Exhibit 99.1

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

The following discussion of the financial condition and results of operations should be read in conjunction with the 2010 annual consolidated financial statements, which we prepared in accordance with generally accepted accounting principles (GAAP), and the March 31, 2011 interim consolidated financial statements, which we prepared in accordance with International Financial Reporting Standards (IFRS). All dollar amounts are expressed in U.S. dollars. The information in this discussion is provided as of April 15, 2011, unless we indicate otherwise.

Certain statements contained in the following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) constitute forward-looking statements within the meaning of section 27A of the U.S. Securities Act, section 21E of the U.S. Exchange Act, and applicable Canadian securities legislation, including, without limitation: statements related to our future growth; trends in our industry; our financial or operational results, including our quarterly earnings and revenue guidance, the impact of new program wins on our financial results; anticipated expenses or capital expenditures, benefits or payments; our financial or operational performance; our expected tax outcomes; our financial targets; the expected impact of business disruptions in Japan; the effects of our conversion from GAAP to IFRS; and our ability to close the transaction with Brooks Automation, Inc. (Brooks), the time of closing of the transaction; the purchase price and our funding thereof, employment matters relating to the Brooks transaction, the impact of the acquisition and our strategy in certain end markets. Such forward-looking statements are predictive in nature, and may be based on current expectations, forecasts or assumptions involving risks and uncertainties that could cause actual outcomes and results to differ materially from the forward-looking statements themselves. Such forward-looking statements may, without limitation, be preceded by, followed by, or include words such as "believes," "expects," "anticipates," "estimates," "intends," "plans," or similar expressions, or may employ such future or conditional verbs as "may," "will," "should" or "would" or may otherwise be indicated as forward-looking statements by grammatical construction, phrasing or context. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995, and in any applicable Canadian securities legislation. Forward-looking statements are not guarantees of future performance. You should understand that the following important factors could affect our future results and could cause those results to differ materially from those expressed in such forward-looking statements: the effects of price competition and other business and competitive factors generally affecting the electronics manufacturing services (EMS) industry, including changes in the trend for outsourcing; our dependence on a limited number of customers and end markets; variability of operating results among periods; the challenges of effectively managing our operations, including responding to significant changes in demand from our customers; the challenges of managing inflation, including rising energy and labor costs; our inability to retain or expand our business due to execution problems relating to the ramping of new programs, completing our restructuring activities or integrating our acquisitions; the delays in the delivery and/or general availability of various components and materials used in our manufacturing process; disruptions to our operations, or those of our customers, component suppliers, or our logistics partners resulting from recent natural disasters in Japan; our dependence on industries affected by rapid technological change; our ability to successfully manage our international operations; increasing income taxes and our ability to successfully defend tax audits or meet the conditions of tax incentives; the challenge of managing our financial exposures to foreign currency volatility; the risk of potential non-performance by counterparties, including but not limited to financial institutions, customers and suppliers; the closing conditions to the Brooks transaction not being satisfied in a timely manner or at all; the purchase price of the Brooks transaction varying from the expected amount; and our use of alternative sources of funds. Our forward-looking statements are also based on various assumptions which management believes are reasonable under the current circumstances, but may prove to be inaccurate, and many of which involve factors that are beyond our control. The material assumptions may include the following: forecasts from our customers, which range from 30 days to 90 days and can fluctuate significantly in terms of volume or mix of products or services; the timing, execution of, and investments associated with ramping new business; the success in the marketplace of our customers' products; general economic and market conditions; currency exchange rates; pricing and competition; anticipated customer demand; supplier performance and pricing; commodity, labor, energy and transportation costs; operational and financial matters; and technological developments. Our forward-looking statements also include our best estimates of the potential impact to our financial results from possible business disruptions at our operations or at the operations of our suppliers as a result of the recent earthquake and tsunami in Japan. However, any deterioration or unforeseen changes to the situation in Japan impacting our facility or that of our suppliers, could further affect the assumptions we have used, and could negatively impact future financial results. These assumptions and estimates are based on management's current views with respect to current plans and events, and are and will be subject to the risks and uncertainties discussed above. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. These and other risks and uncertainties, as well as other information related to the company, are discussed in our various public filings at www.sedar.com and www.sec.gov, including our Annual Report on Form 20-F

and subsequent reports on Form 6-K filed with the SEC and our Annual Information Form filed with Canadian securities regulators.

Except as required by applicable law, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should read this document with the understanding that our actual future results may be materially different from what we expect. We may not update these forward-looking statements, even if our situation changes in the future. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

Overview

What Celestica does:

We deliver innovative supply chain solutions to original equipment manufacturers (OEMs) in the consumer, enterprise computing, communications, industrial, aerospace and defense, healthcare and green technology markets. We believe our services and solutions help our customers reduce their time-to-market and eliminate waste from their supply chains, resulting in lower product lifecycle costs, better financial returns and improved competitive advantage in their respective business environments.

Our global operating network spans the Americas, Asia and Europe. In an effort to drive speed and flexibility for our customers, we conduct the majority of our business through centers of excellence, strategically located around the world. We strive to align a network of suppliers in proximity to these centers in order to increase flexibility in our supply chain, deliver shorter overall product lead times and reduce inventory. We operate other facilities around the globe with specialized supply chain management and high-mix/low-volume manufacturing capabilities to meet the specific production and product lifecycle requirements of our customers.

Through our centers of excellence and the deployment of our Total Cost of Ownership™ (TCOO) Strategy with our suppliers, we strive to provide our customers with the lowest total cost throughout the product lifecycle. This approach enables us to focus our capabilities on solutions that address the total cost of design, sourcing, production, delivery and after-market services for our customers' products, which drives greater levels of efficiency and improved service levels throughout our customers' supply chains.

Our targeted end markets include consumer, communications (comprised of enterprise communications and telecommunications), enterprise computing (comprised of servers and storage), and industrial, aerospace and defense, healthcare and green technology. We offer a full range of services to our customers including design, manufacturing, engineering, order fulfillment, logistics and after-market services. We are focused on expanding these service offerings across our major markets with existing and new customers. In particular, we intend to invest in assets and resources to expand our design, engineering and after-market service capabilities and to grow our business in the commercial aerospace and defense, healthcare, industrial and green technology end markets, while continuing to pursue higher-value opportunities with existing customers. We continue to seek acquisition opportunities in these areas to expand our revenue base and add capabilities specific to these markets. In 2010, we acquired Invec Solutions Limited (Invec) to enhance our after-market services offering and Allied Panels Entwicklungs-und Produktions GmbH (Allied Panels) to enhance our healthcare offering.

Although we supply products and services to over 100 customers, we depend upon a relatively small number of customers for a significant portion of our revenue. In the aggregate, our top 10 customers represented 74% of revenue for the first quarter of 2011 (72% — year ended December 31, 2010).

The products and services we provide serve a wide variety of end products, including smartphones; servers; networking, wireless and telecommunications equipment; storage devices; aerospace and defense electronics, such as in-flight entertainment and guidance systems; healthcare products; audiovisual equipment, including set-top boxes; printer supplies; peripherals; and a range of industrial and green technology electronic equipment, including solar panels and inverters.

We believe we are well positioned in the EMS industry, based on our financial strength, our services and capabilities, our operational performance and track record as one of the major global EMS companies. Our priorities include (i) growing revenue through both organic program wins and acquisitions; (ii) improving financial results, including operating margin and cash flow performance; (iii) developing and enhancing profitable relationships with leading customers across our strategic target markets, with a particular emphasis on growing our industrial, aerospace and defense, healthcare and green technology end markets; (iv) broadening the range of services we offer to our customers; and (v) growing our capabilities in

services and technologies that can expand our revenue base beyond our traditional areas of EMS expertise. We believe that success in these areas will result in improved financial performance and enhanced shareholder value.

We established three-year financial targets at the beginning of 2010. These targets include achieving a compound annual revenue growth rate of 6% to 8%, and generating the following performance on various non-IFRS measures: annual operating margin of 3.5% to 4.0%, annual return on invested capital (ROIC) of greater than 20%, and annual free cash flow of between $100 million and $200 million. The achievement of these targets is primarily dependent upon the strength of the economy, the success of our customers' products in the marketplace, our revenue mix and magnitude of customer program bookings by end markets and the margin profile for the services we provide. While we drive towards achieving these targets, we expect that the size and mix of program wins in the consumer and server end markets from 2010 will likely result in revenue growth of 10% to 15% for 2011, with near term operating margin of 3.0% to 3.5% for the first half of 2011 and annual free cash flow at the low end of the target range as we fund working capital and capital investments to support the higher revenue growth. We expect to maintain a ROIC of greater than 20% in the near term. Our transition from GAAP to IFRS did not significantly impact these measures.

Our financial targets for operating margin, ROIC and free cash flow are non-IFRS measures without standardized meanings and are not necessarily comparable to similar measures presented by other companies. Our management uses non-IFRS measures to (i) assess operating performance and the effective use and allocation of resources, (ii) provide more meaningful period-to-period comparisons of operating results, (iii) enhance investors' understanding of the core operating results of our business and (iv) set management incentive targets. See non-IFRS measures below.

Overview of business environment:

The EMS industry is highly competitive with multiple global EMS providers competing for the same customers and programs. Although the industry is characterized by a large revenue base and new business opportunities, the revenue is volatile on a quarterly basis, the competitive environment is very intense and aggressive pricing is a common business dynamic. Capacity utilization, customer mix and the types of products and services we provide are important factors affecting operating margins. The amount and location of qualified people, manufacturing capacity, and the mix of business through that capacity are vital considerations for EMS providers. The EMS industry is also working capital intensive. As a result, we believe that ROIC, which is primarily affected by operating margin and investments in working capital and equipment, is an important metric for measuring an EMS provider's financial performance.

EMS companies are exposed to a variety of customers and end markets. Demand visibility is limited, making revenue in each of our end markets difficult to predict. This is due primarily to the shorter product lifecycles inherent in technology markets, short production lead times expected by our customers, rapid shifts in technology for our customers' products and general volatility in economic conditions. This is particularly evident in high-volume markets such as the consumer end market, where product lifecycles tend to be the shortest. While recent demand trends have been stable, the global economy remains uncertain and may negatively impact the operations of most EMS providers, including Celestica.

During the past several years, the EMS industry has experienced component shortages, which can delay production as well as all revenue relating to products using those components, and has resulted and may result in us carrying higher levels of inventory and extending lead times. We procure substantially all of our component and materials pursuant to individual purchase orders issued by our customers which are generally short-term in nature. To date, we have not been materially impacted by these shortages. Other external factors that could impact our business include natural disasters, such as the recent earthquake and tsunami in Japan, or political instability in any of the countries in which we operate. These types of external events could disrupt operations at one or more of our facilities or those of our customers, component suppliers or our logistics partners. These events could lead to higher costs, supply shortages or may disrupt the delivery of components to us or the ability to provide finished products or services to our customers, any of which could adversely affect our operating results.

Our business is also affected by customers who will sometimes shift production between EMS providers for a number of reasons, including pricing concessions or their preference for consolidating their supply chain. Customers may also choose to accelerate the amount of business they outsource, insource previously outsourced business or change the concentration of their EMS suppliers to better balance production risk. As we respond to our customers' actions, these factors have impacted, and may continue to impact, among other items, our ability to grow revenue, our operating profitability, our level of capital expenditures and our cash flows.

Transition to IFRS:

In February 2008, the Canadian Accounting Standards Board announced the adoption of IFRS for publicly accountable enterprises in Canada effective January 1, 2011. The accompanying unaudited interim consolidated financial statements for the three months ended March 31, 2011 were our first financial statements prepared under IFRS. The significant accounting policies that we adopted under IFRS are included in note 2 to the unaudited interim consolidated financial statements and the reconciliations and descriptions of the effect of transitioning from GAAP to IFRS are included in note 3. In accordance with the transition rules, we have retroactively applied IFRS to our comparative data.

We have restated our 2010 comparative data throughout this document to reflect the adoption of IFRS, with effect from January 1, 2010 (Transition Date). For the first quarter of 2010, our net earnings were $28.5 million under IFRS, $2.6 million higher than under GAAP (full year 2010 — net earnings were $101.2 million, $20.4 million higher than under GAAP). The most significant GAAP to IFRS adjustment to our consolidated statement of operations throughout 2010 related to the timing of recording restructuring charges. Under IFRS, we deferred the recognition of $10.7 million of restructuring charges at December 31, 2010 until we announce the actions, which we plan to do in 2011. The most significant adjustment to the consolidated balance sheet related to the accounting for actuarial losses arising from pension and post-retirement benefit plans. IFRS allows us to recognize on our consolidated balance sheet, as at the Transition Date, our cumulative actuarial losses previously unrecognized under GAAP through equity. In management's view, this transition adjustment better reflects the economic position of our pension and post-retirement benefit plans than under GAAP. Under IFRS as compared to GAAP, our deferred pension assets as at January 1, 2010 have decreased by approximately $90 million and our pension liabilities have increased by approximately $40 million, with a corresponding adjustment against equity of approximately $130 million.

Summary of Q1 2011

The following table shows certain key operating results and financial information for the periods indicated (in millions, except per share amounts):

	Three months ended March 31	
	2010	2011
Revenue	$ 1,518.1	$ 1,800.1
Gross profit	105.2	116.9
Selling, general and administrative expenses (SG&A)	59.5	70.3
Net earnings	28.5	30.0
Basic earnings per share	$ 0.12	$ 0.14
Diluted earnings per share	$ 0.12	$ 0.14

	December 31 2010	March 31 2011
Cash and cash equivalents	$ 632.8	$ 584.0
Total assets	3,013.9	2,997.3

Revenue of $1.8 billion for the first quarter of 2011 increased 19% from $1.5 billion for the same period in 2010. Revenue from our server end market increased 46%, enterprise communications increased 34%, industrial, aerospace and defense, healthcare and green technology increased 27%, consumer increased 10% and storage increased 3%. These revenue increases reflect new program wins and increased demand resulting from an improving economic environment. Consumer continues to be our largest end market, representing 26% of revenue for the first quarter of 2011 (28% — first quarter of 2010). Year-over-year revenue for the first quarter from our telecommunications end market decreased 5%.

Our production and service volumes and revenue vary each period because of the impacts associated with changes in demand for the products or services we provide, program wins or losses with new, existing or disengaging customers, the timing and rate at which new programs are ramped, and the impact of seasonality for various end markets, among other factors.

The major earthquake and tsunami in Japan in March 2011, including the aftermath of those events, affected our operations in Japan, which includes a sales office, a repair service center and a manufacturing facility. The manufacturing facility in Miyagi, Japan, which generated less than 5% of our total annual revenue in 2010, was damaged and operations were interrupted for approximately two weeks in March of 2011. We continue to assess the damages incurred at our Japanese

facility, and believe that our insurance is sufficient to cover those damages. While some production had resumed by the end of the first quarter, subsequent aftershocks and related events (such as power, water and transportation disruptions) have impacted, and may

continue to impact, our Japanese operations and our financial results. The earthquake and tsunami's effect on various suppliers in the region may impact component availability in the future, which could in turn affect our production output and our financial results.

Gross profit for the first quarter of 2011 increased 11% from the first quarter of 2010 while revenue increased 19% from the same period in 2010. Gross margin as a percentage of revenue decreased from 6.9% in the first quarter of 2010 to 6.5% in the first quarter of 2011 primarily due to changes in product mix as some of our new programs contributed lower gross profit than did past programs.

SG&A for the first quarter of 2011 increased $10.8 million, or 18%, from the same period in 2010, to support the increased revenue for 2011 and included a $7.8 million increase in stock-based compensation expense. The increase in stock-based compensation expense for the quarter reflects a higher payout on performance awards and a $4.8 million adjustment due to amendments to our long-term incentive plans which accelerated the timing of recognizing the related compensation expense.

Our gross profit and SG&A are impacted by the level of variable compensation expense we record in each period. Variable compensation includes our team incentive plans available to eligible manufacturing and office employees, sales incentive plans and equity-based incentives, such as stock options and share unit awards. See stock-based compensation on pages 9—10. The amount of variable compensation expense will vary each period based on the level of achievement of pre-determined performance goals or financial targets. Variable compensation expense also includes our mark-to-market adjustments for cash-settled equity-based awards.

Under GAAP, we recorded restructuring charges in the period that we finalized our detailed plans and could reasonably estimate the amount and timing of the actions. Under IFRS, we defer the recognition of charges until the plans are implemented or announced to employees. Under GAAP, our restructuring charges for 2010 included $10.7 million for actions not yet announced at December 31, 2010 which we reversed under IFRS. We expect to record these charges during 2011 when we announce the actions. During the first quarter of 2011, we recorded restructuring charges of $5.9 million (first quarter of 2010 — $6.2 million) related to announced restructuring plans that were previously recorded under GAAP.

Net earnings for the first quarter of 2011 of $30.0 million were slightly higher than in the first quarter of 2010. Although earnings before income taxes were higher this quarter compared to the first quarter of 2010, this was partially offset with higher income tax expense. The increase in earnings per share for the first quarter of 2011 was due to the higher net earnings and a lower weighted-average share amount reflecting the impact of our share buy-back program in the latter half of 2010.

Cash and cash equivalents have decreased by $48.8 million to $584.0 million at March 31, 2011. Cash was used in the first quarter of 2011 to support higher working capital requirements, driven in part by the higher inventory levels to support new programs and the payment of variable compensation. We also paid $7.7 million in the first quarter of 2011 for the purchase of subordinate voting shares in the open market by a trustee for future delivery to employees upon vesting of awards under our long-term incentive plans.

Other performance indicators:

In addition to the key operating results and financial information described above, management reviews the following non-IFRS measures:

	1Q10	2Q10	3Q10	4Q10	1Q11
Cash cycle days:					
Days in accounts receivable (A/R)	49	46	46	42	45
Days in inventory	45	43	46	42	50
Days in accounts payable (A/P)	(61)	(57)	(57)	(55)	(64)
Cash cycle days	33	32	35	29	31
Inventory turns	8.1x	8.4x	8.0x	8.7x	7.4x

Days in A/R is calculated as the average A/R for the quarter divided by the average daily revenue. Days in inventory is calculated as the average inventory for the quarter divided by the average daily cost of sales. Days in A/P is calculated as

the average A/P for the quarter divided by average daily cost of sales. Cash cycle days is calculated as the sum of days in A/R and inventory, minus the days in A/P. Inventory turns is calculated as 365 divided by the number of days in inventory. These non-IFRS measures do not have comparable measures under IFRS to which we can reconcile. Our transition from GAAP to IFRS did not impact the calculation of our performance indicators.

Cash cycle days for the first quarter of 2011 decreased by 2 days to 31 days compared to the same period in 2010. Days in A/R decreased by 4 days while days in inventory increased by 5 days compared to the same period in 2010. The year-over-year improvement in A/R days primarily reflects strong cash collections and an increase in the amount of A/R sold for the first quarter of 2011 compared to the first quarter of 2010 (March 31, 2011 — $60.0 million in A/R sold; March 31, 2010 — $30.0 million in A/R sold). The year-over-year increase in inventory days primarily reflect the higher inventory levels to support new programs and revenue growth. Cash cycle days for the first quarter of 2011 increased by 2 days compared to the fourth quarter of 2010. Days in A/R increased by 3 days primarily due to lower revenue in the first quarter of 2011 compared to the fourth quarter of 2010. Days in inventory increased by 8 days sequentially from the fourth quarter of 2010, reflecting the higher levels of inventory, which were more than offset by the increase to A/P days.

Management reviews other non-IFRS measures including adjusted net earnings, operating margin, ROIC and free cash flow. See non-IFRS measures below.

Critical Accounting Policies and Estimates

Included in our 2010 annual consolidated financial statements, as well as in our 2010 annual MD&A, we have identified the accounting policies and estimates that are critical to the understanding of our business and to our results of operations. On January 1, 2011, with the adoption of IFRS, we have updated the critical accounting policies and estimates. See notes 2 and 3 of our first quarter of 2011 interim consolidated financial statements for a description of our adoption of IFRS and a detailed discussion regarding our significant accounting policies and the application of critical accounting estimates and judgments.

Operating Results

Our annual and quarterly operating results vary from period-to-period as a result of the level and timing of customer orders, mix of revenue, and fluctuations in materials and other costs. The level and timing of customer orders will vary due to variation in demand for their products, general economic conditions, their attempts to balance their inventory, availability of components and materials, and changes in their supply chain strategies or suppliers. Our annual and quarterly operating results are specifically affected by, among other factors: our mix of customers and the types of products or services we provide; the rate at which, and costs associated with, new program ramps; volumes and seasonality of business in each of our end markets; price competition; the mix of manufacturing or service value-add; capacity utilization; manufacturing efficiency; the degree of automation used in the assembly process; the availability of components or labor; the timing of receiving components and materials; costs and inefficiencies of transferring programs between facilities; the loss of programs and customer disengagements; the impact of foreign exchange fluctuations; the performance of third-party providers; our ability to manage inventory, production location and equipment effectively; our ability to manage changing labor, component, energy and transportation costs effectively; fluctuations in variable compensation costs; the timing of our expenditures in anticipation of forecasted sales levels; and the timing of acquisitions and related integration costs.

Occasionally, unforeseen natural disasters, such as the recent earthquake and tsunami in Japan, or political instability in any of the countries in which we operate, could disrupt operations at one or more of our facilities or those of our customers, component suppliers or our logistics partners. These events could lead to higher costs, supply shortages or may disrupt the delivery of components to us or the ability to provide finished products or services to our customers, any of which could adversely affect our operating results.

In the EMS industry, customers can award new programs or shift programs to other EMS providers for a variety of reasons including changes in demand for the customers' products, pricing benefits offered by other EMS providers, execution or quality issues, preference for consolidation or a change in their supplier base, rebalancing the concentration of their EMS providers, mergers and consolidation among OEMs, as well as decisions to adjust the volume of business being outsourced. Our operating results for each period include the impacts associated with program wins or losses with new, existing or disengaging customers. Customer or program transfers between EMS competitors are part of the competitive nature of our industry. Significant period-to-period variations can result from the timing of new programs reaching full production, existing programs being fully transferred to a competitor and programs reaching end-of-life.

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

	Three months ended March 31	
	2010	**2011**

Revenue	100.0%	100.0%
Cost of sales	93.1	93.5
Gross profit	6.9	6.5
SG&A	3.9	3.9
Research and development costs	—	0.1
Amortization of intangible assets	0.2	0.2
Other charges	0.9	0.3
Finance costs, net	0.2	0.1
Earnings before income tax	1.7	1.9
Income tax expense (recovery)	(0.2)	0.2
Net earnings	1.9%	1.7%

Revenue:

Revenue of $1.8 billion for the first quarter of 2011 increased 19% from $1.5 billion for the same period in 2010. Revenue from our server end market increased 46%, enterprise communications increased 34%, industrial, aerospace and defense, healthcare and green technology increased 27%, consumer increased 10% and storage increased 3%. These revenue increases reflect new program wins and increased demand resulting from an improving economic environment. Consumer continues to be our largest end market, representing 26% of revenue for the first quarter of 2011 (28% — first quarter of 2010). Year-over-year revenue for the first quarter from our telecommunications end market decreased 5%.

The following table shows the end markets we serve as a percentage of revenue for the periods indicated:

	2010					2011
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year	First Quarter
Consumer	28%	26%	24%	24%	25%	26%
Enterprise Communications	22%	24%	25%	24%	24%	25%
Telecommunications	14%	13%	14%	12%	13%	11%
Storage	14%	12%	12%	12%	12%	12%
Servers	12%	14%	13%	17%	14%	15%
Industrial, Aerospace and Defense, Healthcare and Green Technology	10%	11%	12%	11%	12%	11%
Revenue (in millions)	$ 1,518.1	$ 1,585.4	$ 1,546.5	$ 1,876.1	$ 6,526.1	$ 1,800.1

Our product and service volumes, revenue and operating results vary from period-to-period depending on the level of demand and seasonality in each of our end markets, the mix and complexity of the products or services provided, the timing of receiving components and materials, the impact associated with program wins or losses with new, existing or disengaging customers, and the timing and rate at which new programs are ramped up, among other factors. We are dependent on a limited number of customers in the consumer, communications (comprised of enterprise communications and telecommunications) and enterprise computing (comprised of storage and servers) end markets for a substantial portion of our revenue. We expect that the pace of technological change, the frequency of OEMs transferring business among EMS competitors and the constantly changing dynamics of the global economy will also continue to impact our business from period-to-period.

We have historically experienced some seasonality effects on revenue, decreasing from the fourth quarter of a year to the first quarter of the following year, with our enterprise computing and communications infrastructure products and services. We expect that the numerous factors described above that affect our period-to-period results will continue to make it difficult for us to predict the extent and impact of seasonality and other external factors on our business.

Consumer was our largest end market representing 26% of total revenue for the first quarter of 2011 (first quarter of 2010 — 28%). Over three-quarters of our consumer business was generated by one smartphone customer. We continue to win new programs in consumer which resulted in a 10% year-over-year increase in revenue dollars compared to the first

quarter of 2010. The year-over-year decrease in consumer revenue as a percentage of total revenue for the first quarter of 2011 compared to the same period in 2010 reflects the change in overall mix of products and services we provided this quarter. Business in the consumer end market and, in particular, smartphones, is highly competitive and characterized by shorter product lifecycles, higher revenue volatility, and lower margins. In addition, program volumes can vary significantly period-to-period based on the strength in

end-market demand or the timing of ramping new programs. End-user preferences for these products and services can change rapidly and these programs are shifted among EMS competitors. Our increased exposure to this end market may lead to greater volatility in our revenue and operating margin and could result in increased risk to our financial results.

Our server revenue as a percentage of total revenue for the first quarter of 2011 grew year-over-year from the first quarter of 2010 primarily due to new program wins from existing customers. Sequentially, server revenue as a percentage of total revenue decreased from the fourth quarter of 2010 to the first quarter of 2011 primarily due to seasonality, offset in part by the new server wins. The increase in our enterprise communication revenue as a percentage of total revenue from the first quarter of 2010 reflects primarily new program wins from existing customers. Revenue dollars from industrial, aerospace and defense, healthcare and green technology increased 27% compared to the first quarter of 2010. Our acquisitions have also contributed to the increase in revenue in this end market.

Two customers represented more than 10% of total revenue in the first quarter of 2011 (one customer — first quarter of 2010). Our largest customer, Research in Motion, is in our consumer end market and accounted for 21% of total revenue for the first quarters of 2011 and 2010. Whether any of our customers individually account for more than 10% of revenue in any period depends on various factors affecting our business with that customer and with other customers, including overall changes in demand for a customer's product, seasonality of business, new program wins or losses, the phasing in or out of programs, the growth rate of other customers, price competition and changes in our customers' supplier base or supply chain strategies.

The following table shows our customer concentration as a percentage of total revenue for the periods indicated:

	Three months ended March 31	
	2010	2011
Top 10 customers	70%	74%

We are dependent upon continued revenue from our largest customers. We generally enter into master supply agreements with our customers that provide the framework for our overall relationship. These agreements do not typically guarantee a particular level of business or fixed pricing. Instead, we bid on a program-by-program basis and receive customer purchase orders for specific quantities and timing of products. There can be no assurance that revenue from our largest customers or any other customers will continue at the same historical levels or will not decrease in absolute terms or as a percentage of total revenue. A significant decrease in revenue from these or other customers, or a loss of a major customer, would have a material adverse impact on our business, our revenue and our results of operations.

We believe that delivering sustainable revenue growth depends on increasing sales to existing customers for their current and future product generations and expanding the range of services we provide to these customers. We are also actively pursuing new customers to expand our end-market penetration and diversify our end-market mix. To achieve this, we are focused on increasing our investments in innovative supply chain solutions which include design, manufacturing, engineering, order fulfillment, logistics and after-market services. We are also seeking acquisition opportunities to diversify our customer base and end-market exposure, enhance our capabilities, or add new technologies or capabilities to our offerings.

In the EMS industry, customers may cancel contracts and volume levels can be changed or delayed. Customers may also shift business to a competitor or bring programs in-house to improve their own utilization or to adjust the concentration of their supplier base to manage production risk. We cannot assure the timely replacement of delayed, cancelled or reduced orders with new business. In addition, we cannot assure that any of our current customers will continue to utilize our services. If they do not, this could have a material adverse impact on our results of operations. Significant period-to-period variations can result if new program wins or replacement business are more competitively priced than past programs.

Gross profit:

The following table is a breakdown of gross profit and gross margin as a percentage of revenue for the periods indicated:

	Three months ended March 31	
	2010	2011
Gross profit (in millions)	$ 105.2	$ 116.9
Gross margin	6.9%	6.5%

Gross profit for the first quarter of 2011 increased 11% from the same period in 2010 while revenue increased 19% from the same period in 2010. Gross margin as a percentage of revenue decreased for the first quarter of 2011 compared to the same period in 2010 primarily due to changes in product mix as some of our new programs contributed lower gross profit than did past programs.

Multiple factors cause gross margin to fluctuate including, among other factors: product volume and mix; higher revenue concentration in lower gross margin products and end markets; production efficiencies; level of service revenue generated in the period; utilization of manufacturing capacity; changing material and labor costs, including variable labor costs associated with direct manufacturing employees; manufacturing and transportation costs; start-up and ramp-up activities; new product introductions; disruption in production at individual sites; cost structures at individual sites; pricing pressures from competitors; foreign exchange volatility; and the availability of components and materials.

Selling, general and administrative expenses:

SG&A for the first quarter of 2011 increased 18% to $70.3 million (3.9% of revenue) compared to $59.5 million (3.9% of revenue) for the same period in 2010. The increase in SG&A was to support the increased revenue for 2011 and included a $7.8 million increase in stock-based compensation expense. The increase in stock-based compensation reflects a higher payout on performance awards and a $4.8 million adjustment due to amendments to our long-term incentive plans which accelerated the timing of recognizing the related compensation expense.

Research and development expenses:

In late 2010, we launched a new Joint Design and Manufacturing (JDM) strategy that focuses on developing design solutions. During the first quarter of 2011, we invested $2.2 million in research and development activities. This was primarily for engineering personnel costs to develop specific design building blocks that can be used as is, or customized to support our customers' product roadmaps, in markets such as communications and information technology. We did not incur any significant costs related to JDM during 2010. We expect to continue to invest in research and development activities at the same or slightly higher levels throughout 2011.

Stock-based compensation:

We recorded the following stock-based compensation expense, included in cost of sales and SG&A, for the periods indicated (in millions):

	Three months ended March 31	
	2010	**2011**
Stock option awards	$ 1.3	$ 2.9
Share unit awards(a)	7.8	14.1
	$ 9.1	$ 17.0

(a) We elected to cash-settle certain share unit awards vesting in the first quarters of 2010 and 2011 due to limitations in the number of subordinate voting shares we could purchase in the open market as a result of terms in our Senior Subordinated Notes (Notes) and our share buy-back program. Cash-settled awards are accounted for as liabilities and remeasured based on our share price at each reporting date until the settlement date, with a corresponding charge to compensation expense. We recorded a mark-to-market adjustment on these cash-settled awards of $2.7 million in the first quarter of 2011 (fourth quarter of 2010 — $5.4 million; first quarter of 2010 — $2.2 million).

Our stock-based compensation expense for the first quarter of 2011, as compared to the first quarter of 2010, included a higher payout on performance awards and a $4.8 million adjustment due to plan amendments. During the first

quarter of 2011, we amended the retirement eligibility clauses in our long-term incentive plans which accelerated the timing of recognizing the related compensation expense.

Other charges:

Under GAAP, we recorded restructuring charges in the period that we finalized our detailed plans and could reasonably estimate the amount and timing of the actions. Under IFRS, we defer the recognition of charges until the plans are implemented or

announced to employees. Under GAAP, our restructuring charges for 2010 included $10.7 million for actions not yet announced at December 31, 2010 which we reversed under IFRS. During the first quarter of 2011, we recorded restructuring charges of $5.9 million (first quarter of 2010 — $6.2 million) related to announced restructuring plans that were previously recorded under GAAP. We expect to pay the outstanding employee termination costs throughout 2011. We expect our long-term lease and other contractual obligations relating to restructuring to be paid out over the remaining lease terms through 2015. All cash outlays have been, and the balance will be, funded from cash on hand.

We evaluate our operations from time-to-time and may propose future restructuring actions or divestitures as a result of changes in the market place and/or our exit from less profitable or non-strategic operations.

Income taxes:

Income tax expense for the first quarter of 2011 was $3.3 million on earnings before tax of $33.3 million compared to an income tax recovery of $3.6 million for the first quarter of 2010 on earnings before tax of $24.9 million. Current income taxes for the first quarter of 2011 consisted primarily of the tax expense in jurisdictions with current taxes payable. Deferred income taxes for the first quarter of 2011 were comprised primarily of deferred tax recoveries for losses and reductions to future taxable temporary differences in Canada. Current income taxes for the first quarter of 2010 consisted primarily of the tax expense in jurisdictions with current taxes payable. Deferred income taxes for the first quarter of 2010 were comprised primarily of deferred tax recoveries for reductions to future taxable temporary differences in Canada.

We conduct business operations in a number of countries, including countries where tax incentives have been extended to encourage foreign investment or where income tax rates are low. Our effective tax rate can vary significantly quarter-to-quarter for various reasons, including the mix and volume of business in lower tax jurisdictions within Europe and Asia, and in jurisdictions with tax holidays and tax incentives that have been negotiated with the respective tax authorities (which expire between 2011 and 2020). Our effective tax rate can also vary as a result of restructuring charges, foreign exchange fluctuations, operating losses, certain tax exposures, the time period in which losses may be used under tax laws and whether management believes it is probable that future taxable profit will be available to allow us to recognize deferred income tax assets.

Certain countries in which we do business negotiate tax incentives to attract and retain our business. Our taxes could increase if certain tax incentives we benefit from are retracted. A retraction could occur if we fail to satisfy the conditions on which these tax incentives are based, if they are not renewed upon expiration, or tax rates applicable to us in such jurisdictions are otherwise increased. We believe we will comply with the conditions of the tax incentives, however, changes in our outlook in any particular country could impact our ability to meet the conditions.

In certain jurisdictions, primarily in the Americas and Europe, we currently have significant net operating losses and other deductible temporary differences, which we expect will reduce taxable income in these jurisdictions in future periods.

We develop our tax filing positions based upon the anticipated nature and structure of our business and the tax laws, administrative practices and judicial decisions currently in effect in the jurisdictions in which we have assets or conduct business, all of which are subject to change or differing interpretations, possibly with retroactive effect. We are subject to tax audits and reviews by local tax authorities of historical information which could result in additional tax expense in future periods relating to prior results. Reviews by tax authorities generally focus on, but are not limited to, the validity of our inter-company transactions, including financing and transfer pricing policies which generally involve subjective areas of taxation and a significant degree of judgment. Any such increase in our income tax expense and related interest and penalties could have a significant impact on our future earnings and future cash flows.

Certain of our subsidiaries provide financing, products and services, and may from time-to-time undertake certain significant transactions with other subsidiaries in different jurisdictions. Moreover, several jurisdictions in which we operate have tax laws with detailed transfer pricing rules which require that all transactions with non-resident related parties be priced using arm's length pricing principles, and that contemporaneous documentation must exist to support such pricing.

In connection with ongoing tax audits in Canada, tax authorities have taken the position that income reported by one of our Canadian subsidiaries in 2001 through 2004 should have been materially higher as a result of certain inter-company transactions.

In connection with ongoing tax audits in Hong Kong, tax authorities have taken the position that income reported by one of our Hong Kong subsidiaries in 1999 through 2008 should have been materially higher as a result of certain inter-company transactions. In July 2010, we submitted a proposed settlement of this tax audit to the Hong Kong tax authorities. Reassessments have

been received for the years 1999 through 2008. The Hong Kong tax authorities have accepted the proposals as submitted, with minor adjustments. The amount of taxes and penalties relating to these years totaled 128.9 million Hong Kong dollars (approximately $16.6 million at current exchange rates) including the impact on future periods as a result of the reversal of tax attributes. We had accrued these amounts in prior periods.

In connection with a tax audit in Brazil, tax authorities have taken the position that income reported by our Brazilian subsidiary in 2004 should have been materially higher as a result of certain inter-company transactions. If Brazilian tax authorities ultimately prevail in their position, our Brazilian subsidiary's tax liability would increase by approximately 43.5 million Brazilian reais (approximately $26.7 million at current exchange rates). In addition, Brazilian tax authorities may make similar claims in future audits with respect to these types of transactions. We have not accrued for any potential adverse tax impact as we believe our Brazilian subsidiary has reported the appropriate amount of income arising from inter-company transactions.

We have and expect to continue to recognize the future benefit of certain Brazilian tax losses on the basis that these tax losses can and will be fully utilized in the fiscal period ending on the date of dissolution of our Brazilian subsidiary. While our ability to do so is not certain, we believe that our interpretation of applicable Brazilian law will be sustained upon full examination by the Brazilian tax authorities and, if necessary, upon consideration by the Brazilian judicial courts. Our position is supported by our Brazilian legal tax advisors. A change to the benefit realizable on these Brazilian losses could increase our net future tax liabilities by approximately 65.1 million Brazilian reais (approximately $39.9 million at current exchange rates).

The successful pursuit of the assertions made by any taxing authority related to the above noted tax audits or others could result in us owing significant amounts of tax, interest and possibly penalties. We believe we have substantial defenses to the asserted positions and have adequately accrued for any probable potential adverse tax impact. However, there can be no assurance as to the final resolution of these claims and any resulting proceedings, and if these claims and any ensuing proceedings are determined adversely to us, the amounts we may be required to pay could be material.

Acquisitions:

We may, at any time, be engaged in ongoing discussions with respect to possible acquisitions that could expand our service offerings, increase our penetration in various industries, establish strategic relationships with new or existing customers and/or enhance our global manufacturing network. In order to enhance our competitiveness and expand our revenue base or the services we offer our customers, we may also look to grow our services or capabilities beyond our traditional areas of EMS expertise. 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 such agreement would be. There can also be no assurance that an acquisition can be successfully integrated or will generate the returns that we expected.

In January 2010, we completed the acquisition of Scotland-based Invec. Invec provides warranty management, repair and parts management services to companies in the information technology and consumer electronics markets. This acquisition is expected to enhance our global after-market services offering by integrating Invec's proprietary reverse logistics software throughout our network.

In August 2010, we completed the acquisition of Austrian-based Allied Panels, a medical engineering and manufacturing service provider that offers concept-to-full-production solutions in medical devices with a core focus on the diagnostic and imaging market. We expect this acquisition to enhance our healthcare offering by expanding our capability in the healthcare diagnostics and imaging market, and broadening our healthcare global network to include a center of excellence in Europe.

The total purchase price for these acquisitions, excluding contingent consideration, was $18.3 million and was financed with cash in 2010. The purchase price for Allied Panels is subject to adjustment for contingent consideration totaling up to 7.1 million Euros (approximately $9.9 million at current exchange rates, of which $4.5 million was included in goodwill under IFRS at acquisition) if specific pre-determined financial targets are achieved through fiscal year 2012. The

amount of goodwill and amortizable intangible assets arising on the acquisition dates was $14.1 million (the majority of which is not expected to be tax deductible) and $16.1 million, respectively. Under IFRS, we also expensed $1.0 million of acquisition-related transaction costs during 2010.

On April 21, 2011, we announced that we have agreed to acquire the semiconductor equipment contact manufacturing operations of Brooks Automation, Inc. The operations, based in Portland, Oregon and Wuxi, China, specialize in manufacturing complex mechanical equipment and providing systems integration services for some of the world's largest semiconductor equipment

manufacturers. We expect this acquisition will significantly strengthen our industrial end market offering, providing customers with additional capability in complex mechanical and systems integration services. The purchase price is expected to be approximately $80 million and will be financed from either our credit facility or from cash on hand. We expect this acquisition to close in the second quarter of 2011.

Liquidity and Capital Resources

Liquidity

The following table shows key liquidity metrics for the periods indicated (in millions):

	December 31 2010	March 31 2011
Cash and cash equivalents	$ 632.8	$ 584.0

	Three months ended March 31	
	2010	2011
Cash provided by (used in) operating activities	$ 23.6	$ (30.2)
Cash used in investing activities	(7.6)	(18.2)
Cash used in financing activities	(241.5)	(0.4)

We had $584.0 million in cash and cash equivalents at March 31, 2011 ($632.8 million — December 31, 2010). Included in our cash balance at March 31, 2011 was a $50.0 million advance we received from a customer in late March to fund working capital in support of that customer's growth ($75.0 million advance at December 31, 2010 which we repaid in February 2011).

Cash provided by (used in) operating activities:

We used $30.2 million in cash for operations during the first quarter of 2011 (generated $23.6 million — first quarter of 2010), primarily to fund higher working capital requirements of $94.8 million, offset in part by earnings after adding back non-cash charges. The higher working capital requirements this quarter were driven by a $135.6 million increase in inventory to support the ramping of new programs and a $69.9 million decrease in A/P and accrued liabilities, offset partially by lower A/R. The decrease in A/P and accrued liabilities reflects the payment for variable compensation and inventory and the net reduction of a customer advance (described above) from $75.0 million to $50.0 million. The decrease in A/R for the first quarter of 2011 reflects lower revenue for the first quarter of 2011 and cash collections. At March 31, 2011, we sold $60.0 million of A/R under our A/R sales program (December 31, 2010 — $60.0 million of A/R sold).

Cash used in investing activities:

Our capital expenditures were incurred primarily to enhance our manufacturing capabilities in various geographies and to support new customer programs. From time-to-time, we receive cash proceeds from the sale of surplus equipment and property. Our capital expenditures for the first quarter of 2011 totaled $18.6 million (first quarter of 2010 — $7.6 million), representing approximately 1% of revenue for the quarter.

Cash used in financing activities:

During the first quarter of 2011, we paid $7.7 million (first quarter of 2010 — $1.0) for the purchase of subordinate voting shares in the open market by a trustee to satisfy the delivery of subordinate voting shares to employees upon vesting of awards under our long-term incentive plans. We classify these shares for accounting purposes as treasury stock on our balance sheet until they are delivered to employees pursuant to the awards. In March 2010, we paid $231.6 million to repurchase outstanding Notes and recognized a loss of $8.8 million, primarily as a result of the premium we paid to redeem

the Notes prior to maturity. We redeemed all of our outstanding Notes prior to March 31, 2010 (no Notes outstanding at March 31, 2011).

Cash requirements:

We believe that cash flow from operating activities, together with cash on hand, borrowings available under our revolving credit and intraday and overnight bank overdraft facilities, and cash from the sale of A/R, will be sufficient to fund currently anticipated working capital and planned capital spending for the next 12 months. Historically, we have funded our operations from the proceeds of public offerings of equity and debt instruments, cash generated from operations, bank debt, sales of A/R and equipment lease financings. We may issue equity or convertible debt securities in the future to fund operations or make acquisitions, which could dilute current shareholders' positions. Further, we may issue debt securities that have rights and privileges senior to equity holders, and the terms of this debt could impose restrictions on our operations. The pricing of such debt securities is subject to market conditions at the time of issuance. At March 31, 2011, we had cash balances of $584.0 million and no outstanding debt.

Our capital spending varies each period based on the timing of new business wins and forecasted sales levels. Based on our current operating plans, we anticipate capital spending for 2011 to be approximately 1.1% to 1.5% of revenue, and expect to fund this from cash on hand.

From time-to-time, we pay cash for the purchase of subordinate voting shares in the open market by a trustee to satisfy the delivery of subordinate voting shares to employees upon vesting of the awards under our long-term incentive plans. During the first quarter of 2011, we paid $7.7 million (full year 2010 — $26.2 million), for the trustee to purchase subordinate voting shares in the open market. We expect to continue to make these payments for the purchase of subordinate voting shares in the open market to meet our on-going obligations to equity-settle awards as they vest in future periods.

In July 2010, we received approval from the TSX to repurchase on the open market, at our discretion until the earlier of August 2, 2011 and the completion of purchases under the Normal Course Issuer Bid (NCIB), up to 18.0 million subordinate voting shares, subject to the normal terms and limitations of such bids. The actual number and timing of any share purchases will be determined by management, subject to applicable law and the rules of the TSX. In accordance with the TSX rules, the maximum number of subordinate voting shares we may repurchase for cancellation under the NCIB is reduced by the number of subordinate voting shares purchased for employee equity-based incentive programs. We have paid $140.6 million, including transaction fees, to repurchase for cancellation a total of 16.1 million subordinate voting shares at a weighted average price of $8.75 per share under the NCIB since its commencement. We did not repurchase any subordinate voting shares for cancellation under the NCIB during the first quarter of 2011. At March 31, 2011, we may repurchase approximately 0.2 million additional subordinate voting shares under the NCIB.

We have provided routine indemnifications, the terms of which range in duration and often are not explicitly defined. These may include indemnifications against adverse impacts due to changes in tax laws, third-party intellectual property infringement claims and third-party claims for property damage resulting from our negligence. We have also provided indemnifications in connection with the sale of certain businesses and real property. The maximum potential liability from these indemnifications cannot reasonably be estimated. In some cases, we have recourse against other parties to mitigate our risk of loss from these indemnifications. Historically, we have not made significant payments relating to these types of indemnifications.

Litigation and contingencies:

In 2007, securities class action lawsuits were commenced against us and our former Chief Executive and Chief Financial Officers in the United States District Court of the Southern District of New York by certain individuals, on behalf of themselves and other unnamed purchasers of our stock, claiming that they were purchasers of our stock during the period January 27, 2005 through January 30, 2007. The plaintiffs allege violations of United States federal securities laws and seek unspecified damages. They allege that during the purported period we made statements concerning our actual and anticipated future financial results that failed to disclose certain purportedly material adverse information with respect to demand and inventory in our Mexican operations and our information technology and communications divisions. In an amended complaint, the plaintiffs added one of our directors and Onex Corporation as defendants. All defendants filed motions to dismiss the amended complaint. On October 14, 2010, the United States District Court issued a memorandum decision and order granting the defendants' motions to dismiss the consolidated amended complaint in its entirety. The plaintiffs have filed a notice of appeal to the United States Court of Appeals for the Second Circuit of the dismissal of its claims against us, our former Chief Executive and Chief Financial Officers, but are not appealing the dismissal of its claims against one of our directors and Onex Corporation. The briefing process on the appeal has commenced. A parallel class proceeding remains

against us and our former Chief Executive and Chief Financial Officers in the Ontario Superior Court of Justice, but neither leave nor certification of the action has been granted by that court. We believe that the allegations in the claim and the appeal are without merit and we intend to defend against them vigorously. However, there can be no assurance that the outcome of the litigation will be favorable to us or that it will not have a material adverse impact on our financial position or liquidity. In addition, we may incur

substantial litigation expenses in defending both the Canadian claim and the appeal. We have liability insurance coverage that may cover some of our litigation expenses, potential judgments and settlement costs.

The major earthquake and tsunami in Japan in March 2011, including the aftermath of those events, affected our operations in Japan, which includes a sales office, a repair service center and a manufacturing facility. The manufacturing facility in Miyagi, Japan, which generated less than 5% of our total annual revenue in 2010, was damaged and operations were interrupted for approximately two weeks in March of 2011. We continue to assess the damages incurred at our Japanese facility, and believe that our insurance is sufficient to cover those damages. While some production had resumed by the end of the first quarter, subsequent aftershocks and related events (such as power, water and transportation disruptions) have impacted, and may continue to impact, our Japanese operations and our financial results. The earthquake and tsunami's effect on various suppliers in the region may impact component availability in the future, which could in turn affect our production output and our financial results.

Capital Resources

Our main objectives in managing our capital resources are to ensure liquidity and to have funds available for working capital or other investments required to grow our business. Our capital resources consist of cash, short-term investments, access to a revolving credit facility and intraday and overnight bank overdraft facilities and share capital.

At March 31, 2011, we had cash and cash equivalents of $584.0 million, comprised of cash (approximately 33%) and cash equivalents (approximately 67%). Our current portfolio consists of certain money market funds that hold exclusively U.S. government securities, and certificates of deposit. The majority of our cash and cash equivalents are held with financial institutions each of which had at March 31, 2011 a Standard and Poor's rating of A-1 or above.

In January 2011, we renewed our revolving credit facility on generally similar terms and conditions as our previous facility and increased the size of the facility to $400.0 million, with a maturity of January 2015. The facility has restrictive covenants, including those relating to debt incurrence, the sale of assets and a change in control. We are also required to comply with financial covenants relating to indebtedness, interest coverage and liquidity and we have pledged certain assets as security. We were in compliance with all covenants at March 31, 2011.

We regularly review our borrowing capacity and make adjustments, as available, for changes in economic conditions. At March 31, 2011, we had access to a $400.0 million revolving credit facility, access to $70.0 million in intraday and overnight bank overdraft facilities and we could sell up to $250.0 million in A/R, on a committed basis, under an A/R sales program to provide short-term liquidity. At March 31, 2011, we sold $60.0 million of A/R under our A/R sales program (December 31, 2010 — $60.0 million of A/R sold) and we had no borrowings outstanding under our revolving credit or bank overdraft facilities.

Our agreement to sell certain A/R to a third-party bank (which had at March 31, 2011 a Standard and Poor's rating of A-1) and other qualified purchasers, expires in November 2012.

We redeemed all of our outstanding Notes prior to March 31, 2010 (no Notes outstanding at March 31, 2011). We have also cancelled approximately 8% of our outstanding subordinate voting shares as part of our NCIB discussed above.

Standard and Poor's provides a corporate credit rating on Celestica. This rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization. A rating does not comment as to market price or suitability for a particular investor. As at April 15, 2011, our Standard and Poor's corporate credit rating is BB, with a stable outlook. A reduction in our credit rating could adversely impact our future cost of borrowing.

Our strategy on capital risk management has not changed since 2010. Other than the restrictive covenants associated with our revolving credit facility noted above, we are not subject to any contractual or regulatory capital requirements. While some of our international operations are subject to government restrictions on the flow of capital into and out of their jurisdictions, these restrictions have not had a material impact on our operations.

Financial instruments:

Our short-term investment objectives are to preserve principal and to maximize yields without significantly increasing risk, while at the same time not materially restricting our short-term access to cash. To achieve these objectives, we maintain a portfolio consisting of a variety of securities, including certain money market funds that hold exclusively U.S. government securities, and certificates of deposit.

The majority of our cash balances are held in U.S. dollars. We price the majority of our products in U.S. dollars and the majority of our material costs are also denominated in U.S. dollars. However, a significant portion of our non-material costs (including payroll, pensions, facility costs and costs of locally sourced supplies and inventory) are denominated in various other currencies. As a result, we may experience foreign exchange gains or losses on translation or transactions due to currency fluctuations.

We have a foreign exchange risk management policy in place to control our hedging activities and we do not enter into speculative trades. Our current hedging activity is designed to reduce the variability of our foreign currency costs where we have local manufacturing operations. We enter into forward exchange contracts to hedge against our cash flows and significant balance sheet exposures in certain foreign currencies. Balance sheet hedges are based on our forecasts of the future position of net monetary assets or liabilities denominated in foreign currencies and, therefore, may not mitigate the full impact of any translation impacts in the future. There is no assurance that our hedging transactions will be successful.

At March 31, 2011, we had forward exchange contracts to trade U.S. dollars in exchange for the following currencies:

Currency	Amount of U.S. dollars	Weighted average exchange rate of U.S. dollars	Maximum period in months
Canadian dollar	$ 406.1	$ 1.00	14
Thai baht	99.9	0.03	13
Malaysian ringgit	81.0	0.32	15
Mexican peso	75.6	0.08	12
Euro	55.4	1.39	8
Chinese renminbi	19.3	0.15	12
Singapore dollar	17.9	0.76	12
Romanian lei	12.8	0.32	12
British pound sterling	10.9	1.57	4
Other	10.4	—	4
Total	$ 789.3		

These contracts generally extend for periods of up to 15 months and expire by the end of the second quarter of 2012. The fair value of these contracts at March 31, 2011 was a net unrealized gain of $14.6 million (December 31, 2010 — net unrealized gain of $13.0 million). The unrealized gains or losses are a result of fluctuations in foreign exchange rates between the date the forward contracts were entered into and the valuation date at period end.

Financial risks:

We are exposed to a variety of financial risks associated with financial instruments. Market risk: This is the risk that results in changes to market prices, such as foreign exchange rates and interest rates, which could affect our operations or the value of our financial instruments. To manage this risk, we enter into various derivative hedging transactions.

Currency risk: Due to the global nature of our operations, we are exposed to exchange rate fluctuations on our cash receipts, cash payments and balance sheet exposures denominated in various currencies. The majority of our currency risk is driven by the operational costs incurred in local currencies by our subsidiaries. We manage our currency risk through our hedging program using forecasts of future cash flows and balance sheet exposures denominated in foreign currencies.

Interest rate risk: Borrowings under our revolving credit facility bear interest at LIBOR plus a margin. If we borrow under this facility, we will be exposed to interest rate risks due to fluctuations in the LIBOR rate.

Credit risk: Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss to us. To mitigate the risk of financial loss from defaults under our foreign currency forward exchange

contracts, our contracts are held by counterparty financial institutions each of which had at March 31, 2011 a Standard and Poor’s rating of A or above. The financial institution with which we have an A/R sales program had a Standard and Poor’s rating of A-1 at March 31, 2011. At March 31, 2011, we sold $60.0 million of A/R under this program. We believe that the credit risk of counterparty non-performance is low.

We also provide unsecured credit to our customers in the normal course of business. We mitigate this credit risk by monitoring our customers' financial condition and performing ongoing credit evaluations. We consider credit risk in establishing our allowance for doubtful accounts and we believe our allowances are adequate. At March 31, 2011, less than 1% of our gross A/R are over 90 days past due and our allowance for doubtful accounts balance was $5.8 million.

Liquidity risk: Liquidity risk is the risk that we may not have cash available to satisfy our financial obligations as they come due. The majority of our financial liabilities recorded in accounts payable, accrued and other current liabilities are due within 90 days. We believe that cash flow from operations, together with cash on hand, cash from the sale of A/R, and borrowings available under our revolving credit facility and intraday and overnight bank overdraft facilities are sufficient to support our financial obligations.

Outstanding Share Data

As of April 15, 2011, we had 197.4 million outstanding subordinate voting shares and 18.9 million outstanding multiple voting shares. We also had 9.2 million outstanding stock options, 4.7 million outstanding restricted share units and 7.6 million outstanding performance share units, each such option or unit entitling the holder to receive one subordinate voting share pursuant to the terms thereof (subject to time or performance based vesting).

Controls and Procedures

Evaluation of disclosure controls and procedures:

Our management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the U.S. Exchange Act designed to ensure that information we are required to disclose in the reports that we file or submit under the U.S. Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the U.S. Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision of and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective to meet the requirements of Rules 13a-15 and 15d-15 under the U.S. Exchange Act.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluation of controls can provide absolute assurance that all control issues within a company have been detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met.

Changes in internal controls over financial reporting:

During the first quarter of 2011, there were no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Management's report on internal control over financial reporting:

Reference is made to our Management's report on page F-1 of our Annual Report. Our auditors, KPMG LLP, an independent registered public accounting firm, have issued an audit report on our internal controls over financial reporting for the year ended December 31, 2010. This report appears on page F-2 of our Annual Report on Form 20-F.

Unaudited Quarterly Financial Highlights(i) (in millions, except per share amounts):

	2009			2010				2011
	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
Revenue	$ 1,402.2	$ 1,556.2	$ 1,664.4	$ 1,518.1	$ 1,585.4	$ 1,546.5	$ 1,876.1	$ 1,800.1
Gross profit %	7.3%	6.9%	6.6%	6.9%	6.8%	7.0%	6.5%	6.5%

Net earnings (loss)	$ 5.3	$ (0.6)	$ 31.1	$ 28.5	$ 13.0	$ 21.3	$ 38.4	$ 30.0
# of basic shares	229.4	229.5	229.7	229.9	230.3	229.6	221.4	215.4
# of diluted shares	230.2	229.5	232.0	232.8	232.8	231.5	223.5	219.2
Net earnings:								
per share — basic	$ 0.02	$ 0.00	$ 0.14	$ 0.12	$ 0.06	$ 0.09	$ 0.17	$ 0.14
per share — diluted	$ 0.02	$ 0.00	$ 0.13	$ 0.12	$ 0.06	$ 0.09	$ 0.17	$ 0.14

(i) We have restated our 2010 comparative data in accordance with IFRS. We are not required to apply IFRS to periods prior to 2010. Our 2009 comparative data was prepared in accordance with GAAP.

Comparability quarter-to-quarter:

The quarterly data reflects the following: the fourth quarters of 2009 and 2010 include the results of our annual impairment testing of goodwill and long-lived assets; and all quarters of 2009, 2010 and 2011 were impacted by our restructuring plans. The amounts vary from quarter-to-quarter.

First quarter 2011 compared to fourth quarter 2010:

Revenue for the first quarter of 2011 decreased 4% to $1.8 billion from $1.9 billion for the fourth quarter of 2010, which includes the impact of seasonality on some of our end markets. Revenue decreased in all end markets, other than our consumer and our enterprise communications end markets which were relatively flat, for the first quarter of 2011 compared to the fourth quarter of 2010. Gross margin of 6.5% for the first quarter of 2011 was flat compared to the fourth quarter of 2010. The income tax expense in the first quarter of 2011 relative to the income tax recovery in the fourth quarter of 2010 resulted in the sequential decrease in net earnings from the fourth quarter of 2010.

First quarter 2011 actual compared to guidance:

On January 27, 2011, we provided the following guidance for the first quarter of 2011:

	Q1 2011	
	Guidance	**Actual**
Revenue (in billions)	$1.725 to $1.875	$ 1.800
Adjusted net earnings per share (diluted)	$0.20 to $0.26	$ 0.25

For the first quarter of 2011, revenue and adjusted net earnings per share were within our published guidance.

Our guidance includes a range for adjusted net earnings per share (which is a non-IFRS measure and is defined below). We believe adjusted net earnings is an important measure for investors to understand our core operating performance and to compare our operating results with our competitors. A reconciliation of adjusted net earnings to IFRS net earnings is set forth below.

IFRS net earnings per share for the first quarter of 2011 was $0.14 on a diluted basis. IFRS net earnings for the first quarter included a $0.11 per share (pre-tax) charge for the following items: stock-based compensation, amortization of intangible assets (excluding computer software) and restructuring charges. This charge was within the range we provided on January 27, 2011 of between $0.07 to $0.11 per share.

Non-IFRS measures:

Management uses adjusted net earnings and other non-IFRS measures to (i) assess operating performance and the effective use and allocation of resources, (ii) provide more meaningful period-to-period comparisons of operating results, (iii) enhance investors' understanding of the core operating results of our business and (iv) set management incentive targets.

We believe investors use both IFRS and non-IFRS measures to assess management's past, current and future decisions associated with strategy and allocation of capital, as well as to analyze how businesses operate in, or respond to, swings in economic cycles or to other events that impact core operations.

Our non-IFRS measures include gross profit, gross margin (gross profit as a percentage of revenue), SG&A, SG&A as a percentage of revenue, operating earnings (EBIAT), operating margin (EBIAT as a percentage of revenue), adjusted net earnings,

adjusted net earnings per share, ROIC, free cash flow, cash cycle days and inventory turns. In calculating these non-IFRS financial measures, management excludes the following items, as applicable: stock-based compensation, amortization of intangible assets (excluding computer software), restructuring and other charges (most significantly restructuring charges), the write-down of goodwill and long-lived assets, and gains or losses related to the repurchase of shares or debt, net of tax adjustments and significant deferred tax write-offs or recoveries.

These non-IFRS measures do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other companies. Non-IFRS measures are not measures of performance under IFRS and should not be considered in isolation or as a substitute for any standardized measure under IFRS. The most significant limitation to management's use of non-IFRS financial measures is that the charges and expenses excluded from the non-IFRS measures are nonetheless charges that are recognized under IFRS and that have an economic impact on us. Management compensates for these limitations primarily by issuing IFRS results to show a complete picture of our performance, and reconciling non-IFRS results back to IFRS, unless there are no comparable IFRS measures. Our transition from GAAP to IFRS did not significantly impact the calculation of these measures.

The economic substance of these exclusions and management's rationale for excluding these from non-IFRS financial measures is provided below:

Stock-based compensation, which represents the estimated fair value of stock options and restricted stock units granted to employees, is excluded because grant activities vary significantly from quarter-to-quarter in both quantity and fair value. In addition, excluding this expense allows us to better compare core operating results with those of our competitors who also generally exclude stock-based compensation from their core operating results, who may have different granting patterns and types of equity awards, and who may use different option valuation assumptions than we do.

Amortization charges (excluding computer software) consist of non-cash charges against intangible assets that are impacted by the timing and magnitude of acquired businesses. Amortization of intangibles varies among competitors, and we believe that excluding these charges permits a better comparison of core operating results with those of our competitors who also generally exclude amortization charges.

Restructuring and other charges, which consist primarily of employee severance, lease termination and facility exit costs associated with closing and consolidating manufacturing facilities, reductions in infrastructure, and acquisition-related transaction costs, are excluded because such charges are not directly related to ongoing operating results and do not reflect expected future operating expenses after completion of these activities. We believe that excluding these charges permits a better comparison of our core operating results with those of our competitors who also generally exclude these costs in assessing operating performance.

Impairment charges, which consist of non-cash charges against goodwill and long-lived assets, result primarily when the carrying value of these assets exceeds their fair value. These charges are excluded because they are generally non-recurring. In addition, our competitors may record impairment charges at different times and excluding these charges permits a better comparison of our core operating results with those of our competitors who also generally exclude these charges in assessing operating performance.

Gains or losses related to the repurchase of shares or debt are excluded as these gains or losses do not impact core operating performance and vary significantly among our competitors who also generally exclude these charges in assessing operating performance.

Significant deferred tax write-offs or recoveries are excluded as these write-offs or recoveries do not impact core operating performance and vary significantly among our competitors who also generally exclude these charges in assessing operating performance.

The following table sets forth, for the periods indicated, a reconciliation of IFRS to non-IFRS measures (in millions, except per share amounts):

	Three months ended March 31			
	2010		2011	
		% of revenue		% of revenue
Revenue	$ 1,518.1		$ 1,800.1	

IFRS gross profit	$ 105.2	6.9%	$ 116.9	6.5%
Stock-based compensation	3.9		4.0	
Non-IFRS gross profit	$ 109.1	7.2%	$ 120.9	6.7%
IFRS SG&A	$ 59.5	3.9%	$ 70.3	3.9%
Stock-based compensation	(5.2)		(13.0)	
Non-IFRS SG&A	$ 54.3	3.6%	$ 57.3	3.2%
IFRS earnings before income taxes	$ 24.9		$ 33.3	
Finance costs, net	4.1		1.4	
Stock-based compensation	9.1		17.0	
Amortization of intangible assets (excluding computer software)	1.3		1.8	
Restructuring and other charges	4.2		5.9	
Losses related to the repurchase of shares or debt	8.8		—	
Non-IFRS operating earnings (EBIAT) (1)	$ 52.4	3.5%	$ 59.4	3.3%
IFRS net earnings	$ 28.5	1.9%	$ 30.0	1.7%
Stock-based compensation	9.1		17.0	
Amortization of intangible assets (excluding computer software)	1.3		1.8	
Restructuring and other charges	4.2		5.9	
Losses related to the repurchase of shares or debt	8.8		—	
Adjustments for taxes	(8.4)		—	
Non-IFRS adjusted net earnings	$ 43.5	2.9%	$ 54.7	3.0%
Diluted EPS				
W.A. # of shares (in millions) - IFRS	232.8		219.2	
IFRS earnings per share	$ 0.12		$ 0.14	
W.A. # of shares (in millions) - Non-IFRS	232.8		219.2	
Non-IFRS adjusted net earnings per share	$ 0.19		$ 0.25	
ROIC % (2)	26.0%		27.0%	
IFRS cash provided by (used in) operating activities	$ 23.6		$ (30.2)	
Purchase of property, plant and equipment, net of sales proceeds	(2.3)		(18.2)	
Cash interest paid	(12.1)		(3.4)	
Non-IFRS free cash flow (3)	$ 9.2		$ (51.8)	

(1) EBIAT is defined as earnings before interest, amortization and income taxes. EBIAT also excludes stock-based compensation, restructuring and other charges, gains or losses related to the repurchase of shares or debt and impairment charges.

(2) Management uses ROIC as a measure to assess the effectiveness of the invested capital it uses to build products or provide services to its customers. Our ROIC measure includes operating margin, working capital management and asset utilization. ROIC is calculated by dividing EBIAT by average net invested capital. Net invested capital consists of total assets less cash, accounts payable, accrued and other current liabilities and provisions, and income taxes payable. We use a two-point average to calculate average net invested capital for the quarter. There is no comparable measure under IFRS.

(3) Management uses free cash flow as a measure, in addition to cash flow from operations, to assess operational cash flow performance. We believe free cash flow provides another level of transparency to our liquidity as it represents cash generated from or used in operating activities after the purchase of capital equipment and property (net of proceeds from sale of certain surplus equipment and property) and finance costs paid.

Second quarter 2011 guidance:

For the second quarter of 2011, revenue is expected to be in the range of $1.75 billion to $1.90 billion.

We expect adjusted net earnings per share for the second quarter of 2011 to range from $0.22 to $0.28 per share. We expect a negative $0.05 to $0.08 per share (pre-tax) impact on an IFRS basis for stock-based compensation, amortization of intangible assets (excluding computer software) and restructuring charges.

Our guidance for the second quarter of 2011 is based on various assumptions which management believes are reasonable under the current circumstances, but may prove to be inaccurate, and many of which involve factors that are beyond the control of the Company. The material assumptions may include the following: forecasts from our customers, which range from 30 days to 90 days and can fluctuate significantly in terms of volume or mix of products or services; the timing, execution of, and investments associated with ramping new business; the success in the marketplace of our customers' products; general economic and market conditions; currency exchange rates; pricing and competition; anticipated customer demand; supplier performance and pricing; commodity, labor, energy and transportation costs; operational and financial matters; and technological developments. Our guidance for the second quarter of 2011 includes our best estimates of the potential impact to our financial results from possible business disruptions at our operations or at the operations of our suppliers as a result of the recent earthquake and tsunami in Japan. However, any deterioration or unforeseen changes to the situation in Japan impacting our facility or that of our suppliers, could further affect the assumptions we have used in our guidance, and could negatively impact our guidance and future financial results. These assumptions and estimates are based on management's current views with respect to current plans and events, and are and will be subject to the risks and uncertainties referred to above. Our guidance for the second quarter of 2011 is given for the purpose of providing information about management's current expectations and plans relating to the second quarter of 2011. Readers are cautioned that such information may not be appropriate for other purposes.