHOLDERS. OUR

KEY COMPETITIVE ADVANTAGE IS OUR PEOPLE - TECHNOLOGY ALONE WILL NOT GUARANTEE OUR FUTURE. CREATIVITY, COMMITMENT AND OUR PASSION FOR RESPONSIVENESS ALLOW US TO THRIVE IN A CHANGING BUSINESS ENVIRONMENT. TO ENSURE CONTINUED FINANCIAL SUCCESS, PRIDE IN OUR WORKPLACE AND HIGH MORALE, WE ARE COMMITTED TO ACHIEVING CELESTICA'S GOALS THROUGH ADHERENCE TO THESE STATED VALUES AND PRINCIPLES:

PEOPLE

We are responsible and trustworthy. We have a sense of ownership and perform best when:

- Respect for the individual is demonstrated and we treat each other with dignity and fairness.
- Diversity and equity are embraced in all our policies and practices.
- Status differentials are based only on business requirements.
- Conflict is resolved in a direct and timely manner.
- Work is stimulating and challenging.
- There is a balance between work and personal life.
- The leadership team sets an example by demonstrating commitment to these values and principles.

PARTNERSHIPS

Mutually beneficial relationships with customers, suppliers, educational institutions and the community are essential.

- The highest standards of ethical behaviour are followed in all of our dealings.
- We understand and anticipate our partners' needs and capabilities, and help them plan for future requirements.
- Suppliers and other partners are recognized as an extension of our team.
- We support and encourage community involvement.

CUSTOMERS

Celestica's success is driven by our customers' success.

- It is easy to do business with us.
- We respond to our customers' needs with speed, agility and a 'can do' attitude.
- We are competitive with our commitments and we meet them.

QUALITY

Quality is defined by the customer.

- Requirements are clearly defined, communicated and understood.
- We strive for error-free work and defect prevention.
- Variances are detected and permanently corrected at the source, ensuring that defects do not escape to the customer.
- Continuous improvement is designed into every aspect of our business.
- Quality is everyone's responsibility.
- We do not compromise quality.

TEAMWORK AND EMPOWERMENT

We work together to achieve Celestica's goals.

- We support Celestica's goals over a team's or individual's business goals.
- Teams have the necessary skills, resources, information and authority to self-manage both social and technical issues.
- Roles and responsibilities are clearly defined and understood.
- Adaptability, flexibility and initiative are expected from all.
- We willingly undertake any task required for the effective operation of our business.
- Leadership roles and activities are shared.
- Decisions are made:
 - at the source;
 - based on input from those affected;
 - considering both business and individual needs.
- We are accountable for our actions and responsibilities.
- We challenge boundaries and practices to initiate improvement.
- We encourage activities that build teamwork and high morale.

TECHNOLOGY AND PROCESSES

Our success is based on innovation and technology leadership.

- We make optimal use of resources and adhere to defined processes.
- We strive for simplicity and ease-of-use in the design of processes.

- Processes and systems are understood and developed with input from those responsible for execution.
- We use tools, technology and processes best suited to sustain our competitive advantage.

COMMUNICATION

We take time to listen and ensure understanding.

- Information is shared to maximize understanding, commitment and ownership.
- Communication is clear, timely, honest, accurate and takes place directly between concerned parties.
- We constructively offer and accept feedback.

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HIGH-CALIBRE WORKFORCE

We maintain a high-calibre workforce.

- We attract and retain people with the best qualifications, skills, aptitudes and attitudes that match our long-term requirements and work culture.
- We are trained and qualified to be proficient in our jobs.
- The development of appropriate technical, interpersonal and team skills is a shared responsibility between Celestica and each employee.
- We are responsible for effective knowledge transfer, skills development and succession planning.
- Developmental and job opportunities are known and accessible to all employees.
- We are committed to continuous learning.
- We have a flexible workforce in which employment arrangements may differ. We are committed to making employment a rewarding experience for both Celestica and the individual.

COMPENSATION AND RECOGNITION

Our compensation programs are competitive and influenced by overall company success.

- We know what is expected of us and how our contribution is measured.
- Ongoing poor performance is not tolerated.
- We encourage innovation and risk-taking, and treat errors as opportunities to learn and grow.
- Skills, knowledge and contributions to the achievement of goals are key elements that influence compensation, recognition and opportunity.
- Individual, team and company achievements are recognized in a fair and consistent manner.
- We celebrate our successes.

ENVIRONMENT

We take pride in our workplace and are a responsible corporate citizen.

- Each of us is obligated to maintain a safe, clean, healthy and secure work environment.
- Our workplace is a showcase of our capabilities.
- We promote a healthy lifestyle.
- We protect the environment.

ENVIRONMENTAL POLICY

CELESTICA HAS ADOPTED THE FOLLOWING ENVIRONMENTAL POLICY - TO PROTECT THE ENVIRONMENT AND TO CONDUCT ITS OPERATIONS IN THE ELECTRONICS MANUFACTURING INDUSTRY USING SOUND MANAGEMENT PRACTICES. THIS POLICY IS THE FOUNDATION FOR OUR ENVIRONMENTAL OBJECTIVES LISTED BELOW AND IS AVAILABLE TO ANYONE UPON REQUEST.

- Be an environmentally responsible neighbour in the communities where we operate. We will act responsibly to correct conditions that impact health, safety or the environment.
- Commit to a 'prevention of pollution' program and achieve continual improvement in our environmental objectives.

- Environmental objectives and targets will be set each year based on the previous year's results and trends.
- Practice conservation in all areas of our business.
- Develop safe, energy efficient and environmentally conscious products and manufacturing processes.
- Assist in the development of technological solutions to environmental problems.
- Comply with or exceed all applicable and anticipated environmental Legislation and Regulations. Where none exist, we will set and adhere to stringent standards of our own.
- Conduct rigorous self-assessments and audits to ensure our compliance with this policy on an ongoing basis.

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CORPORATE INFORMATION

ANNUAL MEETING

The 2001 annual meeting of Celestica shareholders will be held at 10:00 a.m. Eastern Standard Time on April 18, 2001 at:

Imperial Room
Fairmont Royal York Hotel
100 Front Street
Toronto, Ontario
Canada M5J 1E3

HEAD OFFICE
CELESTICA INC.
12 Concorde Place, 7th Floor
Toronto, Ontario
Canada M3C 3R8

WEB SITE
<http://www.celestica.com>

AUDITORS
KPMG LLP
Suite 500
Yonge Corporate Centre
4120 Yonge Street
Toronto, Ontario
Canada M2P 2B8

TRANSFER AGENTS AND REGISTRAR
SUBORDINATE VOTING SHARES

CANADA:
Computershare Trust Company
of Canada
151 Front Street West, 8th Floor
Toronto, Ontario
Canada M5J 2N1

U.S.:
Computershare Trust Company Inc.
12039 West Alameda Pkwy
Lakewood Colorado
80228
USA
Tel: 303-986-5400
Fax: 303-986-2444

INVESTOR RELATIONS

CELESTICA INVESTOR RELATIONS
12 Concorde Place, 7th Floor
Toronto, Ontario
Canada M3C 3R8

Telephone: 416-448-2211
Facsimile: 416-448-2280
E-mail: clsir@celestica.com

CELESTICA GLOBAL LOCATIONS

CORPORATE HEAD OFFICE
CELESTICA INC.
12 Concorde Place
7th Floor
Toronto, Ontario
Canada M3C 3R8

OPERATIONS

THE AMERICAS
CANADA
844 Don Mills Road
Toronto, Ontario
Canada M3C 1V7

66 Leek Crescent
Richmond Hill, Ontario
Canada L4B 1H1

115 Mary Street
Aurora, Ontario
Canada L4G 1G3

U.S.A.
25902 Town Center Drive
Foothill Ranch, California
U.S.A. 92610

5325 Hellyer Avenue
San Jose, California
U.S.A. 95138

2222 Qume Drive
San Jose, California
U.S.A. 95131

4701 Technology Parkway
Fort Collins, Colorado
U.S.A. 80528

20 Alpha Road
Chelmsford, Massachusetts
U.S.A. 01824

1001 Pawtucket Boulevard
Lowell, Massachusetts
U.S.A. 01854

3605 Highway 52 N
Rochester, Minnesota
U.S.A. 55901

72 Pease Boulevard
Newington, New Hampshire
U.S.A. 03801

3600 Tarheel Drive
Raleigh, North Carolina

U.S.A. 27609

4607 SE Technology Parkway
Milwaukie, Oregon
U.S.A. 9722

Mid-South Logistics Center
455 Industrial Boulevard, Suite E
La Vergne, Tennessee
U.S.A. 37086

1432 Wainwright Way
Suite 116
Carrollton, Texas
U.S.A. 75007

3801 Realty Road
Dallas, Texas
U.S.A. 75244

925 First Avenue
P.O. Box 5000
Chippewa Falls, Wisconsin
U.S.A. 54729

15301 North IH 35
Pflugerville, Texas
U.S.A. 78660

MEXICO
Blvd. Parque Industrial
Monterrey 208
Apodaca, N.L.
Mexico C.P. 66600

BRAZIL
Rodovia SP-101 KM09
Hortolandia
Sao Paulo, Brazil
CEP 13185-900

Rodovia Presidente Dutra
Km 214
Guarulhos
State of Sao Paulo
Brazil
07210-902

EUROPE
UNITED KINGDOM
Manchester Road
Ashton-under-Lyne
Lancashire
U.K. OL7 0ES

Chemical Lane
Bradwell Wood, Longbridge, Hayes
Longport, Stoke-on-Trent
Staffordshire
U.K. ST6 6PB

Middlewich Road, Byley
Nr. Middlewich, Cheshire
U.K. CW10 9NT

Westfields House
West Avenue
Kidsgrove, Stoke-on-Trent
Staffordshire
U.K. ST7 1TL

Castle Farm
Priorslee
Telford
Shropshire

U.K. TF2 9SA

IRELAND
Holybanks
Swords
Co. Dublin, Ireland

ITALY
Via Ardeatina 2491
00040 Santa Palomba, (Roma)
Italia

Via Lecco 61
20059 Vimercate (Milano)
Italia

CZECH REPUBLIC
Ulice Osvobezni 363
Rajecko, Czech Republic
CZ 67902

ASIA
CHINA
4/F, Goldlion Holdings Centre,
13-15 Yuen Shun Circuit
Siu Lek Yuen, Shatin
Hong Kong

Mai Yuen Guan Li Qu, Changping
Dongguan, Guangdong, P.R.C.
511737

4th Floor, Blk B, No. 5, Xinghan Street
Suzhou Industrial Park, Suzhou City
Jiangsu Province, P.R.C.
215051

JAPAN
Teito Misakicho, Bldg 6F
7-10, Misakicho 2-chome
Chiyoda-ku,
Tokyo 101-006

MALAYSIA
Plot 15, Jalan Hi-Tech
2/3 Phase 1
Kulim, Hi-Tech Park
0900 Kulim, Kedah
Malaysia

SINGAPORE
2 Ang Mo Kio Street 64
Level 2
Ang Mo Kio Industrial Park 3
Singapore - Singapore 569084

THAILAND
49/12 Laem Chabang
Industrial Estate Moo. 5
Thungsukla, Siracha, Chon Buri
Thailand 20230

[LOGO]