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FORM 6-K
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 2002

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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
MONTH OF MARCH 2002

The following information filed with this Form 6-K is not incorporated by reference in Celestica's registration statements on Forms S-8 (Nos. 333-9500, 333-9822, 333-9780, 333-71126, 333-66726 and 333-63112) or on Forms F-3 (Nos. 333-12272, 333-50240 and 333-69278), or the prospectuses included therein, or any registration statement subsequently filed by Celestica with the Securities and Exchange Commission, unless otherwise stated:

- Notice of Annual and Special Meeting of Shareholders, dated March 19, 2002, and Management Information Circular and Proxy Statement, the text of which is attached hereto as Exhibit 99.1;

- Multiple Voting Shares Proxy for use at the Annual and Special Meeting of Shareholders, the text of which is attached hereto as Exhibit 99.2;

- Subordinate Voting Shares Proxy for use at the Annual and Special Meeting of Shareholders, the text of which is attached hereto as Exhibit 99.3;

- Celestica's Annual Report for fiscal year 2001, the text of which is attached hereto as Exhibit 99.4; PROVIDED, that the text under the following captions is incorporated by reference into such registration statements: "Management's Discussion and Analysis," "Auditors' Report," "Consolidated Financial Statements" and "Notes to the Consolidated Financial Statements"; and

- Consent of KPMG LLP, Chartered Accountants, the text of which is attached hereto as Exhibit 99.5 and is incorporated by reference into such registration statements.

Exhibits

99.1 - Notice of Annual and Special Meeting of Shareholders, dated March 19, 2002, and Management Information Circular and Proxy Statement

99.2 - Multiple Voting Shares Proxy

99.3 - Subordinate Voting Shares Proxy

99.4 - Annual Report for fiscal year 2001

99.5 - Consent of KPMG LLP

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 28, 2002

BY: /s/ Elizabeth DelBianco

Name: Elizabeth DelBianco

Title: Vice President & General Counsel

EXHIBIT INDEX

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99.4 - Annual Report for fiscal year 2001

99.5 - Consent of KPMG LLP

Exhibit 99.1

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 17th day of April, 2002, 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, 2001, 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 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

5. to transact such other business as may properly be brought before the Meeting and any adjournment or postponement thereof.

The text of the LTIP Amendment Resolution is set forth in Schedule A 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 13, 2002 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 19th day of March, 2002.

By Order of the Board of Directors

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

Celestica Inc.
12 Concorde Place
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 AND ALL REFERENCES TO "C$" ARE TO CANADIAN DOLLARS. UNLESS OTHERWISE INDICATED, ANY REFERENCE IN THIS MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT TO A CONVERSION BETWEEN U.S.$ AND C$ IS GIVEN AS OF MARCH 1, 2002. AT THAT DATE, THE NOON BUYING RATE IN NEW YORK CITY FOR CABLE TRANSFERS IN CANADIAN DOLLARS WAS U.S.$1.00 = C$1.5955, 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 17, 2002 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, 2002. 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. The Corporation has also engaged Georgeson Shareholder Communications Canada, Inc. in connection with the solicitation of proxies in Canada and the United States at an anticipated cost of C$32,500, which will be borne by 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 19, 2002.

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 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 THE LTIP AMENDMENT RESOLUTION.

DEPOSIT OF PROXIES

To be effective, proxies must be deposited with Computershare Trust Company of Canada ("Computershare"), the registrar and transfer agent of the Corporation, at 100 University Avenue, 9th Floor, Toronto, Ontario, Canada, M5J 2Y1 not later than 5:00 p.m. (Toronto time) on April 16, 2002 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, 190,826,868 Subordinate Voting Shares and 39,065,950 Multiple Voting Shares were issued and outstanding as at March 1, 2002.

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 13, 2002 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, 2002 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	100%	17%	83.65%
		3,976,236 Subordinate Voting Shares	2.1%	1.7%	*
Gerald W. Schwartz(3) Toronto, Ontario	Direct and Indirect	39,065,950 Multiple Voting Shares	100%	17%	83.65%
		4,136,228 Subordinate Voting Shares	2.17%	1.8%	*
AIM Management Group Inc.	Direct and Indirect	21,620,297 Subordinate Voting Shares	11.33%	9.4%	1.85%

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* 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"), 1,909,980 Subordinate Voting Shares held 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, 33,754 Subordinate Voting Shares representing an undivided interest of approximately 10.2% in 330,872 Subordinate Voting Shares, and 404,128 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 1,757,467 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 159,992 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 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 nine 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. By resolution dated March 5, 2002, the board of directors of the Corporation (the "Board of Directors") set the number of directors of the Corporation to be elected at the Meeting at nine.

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) (55) AURORA, ONTARIO	October 1996	Chairman of the Board of Celestica since February 2001 and Chief Executive Officer and Director of Celestica	512,826 Subordinate Voting Shares
Robert L. Crandall(2) (66) 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.	80,000 Subordinate Voting Shares
William Etherington(4) (60) TORONTO, ONTARIO	October 2001	Corporate Director; prior to October 2001, Senior Vice President and Group Executive, Sales and Distribution, IBM Corporation and CEO, IBM World Trade Corporation	10,000 Subordinate Voting Shares
Richard S. Love(3) (64) LOS ALTOS HILLS, CALIFORNIA	July 1998	Corporate Director; prior to 1998, Vice-President of Hewlett-Packard Company	76,000 Subordinate Voting Shares
Roger L. Martin(3) (45) TORONTO, ONTARIO	July 1998	Corporate Director; Dean of the Joseph L. Rotman School of Management of the University of Toronto	43,000 Subordinate Voting Shares
Anthony R. Melman(2)(3)(4)(54) TORONTO, ONTARIO	October 1996	Vice-President of Onex	450,000 Subordinate Voting Shares(5)
Michio Naruto (66) TOKYO, JAPAN	October 2001	Chairman of International Computer Ltd., Vice-Chairman of Fujitsu Corporation and Chairman of Toyota InfoTechnology Center	-
Gerald W. Schwartz (60) TORONTO, ONTARIO	July 1998	Chairman of the Board, President and Chief Executive Officer of Onex	39,065,950 Multiple Voting Shares(6) 4,136,228 Subordinate Voting Shares(6)
Don Tapscott(4) (54) TORONTO, ONTARIO	September 1998	Co-founder of Digital 4Sight Corp. and President of New Paradigm Learning Corporation	63,000 Subordinate Voting Shares

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(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) Member of the Corporation's Audit Committee.

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

(5) 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.

(6) Includes 159,992 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.

AUDIT AND NON-AUDIT FEES

The Corporation's auditors are KPMG LLP. In 2001, KPMG LLP billed the Corporation $1.5 million for the audit of the Corporation's annual financial statements and $2.9 million for tax, audit-related and other services. KPMG LLP did not provide any financial information systems design and implementation services to the Corporation. The Corporation's Audit Committee has considered that the provision of non-audit services is compatible with maintaining KPMG LLP's independence. Other public accounting firms provided consulting and other services to the Corporation for fees totalling $3.1 million.

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).

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, 2002, options to purchase 17,437,354 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 29 million from 23 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 29 million Subordinate Voting Shares of the Corporation that may be issued under the amended LTIP represent approximately 12.6% 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 A 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 and its subsidiaries (collectively, the "Named Executive Officers") for the three most recently completed financial years of the Corporation:

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION(1) SALARY	BONUS	LONG-TERM COMPENSATION AWARDS SECURITIES UNDER OPTIONS GRANTED(2)	ALL OTHER COMPENSATION(3)
		(U.S.$)	(U.S.$)	(#)	(U.S.$)
Eugene V. Polistuk	2001	700,000	-	150,000	210,737
CHAIRMAN OF THE BOARD AND	2000	550,000	1,300,000	100,000	193,029
CHIEF EXECUTIVE OFFICER	1999	376,058	564,086	270,000(4)	85,613
J. Marvin MaGee	2001	516,250	-	135,000	57,773
PRESIDENT AND CHIEF OPERATING OFFICER	2000	360,000	510,000	40,000	31,809
	1999	219,367	197,430	120,000(4)	18,148
Anthony P. Puppi	2001	400,000	-	59,000	51,822
EXECUTIVE VICE-PRESIDENT, CHIEF	2000	370,000	524,000	35,000	47,121
FINANCIAL OFFICER AND GENERAL MANAGER - SERVICES	1999	250,705	225,635	140,000(4)	37,950
R. Thomas Tropea	2001	400,000	-	59,000	10,200
VICE-CHAIRMAN, GLOBAL CUSTOMER UNITS AND	2000	350,000	495,000	35,000	5,100
WORLDWIDE MARKETING AND BUSINESS DEVELOPMENT	1999	207,298	201,600	70,000	27,463
Stephen Delaney(5) SENIOR VICE-PRESIDENT, U.S., CELESTICA CORPORATION	2001	204,694(5)	150,000(6)	140,000(7)	154,500(8)

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(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, 2001".

(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. MaGee 50,000; and Mr. Puppi 70,000.

(5) Mr. Delaney joined Celestica Corporation in May 2001. The amount specified represents Mr. Delaney's salary from his date of hire to the end of the year.

(6) Represents the amount the Corporation agreed to pay to Mr. Delaney at his date of hire as a bonus for the year ended December 31, 2001.

(7) Includes 100,000 options granted to Mr. Delaney upon joining Celestica Corporation.

(8) Includes $150,000 paid to Mr. Delaney upon joining Celestica Corporation.

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.

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 Towers Perrin Share Plan Services in trust for Celestica Employee Nominee Corporation as agent for and on behalf of such employees.

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, 2001

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, 2001.

NAME	SUBORDINATE VOTING SHARES UNDER OPTIONS GRANTED(1)	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN 2001	EXERCISE OR BASE PRICE PER SUBORDINATE VOTING SHARE(1)	MARKET VALUE OF SUBORDINATE VOTING SHARES ON THE DATE OF GRANT(1)	EXPIRATION DATE
	(#)		($/Security)	($/Security)	
Eugene V. Polistuk	150,000	1.89%	C$66.06	C$66.06	December 4, 2011
J. Marvin MaGee	25,000	0.32%	C$73.50	C$73.50	March 1, 2011
	110,000	1.39%	C$66.06	C$66.06	December 4, 2011
Anthony P. Puppi	59,000	0.75%	C$66.06	C$66.06	December 4, 2011
R. Thomas Tropea	59,000	0.75%	U.S.$41.89	U.S.$41.89	December 4, 2011
Stephen Delaney	100,000	1.26%	U.S.$50.00	U.S.$50.00	April 20, 2011
	40,000	0.51%	U.S.$41.89	U.S.$41.89	December 4, 2011

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(1) Options vest in four equal annual instalments.

OPTIONS EXERCISED DURING MOST RECENTLY COMPLETED FINANCIAL YEAR AND VALUE OF OPTIONS AT DECEMBER 31, 2001

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, 2001 and Subordinate Voting Shares under option to the Named Executive Officers as at December 31, 2001.

NAME	SUBORDINATE VOTING SHARES ACQUIRED ON EXERCISE	AGGREGATE VALUE REALIZED(1)	UNEXERCISED OPTIONS AT DECEMBER 31, 2001		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT DECEMBER 31, 2001(2)	
			EXERCISABLE(3)	UNEXERCISABLE(3)	EXERCISABLE(3)	UNEXERCISABLE(3)
Eugene V. Polistuk	44,607	$1,563,921	390,267	405,566	$9,828,562	$3,769,418
J. Marvin MaGee	-	-	155,212	235,920	$3,672,565	$1,226,996
Anthony P. Puppi	42,567	$1,701,264	126,395	161,170	$2,595,020	$1,367,221
R. Thomas Tropea	-	-	183,664	213,526	$4,474,479	$2,998,853
Stephen Delaney	-	-	-	140,000	-	-

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(1) Based on the closing price of the underlying shares on the New York Stock Exchange on the date of exercise of the options.

(2) Based on the closing price of the Subordinate Voting Shares on the New York Stock Exchange on December 31, 2001 of $40.39.

(3) Options granted under the ESPO and the LTIP.

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 Canada Customs and Revenue Agency 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	YEARS OF SERVICE 15	20	25	30	35
$300,000	$30,000	$40,000	$65,000	$95,000	$95,000
$400,000	$39,000	$52,000	$84,000	$124,000	$124,000
$500,000	$48,000	$64,000	$103,000	$153,000	$153,000
$600,000	$57,000	$76,000	$123,000	$181,000	$181,000

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(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$1.5911.

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, 1998. 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, 2001, Messrs. Polistuk and Puppi had completed 33 and 22 years of service, respectively.

During the year ended December 31, 2001, Celestica set aside an aggregate amount of $321,303 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, 2001 for the purpose of providing pension, retirement or similar benefits for Messrs. Polistuk, Puppi and MaGee pursuant to any other plans.

Messrs. Tropea and Delaney participate 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, 2001, Celestica contributed $14,700 to the U.S. Plan for the benefit of Messrs. Tropea and Delaney. Except as described above, no other amounts were set aside or accrued by Celestica during the year ended December 31, 2001 for the purpose of providing pension, retirement or similar benefits for Mr. Tropea.

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 2001, 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%.

All of Celestica's employees in eligible geographies, other than the executive officers, participate in the Celestica Team Incentive Plan. In 2001, 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.

In 2001, no awards were paid under the Celestica Team Incentive Plan or the Celestica Executive Team Incentive Plan since the Corporation did not meet its internal threshold financial performance target.

LONG-TERM INCENTIVES

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.

The objectives of Celestica's Long-Term Incentive Plan are: (i) to align employee interests with those of shareholders with respect to the creation of shareholder value; (ii) to reward employees for their contribution to Celestica's success; and (iii) to allow the Corporation to attract and retain the qualified and experienced personnel who are critical to the Corporation's success. Options are currently granted annually to eligible employees based on the recommendation of the management of each business unit and are subject to the approval of the CEO. The Compensation Committee recommends option grants for the CEO, the Chief Operating Officer, the Chief Financial Officer and the Vice-Chair to the Board of Directors for approval. The total number of options to be granted in a given year is approved by the Compensation Committee after taking into account the total number of options outstanding both before and after current year grants.

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.

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.

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 at similarly-sized companies in the electronics manufacturing services industry and a comparator group of companies in closely related industries in the U.S.

Celestica weathered a difficult business environment in 2001. The general weakness in end-market demand experienced by Celestica's customers and by the technology sector in general, impacted Celestica's ability to meet its internal revenue and profit targets. Mr. Polistuk's vision and leadership helped to mitigate the impact of the downturn on Celestica as the Corporation maintained its operating margins from 2000 and strengthened its balance sheet by ending the year with $1.3 billion in cash.

In 2001, Mr. Polistuk received a salary of $700,000 and a Long-Term Incentive Plan award, as detailed previously. Mr. Polistuk did not receive an award under the Celestica Executive Team Incentive Plan.

REPORT PRESENTED BY THE COMPENSATION COMMITTEE:

William Etherington
Anthony R. Melman
Don Tapscott

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 in cash, these directors may elect, at the time they are first elected or appointed to Celestica's Board of Directors, to receive their fees in Subordinate Voting Shares. Directors who joined the Board at or about the time of the Corporation's Initial Public Offering receive an annual retainer and per meeting fee of 2,860 and 286 Subordinate Voting Shares respectively. Under the Directors' Compensation

Plan adopted in July 2001, the number of shares to be paid to other eligible directors in lieu of cash is calculated, in the case of meeting fees, by dividing the cash fee that would otherwise be payable by the closing price of Subordinate Voting Shares on the NYSE on the date of the meeting, and, in the case of annual retainer fees, by dividing the cash amount that would otherwise be payable quarterly by the closing price of Subordinate Voting Shares on the NYSE on the last day of the quarter. 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 2001 by the Company to its directors in their capacity as directors was $50,000 and the right to receive, in the aggregate, 18,482.41 Subordinate Voting Shares. The delivery of these shares was deferred until the respective directors cease to be directors of Celestica. Mr. Crandall also receives 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.

In 2001, each of the eligible directors was issued options to acquire 20,000 Subordinate Voting Shares, pursuant to the Long-Term Incentive Plan. 80,000 options were issued at an exercise price of $44.23. 40,000 options were issued at an exercise price of $35.95.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As at March 1, 2002, Celestica had guaranteed $1,871,718 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 2001(1)	AMOUNT OUTSTANDING AS AT MARCH 1, 2002(1),(2)
J. Marvin MaGee PRESIDENT AND CHIEF OPERATING OFFICER	$155,391	$155,391
R. Thomas Tropea VICE-CHAIRMAN, GLOBAL CUSTOMER UNITS AND WORLDWIDE MARKETING AND BUSINESS DEVELOPMENT	$407,396	$407,396
Alastair Kelly EXECUTIVE VICE-PRESIDENT, CORPORATE DEVELOPMENT	$134,805	nil
Daniel P. Shea SENIOR VICE-PRESIDENT AND CHIEF TECHNOLOGY OFFICER	$280,998	$280,998
Rahul Suri SENIOR VICE-PRESIDENT, MERGERS AND ACQUISITIONS	$957,108	$957,108
Graham Thouret VICE-PRESIDENT AND CORPORATE TREASURER	$97,383	nil
Peter Bar VICE-PRESIDENT AND CORPORATE CONTROLLER	$92,957	$70,824

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(1) All amounts are shown in U.S. dollars converted, where necessary, from Canadian dollars at an exchange rate of U.S.$1.00 = C$1.5955 and from British pounds sterling at an exchange rate of U.S.$1.00 =(pound)0.7047.

(2) 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 securities were purchased by any director or officer during 2001 with the financial assistance of Celestica. No director, officer or employee was indebted to Celestica other than in connection with securities purchase programs during the fiscal year ended December 31, 2001.

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 2001, Celestica paid to Onex management and investment banking fees of approximately $2.1 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 B 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.

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.

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, Etherington and Tapscott, all of whom are unrelated to the Corporation. John Walter was a member of the Compensation Committee until his retirement from the Board of Directors in June, 2001. Mr. Walter is also 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, 2001.

[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.

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, 2001, 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 19, 2002.

By Order of the Board of Directors

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

SCHEDULE A
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 23,000,000 Subordinate Voting Shares to 29,000,000 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.

SCHEDULE B

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

TSE CORPORATE GOVERNANCE COMMITTEE GUIDELINE	COMMENTS
1. The Board of Directors should explicitly assume resonsibility for stewardship of the Corporation. As part of the overall stewardship responsibility, the Board should assume responsibility specifically for:	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 to ensure adherence to good corporate governance practices. In light of this obligation, the Board assumes responsibility for matters such as those set out below:
(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 key senior management positions and skills assessments of individuals identified to fill key roles.
(iv) communications policy	(iv) Review and approval of the contents of major disclosure documents such as 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 the directors should be "unrelated" (free from conflicting interest).	The Board of Directors 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 six directors who do not have interests or relations with either the Corporation or its significant shareholder, Onex. The six directors who do not have interests or relations with either the Corporation or Onex are Messrs. Crandall, Etherington, Love, Martin, Naruto and Tapscott.

TSE CORPORATE GOVERNANCE COMMITTEE GUIDELINE	COMMENTS
3. Disclose for each director whether he or she is related, and how that conclusion was reached.	Messrs. Crandall, Etherington, Love, Martin, Melman, Schwartz, Naruto and Tapscott 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, Etherington, Love, Martin, Melman, Schwartz Naruto and Tapscott is an unrelated director. The Board of Directors has determined that Mr. Polistuk, as Chief Executive Officer of the Corporation is not an unrelated director because he is a member of the Corporation's management.
4. Appoint a Committee composed of non-management directors, a majority of whom are unrelated directors, responsible for the appointment/assessment of directors.	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.
5. Implement a process for assessing the effectiveness of the Board, its Committees and individual directors.	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.
6. Provide orientation and education programs for new directors.	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.
7. Examination of the size of the Board and consideration with a view to determine the impact of the number upon effectiveness.	The Board of Directors believes that its size is appropriate given the size and complexity of the Corporation's business. The current Board composition results in a balanced representation on the Board of Directors among management, the principal shareholder and unrelated directors.
8. Review the adequacy and form of compensation of directors in light of risks and responsibilities.	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.
9. Committees should generally be composed of non-management directors, the majority of whom are unrelated.	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.

TSE CORPORATE GOVERNANCE COMMITTEE GUIDELINE	COMMENTS
10. The Board should assume responsibility for or appoint a Committee responsible for approach to corporate governance issues. This committee would, among other things, be responsible for the response to the TSE Guidelines.	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.
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.	If all of management's nominess to the Board are elected, the Board of Directors will include only one director who is a member 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 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.

TSE CORPORATE GOVERNANCE COMMITTEE GUIDELINE	COMMENTS
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 recieves the benefit of having a Chairman of the Board with extensive experience and knowledge of the Corporation's business.
13. The Audit Committee should be composed only of outside directors.	The Audit Committee is composed 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 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 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 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.
The Audit Committee should have direct communication channels with the internal and the external auditors to discuss and review specific issues as appropriate.	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.

Exhibit 99.2

CELESTICA INC.

PROXY

FOR USE AT THE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 17, 2002

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 AND CHIEF OPERATING 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 17TH DAY OF APRIL, 2002 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 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 A to the Corporation's Management Information Circular dated March 19, 2002.

4. 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, 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 ____, 2002.

____
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, 100 UNIVERSITY AVENUE, 9TH FLOOR, TORONTO, ONTARIO M5J 2Y1, ANY TIME UP TO 5:00 P.M. (TORONTO TIME) ON APRIL 16, 2002 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 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.

Exhibit 99.3

CELESTICA INC.

PROXY

FOR USE AT THE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 17, 2002

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 OPERATING 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 17TH DAY OF APRIL, 2002 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 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 A to the Corporation's Management Information Circular dated March 19, 2002.

4. 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, 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 _______________________________________, 2002.

____
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, 100 UNIVERSITY AVENUE, 9TH FLOOR, TORONTO, ONTARIO M5J 2Y1, ANY TIME UP TO 5:00 P.M. (TORONTO TIME) ON APRIL 16, 2002 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 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 LOGO]

e l e c t r o n i c s   m a n u f a c t u r i n g   s e r v i c e s

2 0 0 1   a n n u a l   r e p o r t
efficiency

ADAPTABLE

EFFICIENT

Once the best manufacturing solution is developed,
you start again and focus on making it even better.

EFFICIENT AND ADAPTABLE. THESE ARE THE TWO MOST IMPORTANT ATTRIBUTES YOU NEED TO BE A SUCCESSFUL ELECTRONICS MANUFACTURING SERVICES (EMS) PROVIDER. THE WORLD'S TOP TECHNOLOGY DEVELOPERS - THE COMPANIES WHO CREATE ADVANCED INFORMATION TECHNOLOGY, COMMUNICATION NETWORKS OR LEADING-EDGE CONSUMER PRODUCTS - RELY ON EMS PROVIDERS TO PROVIDE THEM WITH THE MOST EFFICIENT AND ADAPTABLE SUPPLY CHAIN AND MANUFACTURING MODEL REGARDLESS OF THE ECONOMIC ENVIRONMENT.

WHETHER INTRODUCING NEW TECHNOLOGY, SCALING UP FOR VOLUME PRODUCTION OR SCALING DOWN TO MEET SWIFT CHANGES IN DEMAND, EMS PROVIDERS ARE FOCUSED ON MANUFACTURING AS THEIR CORE COMPETENCY. THE MORE FOCUSED WE ARE, THE MORE EFFICIENT WE CAN BE FOR OUR CUSTOMERS. CELESTICA IS A TECHNOLOGY MANUFACTURING EFFICIENCY COMPANY FOCUSED ON DRIVING VALUE FOR CUSTOMERS AND SHAREHOLDERS.

CORPORATE PROFILE

CELESTICA IS A WORLD LEADER IN THE DELIVERY OF INNOVATIVE ELECTRONICS MANUFACTURING SERVICES (EMS). WITH 2001 REVENUES IN EXCESS OF US $10 BILLION, CELESTICA IS A GLOBAL OPERATOR OF A HIGHLY SOPHISTICATED MANUFACTURING NETWORK, PROVIDING A BROAD RANGE OF SERVICES TO LEADING OEMS (ORIGINAL EQUIPMENT MANUFACTURERS) IN THE INFORMATION TECHNOLOGY AND COMMUNICATIONS INDUSTRIES. UNRIVALLED IN QUALITY, TECHNOLOGY AND SUPPLY CHAIN MANAGEMENT, CELESTICA PROVIDES COMPETITIVE ADVANTAGE TO ITS CUSTOMERS BY IMPROVING TIME-TO-MARKET, SCALABILITY AND MANUFACTURING EFFICIENCY. CELESTICA HAS MORE THAN 40,000 EMPLOYEES IN OVER 40 LOCATIONS IN THE AMERICAS, EUROPE AND ASIA.

FOR FURTHER INFORMATION ON CELESTICA, VISIT ITS WEB SITE AT www.celestica.com.

THE COMPANY'S SECURITIES FILINGS CAN ALSO BE ACCESSED AT www.sedar.com AND www.sec.gov.

quarterly performance
2001

revenue
(U.S.$ billions)

Q1	$2.7
Q2	$2.7
Q3	$2.2
Q4	$2.4

operating margins(1)
(percentage of revenue)

Q1	3.9%
Q2	4.0%
Q3	3.2%
Q4	3.7%

earnings (loss) per share
(U.S.$ diluted)

Q1	$ 0.25
Q2	$ 0.06
Q3	$(0.20)
Q4	$(0.33)

adjusted earnings per share(2)
(U.S.$ diluted)

Q1	$0.39
Q2	$0.41
Q3	$0.27
Q4	$0.31

cash flow from operations
(U.S. $ millions)

Q1	$(261)
Q2	$ 212
Q3	$ 450
Q4	$ 889

(1) Earnings before interest, amortization of intangible assets, income taxes, integration costs related to acquisitions and other charges (also referred to as EBIAT).
(2) Based on adjusted net earnings defined as net earnings (loss) adjusted for amortization of intangible assets, integration costs related to acquisitions and other charges, net of related income taxes. Adjusted net earnings is not a GAAP measure. See page 18.
(3) Restated to reflect the treasury stock method, retroactively applied.

annual performance

revenue

(U.S. $ billions)

1998	$ 3.2
1999	$ 5.3
2000	$ 9.8
2001	$10.0

operating margins(1)

(percentage of revenue)

1998	3.1%
1999	3.4%
2000	3.7%
2001	3.7%

earnings (loss) per share(3)

(U.S. $ diluted)

1998	$(0.47)
1999	$ 0.40
2000	$ 0.98
2001	$(0.26)

adjusted earnings per share(2)(3)

(U.S. $ diluted)

1998	$0.42
1999	$0.72
2000	$1.44
2001	$1.38

cash flow from operations

(U.S. $ millions)

1998	$ 82
1999	$ (94)
2000	$ (85)
2001	$1291

investor
highlights
2001

strong balance sheet
Cash balances of $1.3 billion and unused credit facilities of $1 billion at December 31

strong cash flow
Record cash flow from operations of $1.3 billion

stable operating margins
Operating margins of 3.7% unchanged from 2000

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DEAR FELLOW SHAREHOLDERS,

The "perfect tech storm." It's the best way to describe the unprecedented economic turmoil that technology end markets faced in 2001.

Rapid deterioration in telecommunications end markets, retrenching capital markets and significant corporate restructuring all contributed to making 2001 the most challenging year we have faced in our brief three and a half year history as a public company.

Yet, against the backdrop of this challenging environment, Celestica's execution was strong and our response to these conditions decisive:

- We responded quickly to the needs of our customers by focusing on operating efficiency to drive meaningful cost reduction solutions.

- We generated record cash flow from operations of $1.3 billion, providing enough internal funding to meet the cash acquisition needs of our busiest acquisition year to date.

- Our balance sheet strengthened and was the strongest in our industry, ending the year with $1.3 billion in cash and short-term investments.

- Our operating margins were unchanged from 2000, the only top-tier EMS provider to achieve this.

- We dealt compassionately with the difficult reality of having to restructure our global footprint, including layoffs on a global basis.

- We grew modestly in a year of major economic contraction through acquisitions which added key capabilities, expanded customer relationships and increased our lower cost manufacturing footprint.

In summary, we responded quickly and decisively to the environment and ended the year in a stronger financial position and with a more superior manufacturing footprint than when we began the year.

FINANCIAL HIGHLIGHTS

Revenue for the year was $10 billion, a 3% increase over 2000. Core business was down 11%, but was offset by acquisition revenue growth of 14%.

Net loss was $40 million or a loss of $0.26 per share compared to net earnings of $207 million or $0.98 per share in 2000. The net loss includes $273 million in restructuring and other costs of which half were cash costs.

Adjusted net earnings were $321 million or $1.38 per share compared to $304 million or $1.44 per share in 2000.

Operating margins were 3.7%, unchanged from 2000.

Cash flow from operations was a record $1,291 million compared to negative cash flow of $85 million in 2000.

Inventory decreased from $1,664 million to $1,373 million.

Cash and short-term investments increased to $1,343 million compared to $884 million last year.

RESTRUCTURING AND ACQUISITIONS

We implemented some major changes to our global footprint in 2001 in response to weakening end markets and targeted strategic acquisitions. When we began our restructuring activities in 2001, 81% of our facilities were in higher-cost geographies. When the process is complete, that number will drop to 45% giving the company a better-balanced manufacturing footprint.

While restructuring was an important part of our activities in 2001, so was investing in the company for the future. In all, we invested $1.9 billion in key acquisitions that expanded our capabilities in end markets such as communications and broadened our low-cost footprint.

The net of both restructuring and investing activities was that we ended the year with more than 40,000 employees and a very robust global manufacturing footprint with deep technical capabilities at all cost points.

PERFORMANCE VERSUS KEY FINANCIAL GOALS

In 2000, we established four key financial goals for 2003 and our performance was as follows:

REVENUE OF $20 BILLION: This goal has been deferred based on the uncertainty of end markets however longer-term outsourcing opportunities remain significant and Celestica expects to benefit from this trend. Anticipating growth in revenue is important to Celestica as it drives the timing and scope of future investment in information technology, human resources and Celestica's manufacturing footprint.

OPERATING MARGINS OF GREATER THAN 5%: In 2001 our margins were 3.7%, unchanged from 2000. We believe this goal is still achievable based on our ongoing focus on operating efficiency; a rebalancing of our global footprint to lower cost geographies; the achievement of future benefits from our restructuring efforts; and our mix of business which is biased towards more advanced and higher value-add products.

CASH CYCLE OF 25 DAYS: Cash cycle for 2001 was 49 days versus 35 days for 2000. The rapid deterioration of end markets impacted progress on this metric. We feel this goal is still attainable based on the investments we continue to make in our supply chain systems and supporting infrastructure. As business stabilized at the end of the year, cash cycle improvement resumed.

PRE-TAX RETURN ON INVESTED CAPITAL (ROIC) OF GREATER THAN 30%: Our performance on this metric was 14.8% in 2001 compared to 21.6% in 2000. The significant deterioration of end markets impacted items such as inventory efficiency and accounts receivable as we worked with our customers to manage working capital during this downturn. We believe this goal is still attainable based on attaining greater working capital efficiencies with our supply chain capabilities.

OUTLOOK

As we enter 2002, near-term revenue visibility for our communications and information technology customers remains limited. While we can't control end-market demand, we don't feel this should limit our commitment to drive value for our shareholders. Despite the weaker economic environment last year, Celestica became a stronger company and we are well positioned to capitalize on growth opportunities when end markets recover.

Continually improving efficiency is where our priorities will lie and as our 2003 goals reflect, operating efficiency is a company-wide priority with the potential for significant value generation for our shareholders.

Longer-term, the trend for outsourcing is alive and well. Customers continue to look for strong financial partners with focused core competencies capable of offering optimal manufacturing solutions that limit execution risk yet provide global scale and flexibility, a superior technical offering and the most advanced supply chain capabilities.

OUR COMPANY IS FINANCIALLY STRONG AND VALUES DRIVEN

Celestica is a company driven by corporate values (page 52 of this report) based on respect and the highest degree of integrity. In an era where investors are questioning the practices and behaviours of companies, we are proud of the way we conduct our affairs. Our values are real and have been part of the fabric of Celestica from the beginning. I encourage you to read them to gain additional insight into how our company operates.

We are also an organization whose behaviour is completely aligned with our primary stakeholders as we believe that to sustainably drive our success, we have to be aligned with our customers and shareholders. This is reflected in our culture and further emphasized by aligning our compensation at all levels of the company to performance metrics such as earnings, returns and customer satisfaction.

Through these beliefs and approaches we have produced a powerful culture that cannot be adequately captured in an annual report. The true test of this culture was seen in 2001 when despite the numerous challenges we faced, our third-party review of corporate-wide customer satisfaction increased and employee satisfaction was maintained despite the difficult environment.

I would like to conclude by thanking our employees for their accomplishments this year. They are consummate professionals and have demonstrated their ability to adapt and rise to the significant challenges of 2001. In our brief history, we have dealt with unprecedented business extremes - both intense growth and swift contractions - and we have executed well. While we can't predict the timing or strength of current or future economic cycles, I do believe that the quality of this organization has positioned Celestica to manage effectively and continue to participate successfully in the significant outsourcing opportunity ahead.

Eugene V. Polistuk

[/s/ EUGENE V. POLISTUK]

Chairman and
Chief Executive Officer

[GROUP 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

outsourcing network

CELESTICA DOESN'T JUST RUN PLANTS, IT RUNS A NETWORK - A MANUFACTURING NETWORK. A NETWORK CONSISTING OF A ROBUST, GLOBAL SET OF SKILLS AND TOOLS THAT EFFICIENTLY MANAGES PRODUCTION REGARDLESS OF GEOGRAPHY, COST-POINT, TECHNOLOGY OR END-MARKET DEMAND. THE SUCCESS OF THIS NETWORK IS DETERMINED BY HOW WELL IT CAN RESPOND TO BOTH THE CHALLENGES AND OPPORTUNITIES IN OUTSOURCING.

- --

INCREASINGLY, GLOBAL TECHNOLOGY OEMS ARE TURNING TO EMS COMPANIES TO HANDLE THE MANUFACTURING OF ELECTRONICS. BY LEVERAGING SIGNIFICANT GLOBAL SCALE AND THE CAPABILITY TO PROVIDE A WIDE ARRAY OF MANUFACTURING SERVICES TO A DIVERSE CUSTOMER SET, EMS COMPANIES ARE ABLE TO BE EXTREMELY EFFICIENT AND PASS ON SIGNIFICANT COST SAVINGS AND FLEXIBILITY ADVANTAGES TO THEIR CUSTOMERS.

- --

DYNAMIC OUTSOURCING MARKETS REQUIRE FLEXIBILITY: The total demand for outsourcing has three primary drivers. The first is general electronics demand. Last year, a difficult demand environment for technology products resulted in our base business declining by 11%. However, the second driver of outsourcing - the trend toward outsourcing - continued to be strong. The weak economic environment last year drove all our customers to increasingly outsource their products to reduce costs and increase flexibility. Customers are increasingly outsourcing existing and new programs to EMS providers, and some customers outsource because they don't have any manufacturing facilities. The third driver of outsourcing is OEM divestitures - where OEMs take a significant step towards the outsourcing model by transferring entire manufacturing operations to EMS partners. Last year revenue from acquisitions grew 14% as Celestica completed some of its largest acquisitions. OEM divestures are fundamentally a transition of business to the EMS provider as the purchase price is primarily based on working capital needed for production.

A MANUFACTURING NETWORKS' RESPONSE TO THE OUTSOURCING MARKET: Managing this dynamic outsourcing market requires a commitment to key technologies and a focus on intellectual assets. It may sound counter-intuitive, but production equipment and buildings are actually the least critical aspects of being a successful EMS provider. To be efficient, EMS companies must be able to seamlessly manage the inflow of components worldwide, optimize production between factories and continually balance inventories with demand. Managing this pulsing network is not easy. What makes Celestica a leader in the EMS industry is the employment of highly skilled manufacturing and supply chain management professionals who deploy extremely disciplined processes and leverage a wide variety of IT tools to help them manage a very complex global business.

Since supply chain management forges the links between our factories, our customers and our suppliers, the systems our professionals use are critical to the efficiency of the company. From its inception, Celestica has viewed supply chain IT investment as a vital component to being a world-class EMS provider. Our supply chain IT strategy is simple: make the system homogenous, deploy it globally, and run it with the singular focus of maximizing efficiency and adaptability for the needs of the customer. Our investments have resulted in common enterprise resource planning systems that use best-of-breed applications in the areas of advanced planning, engineering, manufacturing and data management.

It is this systematic integration of our manufacturing network - the tools, the people, the processes - that gives Celestica a competitive advantage to respond to the growing outsourcing opportunity.

core competency

A SINGULAR FOCUS ON CORE MANUFACTURING SERVICES ENABLED CELESTICA TO MANAGE EFFECTIVELY THROUGH THE TECHNOLOGY STORM OF 2001.

- --
IN ITS SIMPLEST FORM, CELESTICA'S "HORIZONTAL" MANUFACTURING MODEL IS BASED ON AN ADVANCED SUPPLY CHAIN OFFERING INCLUDING DESIGN SERVICES, ADVANCED CIRCUIT BOARD ASSEMBLY, HIGHLY-ADVANCED TESTING SERVICES, ORDER FULFILLMENT AND AFTER-MARKET SUPPORT SUCH AS REPAIR SERVICES. A FOCUS ON THESE CORE COMPETENCIES ALLOWS CELESTICA TO DRIVE EFFICIENCY FOR ITS CUSTOMERS.
- --

Horizontal versus vertical manufacturing models. Different approaches as to how to best service customers. A horizontal model focuses on providing a core set of manufacturing services while using a network of leading suppliers to manage other parts of the manufacturing supply chain. A vertical model is similar but also provides additional parts of the supply chain such as component or board manufacturing as well as other services. One model is not necessarily better than the other - they're just different, with different attributes in areas such as requirements for capital investment and operating margin volatility.

Celestica has focused on a horizontal model since its inception. Our view is that a horizontal model is the simplest model and allows for maximum efficiency for customers. In our current horizontal service offerings (design, assembly, test, repair), we have the best capability and global scale to provide the most competitive and most flexible offering. Outside of these horizontal services, where we have chosen not to build the scale or focus, we partner with suppliers who have made those areas their singular core competency. Our approach is to establish a "virtual verticalization" model, one that allows us to provide our customers with the best solution without owning those services or having to divert capital to non-core operations or competing with suppliers.

We feel strongly that our suppliers (who can sometimes be competitors as well) typically will have better scale, better focus or better deployment of what is a non-core service to us but core to them. Our approach is to leverage the best practices incosts and technologies wherever they exist. From a customer offering perspective, our focus is to provide the best solution regardless of how that solution can be provided.

From a financial perspective, an optimized horizontal model can produce greater stability in operating margins. We saw this in a very turbulent 2001, where our operating margins were unchanged from 2000. A horizontal model can also be less capital intensive, with capital expenditures on average running between 1% and 3% of revenue. We also believe that a predominantly horizontal model with superior supply chain capabilities can potentially drive better and more consistent inventory turns, a lower cash cycle and ultimately higher returns.

At Celestica, we continually evaluate our manufacturing model because adaptability is a key aspect of being a successful EMS provider. We're a firm believer that a company can afford to make changes, but it can't afford to be confused as to what is its core competency.

global

scope

WHILE 2001 WAS A YEAR OF RESTRUCTURING FOR CELECTICA AND THE TECHNOLOGY INDUSTRY AS A WHOLE, IT WAS ALSO A YEAR OF GLOBAL INVESTMENT FOR CELESTICA AS THE COMPANY LOOKED TO REBALANCE ITS GLOBAL MANUFACTURING FOOTPRINT.

- ---
IN 2001, CELESTICA INCURRED $237 MILLION IN RESTRUCTURING CHARGES AS THE COMPANY RESPONDED DECISIVELY TO THE RAPID CHANGE IN END-MARKET DEMAND. AT THE SAME TIME, CELESTICA INVESTED STRATEGICALLY IN ACQUISITIONS THAT BETTER POSITIONED THE COMPANY FOR FUTURE OUTSOURCING OPPORTUNITIES.
- ---

Celestica restructured its corporate footprint in 2001. It was the first major restructuring the company has undergone since becoming a dedicated outsourcing provider in the mid-1990s. These actions included closing 18 facilities, reducing overall capacity by 25% and reducing staffing levels by 30%.

Offsetting the restructuring were the major investments of $1.9 billion for acquisitions. Importantly, our operations internally generated the cash flow to fund the $1.3 billion in cash required for these acquisitions. The acquisitions included expanded OEM outsourcing divestitures - such as transactions with Lucent Technologies in the U.S. and Sagem S.A. in the Czech Republic - as well as EMS industry consolidations which included Omni Industries of Singapore. These transactions play an important role in building the global scope of the company's manufacturing footprint by adding intellectual assets, key customer relationships,low-cost geographic capabilities and leading-edge technologies.

The primary focus of the restructuring and acquisitions was to adjust capacity to meet lower demand and increase capacity in lower-cost geographies. At the start of 2001, 81% of our facilities were in higher-cost geographies. At the end of the restructuring, that number will drop to 45%.

While low-cost manufacturing locations are an important part of the company's global footprint, not all technology products - now or in the future - will be made exclusively in these geographies. This is particularly true of the most advanced technology products - a dominant market for Celestica - where new product introductions and volume production are more suited to locations with deep engineering infrastructure, sophisticated manufacturing capability and advanced testing techniques.

In the future, Celestica will participate in additional outsourcing acquisitions, but only those that can meet our very strict criteria in the areas of financial returns, capability, customer quality and geographic footprint. While acquisitions pose integration challenges and risks, Celestica has developed one of the industry's most experienced integration teams, with approximately 30 acquisitions completed in the past five years. By continuing with our highly-disciplined approach, future acquisitions will continue to play a key role in value creation at Celestica.

Financial Performance

WITH THE SIGNIFICANT END-MARKET VOLATILITY EXPERIENCED IN 2001, CELESTICA FOCUSED ON IMPROVING OPERATING EFFICIENCY AND PRODUCED SOLID RESULTS.

- --
IN A CHALLENGING ECONOMIC ENVIRONMENT, CELESTICA ENDED 2001 IN A STRONGER FINANCIAL POSITION THAN WHEN IT STARTED THE YEAR. THE COMPANY DROVE RECORD CASH FLOW AND ENDED THE YEAR WITH THE INDUSTRY'S STRONGEST BALANCE SHEET. OPERATING MARGINS WERE UNCHANGED AND THE COMPANY IMPROVED REVENUE DIVERSIFICATION IN ITS TOP 10 CUSTOMERS.
- --

REVENUE GROWTH: In 2001, Celestica had revenue of $10,004 million, a 3% increase over $9,752 million last year. This modest growth was based on a 14% increase from revenue through acquisitions, offset by an 11% decrease in our base business volumes. Organic revenue was impacted by a broad, across-the-board decrease in demand in multiple IT and communications end markets. Acquisition growth was driven by EMS consolidation transactions and OEM divestitures.

REVENUE SEGMENTATION: In 2001, Celestica continued to focus on building its diversified revenue portfolio with industry-leading OEMs. Communications represented 36% of revenue, servers was 31%, storage and other 18%, workstations 10% and PC's 5%. The company had three customers over 10% - Sun, IBM and Lucent -and the company's top 10 customers represented 84% of total revenue. On a geographic basis, the Americas represented 62% of production, Europe was 29% and Asia was 9%.

OPERATING MARGINS: Despite the drop in the company's base revenue volumes, operating margins remained unchanged in 2001 at 3.7%. This was achieved through the company's focus on reducing costs and improving operating efficiencies. Also contributing were the restructuring activities announced in 2001. Costs associated with restructuring and other charges were $273 million, of which $138 million were cash costs. This included the consolidation of 18 facilities in higher-cost locations. Celestica targeted a payback of the cash costs within 12 months from when these costs are incurred.

RETURNS AND CASH CYCLE: Pre-tax return on invested capital (ROIC) was 14.8% in 2001 compared to 21.6% in 2000. The decrease was due to the overall weaker economic environment that impacted working capital performance. Correspondingly, cash cycle in 2001 was 49 days compared to 35 days in 2000. The company has goals for 2003 of getting ROIC to greater than 30% with a cash cycle of 25 days.

BALANCE SHEET: Celestica's balance sheet is very strong. Cash and short-term investments balance at the end of 2001 was $1,343 million and debt to capitalization ratio was 21% (including convertible notes as debt). The company also has unused credit facilities of $1 billion, giving Celestica ample financial capacity to pursue growth opportunities.

QUARTERLY HIGHLIGHTS

UNAUDITED QUARTERLY FINANCIAL HIGHLIGHTS (in millions of U.S. dollars, except per share amounts)

2001 FIRST
QUARTER
SECOND
QUARTER
THIRD
QUARTER
FOURTH
QUARTER
TOTAL YEAR
- --------

REVENUE
$2,692.6
$2,660.7
$2,203.0
$2,448.2
$10,004.4
EBIAT (1)
$ 104.3 $
105.8 $
70.1 $
90.9 $
371.1 %
(1) 3.9%
4.0% 3.2%
3.7% 3.7%
NET
EARNINGS
(LOSS) $
54.8 $
15.8 $
(38.7) $
(71.8) $
(39.8)
ADJUSTED
NET
EARNINGS
(2) $ 87.3
$ 93.1 $
64.7 $
75.5 $
320.6 %
3.2% 3.5%
2.9% 3.1%
3.2%
AVERAGE
NET
INVESTED
CAPITAL
(5)
$2,471.3
$2,674.8
$2,740.1
$2,479.1 $
2,506.3 -

- WEIGHTED
AVERAGE #
OF SHARES
OUTSTANDING
(IN
MILLIONS)
- - BASIC
203.6
207.0
218.1
227.1
213.9 - -

DILUTED
(3) 223.1
225.5
218.1
227.1
213.9
BASIC
EARNINGS
(LOSS) PER
SHARE $
0.25 $
0.06 $
(0.20) $
(0.33) $
(0.26)
DILUTED
EARNINGS
(LOSS) PER
SHARE (3)
$ 0.25 $
0.06 $
(0.20) $
(0.33) $
(0.26)
DILUTED
ADJUSTED
EARNINGS
PER SHARE
(4) $ 0.39
$ 0.41 $
0.27 $
0.31 $
1.38 - ---

ROIC (5)
16.9%
15.8%
10.2%
14.7%
14.8% 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 %
(1) 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
(5)
$1,160.6
$1,518.2
$1,912.9
$2,131.3
$1,674.7
Weighted
average #
of shares
outstanding
(in
millions)
- - basic
190.1
202.7
203.0
203.2
199.8 - -
diluted
(6) 199.5
211.9
220.0
222.6
211.8
Basic
earnings
per share
$ 0.14 $
0.20 $
0.26 $
0.39 $
1.01
Diluted
earnings
per share
(6) $ 0.13
$ 0.20 $
0.25 $
0.38 $
0.98
Diluted
adjusted
earnings
per share
(6) $ 0.20
$ 0.30 $
0.38 $
0.53 $
1.44 - ---

ROIC (5)
18.1%
19.1%
20.6%
26.0%
21.6%

(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 (loss) adjusted for amortization of intangible assets, integration costs related to acquisitions and other charges, net of related income taxes. Adjusted net earnings is not a GAAP measure. See page 18.

(3) For the third and fourth quarter and total year 2001, excludes the effect of options and convertible debt as they are anti-dilutive due to the net loss.

(4) For purposes of calculating diluted adjusted earnings per share for the third and fourth quarter and total year 2001, the weighted average number of

shares outstanding in millions was 235.7, 244.5 and 232.9, respectively.

(5) ROIC is calculated as EBIAT/average net invested capital. Net invested capital includes tangible assets less cash, accounts payable, accrued liabilities and income taxes payable.

(6) Shares outstanding and per share amounts for 2000 have been restated to reflect the treasury stock method, retroactively applied.

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 for the year ended December 31, 2001.

Certain statements contained in the following Management's Discussion and Analysis of Financial Condition and Results of Operations, 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; our variability of operating results among periods; our dependence on the computer and communications industries; our dependence on a limited number of customers; and our 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 with 2001 revenue of $10.0 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. Celestica operates facilities in North America, Europe, Asia and Latin America.

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 22 to the 2001 Consolidated Financial Statements.

ACQUISITIONS

A significant portion of Celestica's growth has been generated by strengthening its customer relationships and increasing the breadth of its service offerings through facility and business acquisitions.

2000 ACQUISITIONS:

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. 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 from the IBM acquisition.

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. 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. In November 2000, Celestica acquired NEC Technologies (UK) Ltd., in Telford, UK. The aggregate price for these three acquisitions in 2000 was $169.8 million. In 2000, Celestica also established a green field operation in Singapore.

2001 ASSET ACQUISITIONS:

In February 2001, Celestica acquired certain manufacturing assets in Dublin, Ireland and Mt. Pleasant, Iowa from Motorola Inc. and signed supply agreements for two and three years, respectively. This acquisition expanded the Company's business relationship with Motorola, a leading telecom wireless customer. In March 2001, Celestica acquired certain assets relating to N.K. Techno Co. Ltd 's repair business, which expanded the Company's presence in Japan, and established a greenfield operation in Shanghai. In May 2001, Celestica acquired certain assets from Avaya Inc. in Little Rock, Arkansas and Denver, Colorado and in August 2001, acquired certain assets in Saumur, France. The Company signed a five-year supply agreement with Avaya which positioned Celestica as Avaya's primary outsourcing partner in the area of printed circuit board and system assembly, test, repair and supply chain management for a broad range of its telecommunications products. In August 2001, Celestica acquired certain assets in Columbus, Ohio and Oklahoma City, Oklahoma from Lucent Technologies Inc. The Company signed a five-year supply agreement with Lucent, which positions Celestica as the leading EMS provider for Lucent's North American switching, access and wireless networking systems products.

The aggregate price for these asset acquisitions in 2001 of $834.1 million was financed with cash.

MANAGEMENT'S DISCUSSION AND ANALYSIS of financial condition and results of operations

2001 BUSINESS COMBINATIONS:

In January 2001, Celestica acquired Excel Electronics, Inc. through a merger with Celestica (U.S.) Inc. which enhanced the Company's prototype service offering in the southern region of the United States. In June 2001, Celestica acquired Sagem CRs.r.o., in the Czech Republic, from Sagem SA, of France, which enhanced the Company's presence in central Europe and positioned Celestica as Sagem's primary EMS provider. In August 2001, Celestica acquired Primetech Electronics Inc. (Primetech), an electronics manufacturer in Canada. This acquisition provided Celestica with additional high complexity manufacturing capability and an expanded global customer base. The purchase price for Primetech was financed primarily with the issuance of 3.4 million subordinate voting shares and the issuance of options to purchase 0.3 million subordinate voting shares of the Company.

In October 2001, Celestica acquired Omni Industries Limited (Omni). Omni is an EMS provider, headquartered in Singapore, with locations in Singapore, Malaysia, China, Indonesia and Thailand and has approximately 9,000 employees. Omni provides printed circuit board assembly and system assembly services, as well as other related supply chain services including plastic injection molding and distribution. Omni manufactures products for industry leading OEMs in the PC, storage and communications sectors. The acquisition significantly enhanced Celestica's EMS presence in Asia. The purchase price of Omni of $865.8 million was financed with the issuance of 9.2 million subordinate voting shares and the issuance of options to purchase 0.3 million subordinate voting shares of the Company and $479.5 million in cash.

The aggregate purchase price for these business combinations in 2001 was $1,093.3 million, of which $526.3 million was financed with cash.

The Company is in the process of obtaining third-party valuations of certain assets for the Primetech and Omni acquisitions. The fair value allocations of the purchase price are subject to refinement and could result in adjustments between goodwill and other net assets.

Consistent with its past practices and as a normal course of business, Celestica may at any time be 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 several 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 any 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 contractual arrangements with its key customers generally provide a framework for its overall relationship with the customer. Celestica recognizes product revenue upon shipment to the customer as performance has occurred, all customer specified acceptance criteria have been tested and met, and the earnings process is considered complete. 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 its 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 customers' orders will vary due to customers' attempts to balance their inventory, changes in their manufacturing strategies, variation in demand for their products and general economic conditions. 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. In 2001, weak end-market conditions in the telecommunications and information technology industries resulted in customers rescheduling and cancelling orders. This has impacted Celestica's results of operations.

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		
	1999	2000	2001
Revenue	100.0%	100.0%	100.0%
Cost of sales	92.8	92.9	92.9
Gross profit	7.2	7.1	7.1
Selling, general and administrative expenses	3.8	3.3	3.4
Amortization of intangible assets	1.0	1.0	1.3
Integration costs related to acquisitions	0.2	0.2	0.2
Other charges	0.0	0.0	2.7
Operating income (loss)	2.2	2.6	(0.5)
Interest expense (income), net	0.2	(0.2)	(0.1)
Earnings (loss) before income taxes	2.0	2.8	(0.4)
Income taxes	0.7	0.7	0.0
Net earnings (loss)	1.3%	2.1%	(0.4)%

ADJUSTED NET EARNINGS
(in millions)

1998	1999	2000	2001
$45.3	$123.0	$304.1	$320.6

ADJUSTED NET EARNINGS

As a result of the significant number of acquisitions made by Celestica over the past few 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 (most significantly, restructuring costs and the write-down of goodwill and intangible assets) 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 (loss) prepared in accordance with Canadian GAAP or U.S. GAAP or as a measure of operating performance or profitability. Adjusted net earnings does not have a standardized meaning prescribed by GAAP and is not necessarily comparable to similar measures presented by other companies. The following table reconciles net earnings (loss) to adjusted net earnings:

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
	(in millions)		
Net earnings (loss)	$ 68.4	$206.7	$(39.8)
Amortization of intangible assets	55.6	88.9	125.0
Integration costs related to acquisitions	9.6	16.1	22.8
Other charges	-	-	273.1
Income tax effect of above	(10.6)	(7.6)	(60.5)
Adjusted			

net
earnings
$123.0
$304.1
$320.6 - --

As a
percentage
of revenue
2.3% 3.1%
3.2% - ----

REVENUE

Revenue increased 3%, to $10,004.4 million in 2001 from $9,752.1 million in 2000. Acquisition revenue grew by 14%, offset by an 11% decline in base business volumes. The acquisition growth was a result of strategic acquisitions in the communications industry, primarily in the U.S. and Asia. The Company defines acquisition revenue as revenue from businesses acquired in the preceding 12 months. Organic revenue declined in 2001 due to the softening of end markets. The visibility of future end-market conditions is limited.

MANAGEMENT'S DISCUSSION AND ANALYSIS of financial condition and results of operations

Revenue from the Americas operations decreased 3% to $6,334.6 million in 2001 from $6,542.7 million in 2000 primarily due to continued end-market softening which was partially offset by acquisitions. Revenue from European operations increased 6% to $3,001.3 million in 2001 from $2,823.3 million in 2000 due to the flow through of the IBM acquisition from 2000 and from the 2001 acquisitions, partially offset by the general industry downturn. Revenue from Asian operations increased 14% to $991.1 million in 2001 from $871.6 million in 2000 primarily due to the Omni acquisition offset in part by the general industry downturn. Inter-segment revenue in 2001 was $322.6 million, compared to $485.5million in 2000. We expect that the Americas and Asian operations will benefit in the future from the flow through of the 2001 acquisitions.

Revenue from customers in the communications industry in 2001 was36% of revenue compared to 31% and 25% of revenue in2000 and 1999, respectively. Revenue from customers in the server-related business in 2001 was 31% compared to 33% and 25%of revenue in 2000 and 1999, respectively. Revenue in the communications industry benefited from our recent acquisitions.

REVENUE
(in billions)

$9.8 $10.0

$5.3

$3.2

1998 1999 2000 2001

Revenue increased 84%, 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 by customers in the communications and server industries. Organic revenue growth in 2000 was 50% and represented approximately 59% 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 82%, to $6,542.7 million in 2000 from $3,587.5 million in 1999. Revenue from European operations grew 155%, 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 23%, to $871.6 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.

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

1999 2000
2001 - ----

- Sun Microsystems
X X X IBM X
X Lucent Technologies
X Hewlett-Packard X
Cisco Systems X

Celestica's top-five customers represented in the aggregate 67% of total revenue in 2001 compared to 69% in 2000 and 68% in 1999. The Company is dependent upon continued revenue from its top customers. There can be no assurance that revenue from these or any other customers will not increase or decrease as a percentage of total 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. See notes 17 (concentration of risk) and 19 to the Consolidated Financial Statements.

GROSS PROFIT

Gross profit increased 4%, to $712.5 million in 2001 from $688.0 million in 2000. Gross margin was 7.1% in 2001, consistent with 2000. Margins were maintained due to continued focus on costs and supply chain initiatives and the benefits of restructuring actions.

Gross profit increased 80%, 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 decreased as a result of a change in product mix and start-up costs for new programs, particularly in Mexico.

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.

SG & A PERCENTAGE
(percentage of revenue)

1998	1999	2000	2001
4.0%	3.8%	3.3%	3.4%

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative (SG&A) expenses increased 5% to $341.4 million (3.4% of revenue) in 2001 from $326.1 million (3.3% of revenue) in 2000. The increase in expenses was primarily due to operations acquired during 2000 and 2001.

SG&A increased 61%, 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.

Research and development costs decreased to $17.1 million (0.2% of revenue) in 2001 compared to $19.5 million (0.2% of revenue) in 2000 and $19.7 million (0.4% of revenue) in 1999.

INTANGIBLE ASSETS AND AMORTIZATION

Amortization of intangible assets increased 41%, to $125.0 million in 2001 from $88.9 million in 2000. This increase is attributable to the intangible assets arising from the 2000 and 2001 acquisitions.

Amortization of intangible assets increased 60%, 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.

At December 2001, intangible assets represented 23% of Celestica's total assets compared to 10% at December 2000. The increase is due principally to the Omni acquisition.

Effective July 1, 2001, the Company adopted the new accounting standards for "Business Combinations" and "Goodwill and Other Intangible Assets" as they relate to acquisitions consummated after June 30, 2001. Accordingly, the goodwill related to the acquisitions of Primetech and Omni has not been amortized. Effective January 1, 2002, amortization will be discontinued for all other goodwill. Amortization expense in 2001 related to goodwill was $39.2 million. See "Recent Accounting Developments."

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 $22.8 million in 2001 compared to $16.1 million in 2000 and $9.6 million in 1999. The integration costs incurred in 2001 primarily relate to the completion of the IBM acquisition from 2000 and the Avaya and Motorola 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 2002 as it completes the integration of its 2001 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. In 2001, Celestica incurred $273.1 million in other charges. $237.0 million relates to restructuring, of which approximately 40% is non-cash. The remainder of $36.1 million relates to a non-cash charge to write-down the carrying value of certain assets, primarily goodwill and intangible assets.

The Company has been impacted by numerous order reductions, reschedulings and cancellations since the beginning of fiscal 2001, which the Company believes is consistent with the EMS industry in general. The Company has taken restructuring actions to resolve surpluses as a result of the end-market slowdown.

These restructuring actions include facility consolidations and workforce reductions. Employee terminations were made across all geographic regions

with the majority being manufacturing and plant employees. The Company took a non-cash charge to write-down certain long-lived assets across all geographic regions, which became impaired as a result of the rationalization of facilities. These asset impairments relate to goodwill and other intangible assets, machinery and equipment, buildings and improvements. The restructuring charge includes a number of estimates and assumptions based on information available at the time, and are subject to change.

A further description of these charges is included in Note 13 to the Consolidated Financial Statements.

The Company expects to benefit from the restructuring measures through margin improvements and reduced operating costs in the upcoming year. The Company expects to complete the major components of the restructuring plan by the end of 2002. Cash outlays are funded from cash on hand.

Celestica did not incur other charges in 2000 or 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS of financial condition and results of operations

INTEREST INCOME, NET

Interest income, net of interest expense, in 2001 and 2000 amounted to $7.9 million and $19.0 million, respectively. The Company incurred net interest expense of $10.7 million in 1999. Interest income decreased in 2001 compared to 2000 due to the Company earning lower interest rates on its cash balance. In 2001 and 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.

INCOME TAXES

The Company's income tax recovery in 2001 was $2.1 million, reflecting an effective tax recovery rate of 5%. This is compared to an income tax expense of $69.2 million in 2000, reflecting an effective tax rate of 25%, and an income tax expense of $36.0 million in 1999, reflecting an effective tax rate of 34%.

The Company's effective tax rate decreased from 24% to 17% in the second quarter of 2001 as a result of the mix and volume of business in lower tax jurisdictions within Europe and Asia. These lower tax rates include tax holidays and tax incentives that Celestica has negotiated with the respective tax authorities which expire between 2002 and 2012. The 2001 effective tax rate is impacted by the occurrence of losses in the third and fourth quarters, which are tax benefited at these lower tax rates. Notwithstanding the anomaly created by these losses in determining the year-to-date tax rate, the Company's current tax rate of 17% is expected to continue for the foreseeable future.

Celestica has recognized a net deferred tax asset at December 31, 2001 of $102.8 million compared to $83.5 million at December 31, 2000. The net asset 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 the future to realize the benefit of these deferred income tax assets in the carry-forward periods. A portion of the net operating losses have an indefinite carry-forward period. The other portion will expire over a 20-year period commencing in 2005.

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 (loss) per share for Canadian GAAP, the accretion of the convertible debt is deducted from net earnings (loss) for the period to determine earnings available to shareholders.

LIQUIDITY AND CAPITAL RESOURCES

In 2001, operating activities provided Celestica with $1,290.5 million in cash principally from earnings and a reduction in working capital. The primary factors contributing to the positive cash flow for the year were the reduction of inventory due to better inventory management, strong accounts receivable collections, the sale of $400.0 million in accounts receivable under a revolving facility which is available until September 2004 offset by a decrease in accounts payable and accrued liabilities. Investing activities in 2001 included capital expenditures of $199.3 million and $1,299.7 million for acquisitions. See "Acquisitions." Celestica fully funded the cash portion of its 2001 acquisitions with cash from operations and will continue to focus on improving working capital management. The Company's 2001 financing activities included the issuance in May of 12.0 million subordinate voting shares for gross proceeds of $714.0 million less expenses and underwriting commissions of $10.0 million (pre-tax) and the repayment of $56.0 million of

debt acquired in connection with the acquisition of Omni.

For the year ended December 31, 2000, Celestica's operating activities utilized $85.1 million in cash. Investing activities in 2000 included capital expenditures of $282.8 million and $634.7 million for acquisitions. In March 2000, Celestica 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).

MANAGEMENT'S DISCUSSION AND ANALYSIS of financial condition and results of operations

NET DEBT TO CAPITALIZATION IMPROVES
(percentage)

1998	1999	2000	2001
11%	(17%)	(28%)	(34%)

CAPITAL RESOURCES

Celestica has two $250.0 million and one $500.0 million unsecured, revolving credit facilities totalling $1 billion, 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 July 2003, April 2004 and July 2005, 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, 2001.

In addition, there is an 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 this debt covenant as at December 31, 2001.

A subsidiary of the Company has secured loan facilities of which $13.0 million was outstanding at December 31, 2001. The weighted average interest rates on these facilities in 2001 was 4.4%. The loans are denominated in Singapore dollars and are repayable through quarterly payments.

Celestica believes that cash flow from operating activities, together with cash on hand and borrowings available under its 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 2002 to be approximately $170.0 million to $220.0 million. At December 31, 2001, Celestica had committed $21.0 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 denominated in various currencies. As a result, Celestica may experience transaction and translation gains or losses because of currency fluctuations. At December 31, 2001, Celestica had forward foreign exchange contracts covering various currencies in an aggregate notional amount of $704.8 million with expiry dates up to May 2003. The fair value of these contracts at December 31, 2001 was an unrealized loss of $7.4 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, euros, Thailand baht and Czech koruna 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.

As at December 31, 2001, the Company has contractual obligations that require future payments as follows:

(IN MILLIONS)	TOTAL	2002	2003	2004	2005	2006	THEREAFTER
Long-term							

debt	$147.4	$ 10.0	$ 4.5	$ 1.3	$ 0.7	$130.6	$ 0.3
Operating leases and license commitments	359.4	104.1	81.3	38.0	26.4	20.4	89.2

The Company has a convertible instrument with a principal amount at maturity of $1,813.6 million payable August 1, 2020. The Company may elect to settle in cash or shares or any combination thereof. See further details in Note 10 to the Consolidated Financial Statements.

As at December 31, 2001, the Company has commitments that expire as follows:

(IN MILLIONS)	TOTAL	2002	2003	2004	2005	2006	THEREAFTER
Foreign currency contracts	704.8	654.0	50.8	--	--	--	--
Letters of credit and guarantees	24.1	24.1	--	--	--	--	--

MANAGEMENT'S DISCUSSION AND ANALYSIS of financial condition and results of operations

RECENT DEVELOPMENT

In January 2002, the Company entered into an agreement with NEC Corporation to purchase certain manufacturing assets in Miyagi and Yamanashi, Japan. This acquisition is expected to close in the first quarter of 2002.

CRITICAL ACCOUNTING POLICIES AND 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. Significant estimates are used in determining the allowance for doubtful accounts, inventory valuation and the useful lives of intangible assets. Actual results could differ materially from those estimates and assumptions.

Celestica records an allowance for doubtful accounts for estimated credit losses based on customer and industry concentrations and the Company's knowledge of the financial condition of its customers. A change to these factors could impact the estimated allowance.

Celestica values its inventory 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. Celestica adjusts its inventory valuation based on estimates of net realizable value and shrinkage. A change to these assumptions could impact the valuation of inventory.

Celestica's estimate of the useful life of intangible assets reflects the periods in which the projected future net cash flows are generated. A significant change in the projected future net cash flows could impact the estimated useful life.

RECENT ACCOUNTING DEVELOPMENTS

EARNINGS PER SHARE:

As a result of the new Canadian Institute of Chartered Accountants (CICA) Handbook Section 3500 "Earnings per share," the Company was required to retroactively use the treasury stock method for calculating diluted earnings per share. This change results in an earnings per share calculation which is consistent with United States GAAP. Previously reported diluted earnings per share have been restated to reflect this change.

BUSINESS COMBINATIONS AND GOODWILL:

In September 2001, the CICA issued Handbook Sections 1581 "Business Combinations" and 3062 "Goodwill and Other Intangible Assets." The new standards mandate the purchase method of accounting for business combinations and require that goodwill no longer be amortized but instead be tested for impairment at least annually. The standards also specify criteria that intangible assets must meet to be recognized and reported apart from goodwill. The standards require that the value of the shares issued in a business combination be measured using the average share price for a reasonable period before and after the date the terms of the acquisition are agreed to and announced. Previously, the consummation date was used to value the shares issued in a business combination. The new standards are substantially consistent with United States GAAP.

Effective July 1, 2001 and for the remainder of the fiscal year, goodwill acquired in business combinations completed after June 30, 2001 was not amortized. In addition, the criteria for recognition of intangible assets apart from goodwill and the valuation of the shares issued in a business combination has been applied to business combinations completed after June 30, 2001.

Upon full adoption of the standards beginning January 1, 2002, the Company will discontinue amortization of all existing goodwill, evaluate existing intangible assets and make any necessary reclassifications in order to conform with the new criteria for recognition of intangible assets apart from goodwill and will test for impairment in accordance with the new standards.

In connection with Section 3062's transitional goodwill impairment evaluation, the Company is required to assess whether goodwill is impaired as of January 1, 2002. The Company has up to six months to determine the fair value of its reporting units and compare that to the carrying amounts of the reporting units. To the extent a reporting unit's carrying amount exceeds its fair value, the Company must perform a second step to measure the amount of impairment in a manner similar to a purchase price allocation. This second step is to be completed no later than December 31, 2002. The change to assessing fair value by reporting unit could result in an impairment charge. Any transitional impairment will be recognized as an effect of a change in accounting principle and will be charged to opening retained earnings as of January 1, 2002.

As of December 31, 2001, the Company had unamortized goodwill of $1,128.8 and unamortized other intangible assets including intellectual property of $427.2, all of which are subject to the transitional provisions of Sections 1581 and 3062. Amortization expense related to goodwill was $39.2 for 2001. Because of the extensive effort required to comply with the remaining provisions of Sections 1581 and 3062, the Company has not estimated the

impact of these provisions on its financial statements, beyond discontinuing goodwill amortization.

STOCK-BASED COMPENSATION AND OTHER STOCK-BASED PAYMENTS:

In December 2001, the CICA issued Handbook Section 3870, which establishes standards for the recognition, measurement, and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services provided by employees and non-employees. The standard requires that a fair value based method of accounting be applied to all stock-based payments to non-employees and to employee awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. However, the new standard permits the Company to continue its existing policy of recording no compensation cost on the grant of stock options to employees. Consideration paid by employees on the exercise of stock options is recorded as share capital. The standard is effective for the Company's fiscal year beginning January 1, 2002 for awards granted on or after that date. The Company's current accounting policies are consistent with the new standard.

FOREIGN CURRENCY TRANSLATION AND HEDGING RELATIONSHIPS:

CICA Handbook Section 1650 has been amended to eliminate the deferral and amortization of foreign currency translation gains and losses on long-lived monetary items, effective January 1, 2002 with retroactive restatement of prior periods. The Company is not impacted by this change. The CICA issued Accounting Guideline AcG-13, which establishes criteria for hedge accounting effective for the Company's 2003 fiscal year. The Company has complied with the requirements of AcG-13 and has determined that all of its current hedges will continue to qualify for hedge accounting when the guideline becomes effective.

TRANSFER OF RECEIVABLES:

In March 2001, the CICA issued Accounting Guideline AcG-12, which applies to transfers of receivables after June 30, 2001. AcG-12 requires that transfers of receivables in which the transferor surrenders control over the assets, be accounted for as a sale to the extent that consideration other than beneficial interests in the transferred assets, are received in exchange. The Company's current accounting policies are consistent with the new standard.

IMPAIRMENT OF LONG-LIVED ASSETS:

In October 2001, FASB issued Statement No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," which retains the fundamental provisions of SFAS 121 for recognizing and measuring impairment losses of long-lived assets other than goodwill. Statement 144 also broadens the definition of discontinued operations to include all distinguishable components of an entity that will be eliminated from ongoing operations. This Statement is effective for the Company's fiscal year commencing January 1, 2002, to be applied prospectively. In August 2001, SFAS 143, "Accounting for Asset Retirement Obligations" was approved and requires that the fair value of an asset retirement obligation be recorded as a liability, at fair value, in the period in which the Company incurs the obligation. SFAS 143 is effective for the Company's fiscal year commencing January 1, 2003. The Company expects the adoption of these standards will have no material impact on its financial position, results of operations or cash flows.

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 below.

[/s/ ANTHONY PUPPI]

Anthony P. Puppi
Executive Vice President,
Chief Financial Officer
January 21, 2002

AUDITORS' REPORT

TO THE SHAREHOLDERS OF CELESTICA INC.

We have audited the consolidated balance sheets of Celestica Inc. as at December 31, 2000 and 2001 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, 2001. 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 each of the years in the two year period ended December 31, 2001, we conducted our audits in accordance with Canadian generally accepted auditing standards and United States generally accepted auditing standards. With respect to the consolidated financial statements for the year ended December 31, 1999, we conducted our audit 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, 2000 and 2001 and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2001 in accordance with Canadian generally accepted accounting principles.

[/s/ KPMG LLP]

Chartered Accountants
Toronto, Canada
January 21, 2002

CONSOLIDATED BALANCE SHEETS (in millions of U.S. dollars)

	AS AT DECEMBER 31	
	2000	2001
ASSETS		
Current assets:		
Cash and short-term investments	$ 883.8	$ 1,342.8
Accounts receivable (note 4)	1,785.7	1,054.1
Inventories (note 5)	1,664.3	1,372.7
Prepaid and other assets	138.8	177.3
Deferred income taxes	48.4	49.7
	4,521.0	3,996.6
Capital assets (note 6)	633.4	915.1
Intangible assets (note 7)	578.3	1,556.0
Other assets (note 8)	205.3	165.2
	$ 5,938.0	$ 6,632.9
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,730.4	$ 1,198.3
Accrued liabilities	466.3	405.7
Income taxes payable	52.6	21.0
Deferred income taxes	7.7	21.8
Current portion of long-term debt (note 9)	1.4	10.0
	2,258.4	1,656.8
Long-term debt (note 9)	130.6	137.4
Accrued post-retirement benefits (note 16)	38.1	47.3
Deferred income taxes	38.6	41.5
Other long-term liabilities	3.0	4.3
	2,468.7	1,887.3
Shareholders' equity	3,469.3	4,745.6
	$ 5,938.0	$ 6,632.9

Commitments and contingencies (note 18)
Subsequent event (note 21)
Canadian and United States accounting policy differences (note 22)

On behalf of the Board:

[/s/ ROBERT CRANDALL]	[/s/ E. V. POLISTUK]
Robert L. Crandall Director	Eugene V. Polistuk Director

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS) (in millions of U.S. dollars, except per share amounts)

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
Revenue	$ 5,297.2	$ 9,752.1	$ 10,004.4
Cost of sales	4,914.7	9,064.1	9,291.9
Gross profit	382.5	688.0	712.5
Selling, general and administrative expenses	202.2	326.1	341.4
Amortization of intangible assets (note 7)	55.6	88.9	125.0
Integration costs related to acquisitions (note 3)	9.6	16.1	22.8
Other charges (note 13)	--	--	273.1
	267.4	431.1	762.3
Operating income (loss)	115.1	256.9	(49.8)
Interest on long-term debt	17.3	17.8	19.8
Interest income, net	(6.6)	(36.8)	(27.7)
Earnings (loss) before income taxes	104.4	275.9	(41.9)
Income taxes (note 14):			
Current	30.7	80.1	25.8
Deferred (recovery)	5.3	(10.9)	(27.9)
	36.0	69.2	(2.1)
Net earnings (loss)	$ 68.4	$ 206.7	$ (39.8)
Basic earnings (loss) per share (note 12)	$ 0.41	$ 1.01	$ (0.26)
Diluted earnings (loss) per share (notes 2, 12)	$ 0.40	$ 0.98	$ (0.26)
Weighted average number of shares outstanding (note 12)			
Basic (in millions)	167.2	199.8	213.9
Diluted (in millions) (note 2)	171.2	211.8	213.9
Net earnings (loss) in accordance with U.S. GAAP (note 22)	$ 66.5	$ 197.4	$ (51.3)
Basic earnings (loss) per share, in accordance with U.S. GAAP (note 22)	$ 0.40	$ 0.99	$ (0.24)
Diluted earnings (loss) per share, in accordance with U.S. GAAP (note 22)	$ 0.39	$ 0.96	$ (0.24)

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (in millions 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, 1998	$ --	$ 912.1	$ (52.2)	$ (0.6)	$ 859.3
Shares issued, net	--	734.0	--	--	734.0
Currency translation	--	--	--	(3.5)	(3.5)
Net earnings for the year	--	--	68.4	--	68.4
Balance -- December 31, 1999	--	1,646.1	16.2	(4.1)	1,658.2
Convertible debt issued, net	850.4	--	--	--	850.4
Convertible debt accretion, net of tax	10.1	--	(5.4)	--	4.7
Shares issued, net	--	749.3	--	--	749.3
Net earnings for the year	--	--	206.7	--	206.7
Balance -- December 31, 2000	860.5	2,395.4	217.5	(4.1)	3,469.3
Convertible debt accretion, net of tax	26.3	--	(15.0)	--	11.3
Shares issued, net	--	1,303.6	--	--	1,303.6
Currency translation	--	--	--	1.2	1.2
Net loss for the year	--	--	(39.8)	--	(39.8)
BALANCE -- DECEMBER 31, 2001	$ 886.8	$ 3,699.0	$ 162.7	$ (2.9)	$ 4,745.6

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (in millions of U.S. dollars)

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
CASH PROVIDED BY (USED IN):			
OPERATIONS:			
Net earnings (loss)	$ 68.4	$ 206.7	$ (39.8)
Items not affecting cash:			
Depreciation and amortization	126.5	212.5	319.5
Deferred income taxes	5.3	(10.9)	(27.9)
Other charges (note 13)	--	--	134.7
Other	(2.9)	(4.4)	1.7
Cash from earnings	197.3	403.9	388.2
Changes in non-cash working capital items:			
Accounts receivable	(227.7)	(995.3)	887.2
Inventories	(265.0)	(656.7)	822.5
Other assets	1.7	(94.7)	45.7
Accounts payable and accrued liabilities	194.6	1,230.4	(854.0)
Income taxes payable	4.7	27.3	0.9
Non-cash working capital changes	(291.7)	(489.0)	902.3
Cash provided by (used in) operations	(94.4)	(85.1)	1,290.5
INVESTING:			
Acquisitions, net of cash acquired	(64.8)	(634.7)	(1,299.7)
Purchase of capital assets	(211.8)	(282.8)	(199.3)
Other	(0.6)	(59.5)	1.4
Cash used in investing activities	(277.2)	(977.0)	(1,497.6)
FINANCING:			
Bank indebtedness	--	(8.6)	(2.8)
Repayments of long-term debt	(10.0)	(2.2)	(56.0)
Deferred financing costs	(1.5)	(0.1)	(3.9)
Issuance of convertible debt	--	862.9	--
Convertible debt issue costs, pre-tax	--	(19.4)	--
Issuance of share capital	758.2	766.6	737.7
Share issue costs, pre-tax	(34.3)	(26.8)	(10.0)
Other	(1.0)	2.0	1.1
Cash provided by financing activities	711.4	1,574.4	666.1
Increase in cash	339.8	512.3	459.0
Cash, beginning of year	31.7	371.5	883.8
Cash, end of year	$ 371.5	$ 883.8	$ 1,342.8
Supplemental information			
Paid during the year:			
Interest	$ 17.2	$ 15.9	$ 20.7
Taxes	$ 26.1	$ 55.0	$ 89.0
Non-cash financing activities:			
Convertible debt accretion, net of tax (note 10)	$ --	$ 5.4	$ 15.0
Shares issued for acquisitions	$ --	$ --	$ 567.0

Cash is comprised of cash and short-term investments.

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (in millions 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 has operations in the Americas, Europe and Asia.

The Company's accounting policies are in accordance with accounting principles generally accepted in Canada and, except as outlined in note 22, 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 subsidiaries. The results of subsidiaries acquired during the year are consolidated from their respective dates of acquisition. The Company's business combinations are accounted for using the purchase method. 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. 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, intellectual property including process technology, and other intangible assets. Goodwill acquired in business combinations with acquisition dates prior to July 1, 2001 and other intangible assets are amortized on a straight-line basis over 10 years and intellectual property over 5 years. Goodwill acquired in business combinations subsequent to June 30, 2001 has not been amortized, but will be tested for impairment annually. Also see note 2(n).

(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 and other intangible assets is assessed based on projected future net cash flows. See note 2(n).

(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 2000 and 2001. The average remaining service period of active employees covered by the other retirement benefit plans is 21 years for 2000 and 2001.

(i) DEFERRED FINANCING COSTS:
Costs relating to long-term debt are deferred in other assets and amortized over the term of the related debt and debt facilities.

(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 tax 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 AND HEDGING:
The functional currency of the majority of the Company's subsidiaries is the United States dollar. For such subsidiaries, 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 are reflected in the consolidated statements of earnings (loss).

The accounts of the Company's self-sustaining foreign operations, for which the functional currency is other than the U.S. dollar are translated into U.S. dollars using the current rate method. Assets and liabilities are translated at the year-end exchange rate and revenue and expenses are translated at average exchange rates. Gains and losses arising from the translation of financial statements of foreign operations are deferred in the "foreign currency translation adjustment" account included as a separate component of shareholders' equity.

The Company enters into forward exchange contracts to hedge the cash flow risk associated with certain firm purchase commitments and forecasted transactions. Gains and losses on hedges of firm commitments are included in the cost of the hedged transactions when they occur. Gains and losses on hedges of forecasted transactions are recognized in earnings in the same period as the underlying hedged transaction. The Company does not enter into derivatives for speculative purposes.

(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. Total research and development costs recorded in selling, general and administrative expenses for 2001 were $17.1 (2000 - $19.5; 1999 - $19.7). No amounts have been capitalized.

(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. Significant estimates are used in determining the allowance for doubtful accounts, inventory valuation and the useful lives of intangible assets. Actual results could differ materially from those estimates and assumptions.

(n) CHANGES IN ACCOUNTING POLICIES:
EARNINGS PER SHARE:
As a result of the new Canadian Institute of Chartered Accountants (CICA) Handbook Section 3500 "Earnings per share," the Company is required to retroactively use the treasury stock method for calculating diluted earnings per share. This change results in an earnings per share calculation which is consistent with United States GAAP. Previously reported diluted earnings per share have been restated to reflect this change.

BUSINESS COMBINATIONS AND GOODWILL:
In September 2001, the CICA issued Handbook Sections 1581 "Business Combinations" and 3062 "Goodwill and Other Intangible Assets." The new standards mandate the purchase method of accounting for business combinations and require that goodwill no longer be amortized but instead be tested for impairment at least annually. The standards also specify criteria that intangible assets must meet to be recognized and reported apart from goodwill. The standards require that the value of the shares issued in a business combination be measured using the average share price for a reasonable period before and after the date the terms of the acquisition are agreed to and announced. Previously, the consummation date was used to value the shares issued in a business combination. The new standards are substantially consistent with United States GAAP.

Effective July 1, 2001 and for the remainder of the fiscal year, goodwill acquired in business combinations completed after June 30, 2001 was not amortized. In addition, the criteria for recognition of intangible assets apart from goodwill and the valuation of the shares issued in a business combination has been applied to business combinations completed after June 30, 2001.

Upon full adoption of the standards beginning January 1, 2002, the Company will discontinue amortization of all existing goodwill, evaluate existing intangible assets and make any necessary reclassifications in order to conform with the new criteria for recognition of intangible assets apart from goodwill and test for impairment in accordance with the new standards.

In connection with Section 3062's transitional goodwill impairment evaluation, the Company is required to assess whether goodwill is impaired as of January 1, 2002. The Company has up to six months to determine the fair value of its reporting units and compare that to the reporting units' carrying amounts. To the extent a reporting unit's carrying amount exceeds its fair value, the Company must perform a second step to measure the amount of impairment in a manner similar to a purchase price allocation. This second step is to be completed no later than December 31, 2002. Any transitional impairment will be recognized as an effect of a change in accounting principle and will be charged to opening retained earnings as of January 1, 2002.

As of December 31, 2001, the Company had unamortized goodwill of $1,128.8 and unamortized other intangible assets including intellectual property of $427.2, all of which are subject to the transitional provisions of Sections 1581 and 3062. Amortization expense related to goodwill was $39.2 for 2001. Because of the extensive effort required to comply with the remaining provisions of Sections 1581 and 3062, the Company has not estimated the impact of these provisions on its financial statements, beyond discontinuing goodwill amortization.

(o) RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS:
STOCK-BASED COMPENSATION AND OTHER STOCK-BASED PAYMENTS:
In December 2001, the CICA issued Handbook Section 3870, which establishes standards for the recognition, measurement, and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services provided by employees and non-employees. The standard requires that a fair value based method of accounting be applied to all stock-based payments to non-employees and to employee awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. However, the new standard permits the Company to continue its existing policy of recording no compensation cost on the grant of stock options to employees. Consideration paid by employees on the exercise of stock options is recorded as share capital. The standard is effective for the Company's fiscal year beginning January 1, 2002 for awards granted on or after that date. The Company's current accounting policies are consistent with the new standard.

FOREIGN CURRENCY TRANSLATION AND HEDGING RELATIONSHIPS:
CICA Handbook Section 1650 has been amended to eliminate the deferral and amortization of foreign currency translation gains and losses on long-lived monetary items, effective January 1, 2002 with retroactive restatement of prior periods. The Company is not impacted by this change. The CICA issued Accounting Guideline AcG-13 which establishes criteria for hedge accounting effective for the Company's 2003 fiscal year. The Company has complied with the requirements of AcG-13 and has determined that all of its current hedges will continue to qualify for hedge accounting when the guideline becomes effective.

3. ACQUISITIONS:

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 $470.0 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 $169.8 was financed with cash.

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

	IBM	OTHER ACQUISITIONS
Current assets	$ 301.1	$ 86.5
Capital assets	98.2	35.1
Other long-term assets	2.3	--
Goodwill and intellectual property	213.9	74.1
Other intangible assets	12.2	--
Liabilities assumed	(157.7)	(25.9)
Net assets acquired	$ 470.0	$ 169.8

Other intangible assets represent the excess of purchase price over the fair value of tangible assets and intellectual property acquired in asset acquisitions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (in millions of U.S. dollars, except per share amounts)

2001 ACQUISITIONS:

(c) ASSET ACQUISITIONS:
In February 2001, the Company acquired certain assets located in Dublin, Ireland and Mt. Pleasant, Iowa from Motorola Inc. In March 2001, the Company acquired certain assets of a repair facility in Japan from N.K. Techno Co., Ltd. In May 2001, the Company acquired certain assets in Little Rock, Arkansas and Denver, Colorado from Avaya Inc., and in August 2001, acquired certain assets in Saumur, France. In August 2001, the Company acquired certain assets in Columbus, Ohio and Oklahoma City, Oklahoma from Lucent Technologies Inc. The total purchase price for these acquisitions of $834.1 was financed with cash and was allocated to the net assets acquired, including intangible assets of $195.7, based on their relative fair values at the date of acquisition.

(d) BUSINESS COMBINATIONS:
OMNI:
In October 2001, the Company acquired Omni Industries Limited (Omni), an electronics manufacturer headquartered in Singapore. This acquisition significantly enhanced the Company's presence in Asia. The purchase price of $865.8 was financed with the issuance of 9.2 million subordinate voting shares and the issuance of options to purchase 0.3 million subordinate voting shares of the Company and $479.5 in cash. The goodwill recorded for Omni is not tax deductible. The Company is in the process of obtaining third-party valuations of certain assets. The fair value allocation of the purchase price is subject to refinement.

OTHER BUSINESS COMBINATIONS:
In January 2001, the Company acquired Excel Electronics, Inc. through a merger with Celestica (US) Inc., a subsidiary of the Company. This acquisition expanded the Company's presence in the southern United States. In June 2001, the Company acquired Sagem CR s.r.o., in the Czech Republic, from Sagem SA, of France, which positions Celestica as Sagem's primary EMS provider. In August 2001, the Company acquired Primetech Electronics Inc. (Primetech), an electronics manufacturer in Canada. This acquisition provided the Company with additional high complexity manufacturing capability and an expanded global customer base. The purchase price of Primetech was financed primarily with the issuance of 3.4 million subordinate voting shares and the issuance of options to purchase 0.3 million subordinate voting shares of the Company. The Company is in the process of obtaining third-party valuations of certain assets. The fair value allocation of the purchase price is subject to refinement.

The value of the shares issued in the Primetech and Omni acquisitions was determined based on the average market price of the shares for a reasonable period before and after the date the terms of the acquisitions were agreed to and announced.

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

	OMNI	OTHER BUSINESS COMBINATIONS
Current assets	$ 255.2	$ 63.2
Capital assets	91.8	46.3
Other long-term assets	4.1	0.1
Goodwill	764.4	135.5
Intellectual property	50.0	10.0
Liabilities assumed	(299.7)	(27.6)
Net assets acquired	$ 865.8	$ 227.5
Financed by:		
Cash	$ 479.5	$ 46.8
Issuance of shares and options	386.3	180.7
	$ 865.8	$ 227.5

INTEGRATION COSTS RELATED TO ACQUISITIONS:
The Company incurred costs of $22.8 in 2001 (2000 - $16.1; 1999 - $9.6) relating to the establishment of business processes, infrastructure and information systems for acquired operations. None of the integration costs incurred related to existing operations.

4. ACCOUNTS RECEIVABLE:

Accounts receivable are net of an allowance for doubtful accounts of $74.6 at December 31, 2001 (2000 - $40.7).

5. INVENTORIES:

	2000	2001

Raw materials	$ 1,298.5	$ 903.6
Work in progress	215.2	220.6
Finished goods	150.6	248.5
	$ 1,664.3	$ 1,372.7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (in millions of U.S. dollars, except per share amounts)

6. CAPITAL ASSETS:

	2000		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Land	$ 18.0	$ --	$ 18.0
Buildings	131.9	8.7	123.2
Buildings/leasehold improvements	42.8	9.1	33.7
Office equipment	64.5	25.4	39.1
Machinery and equipment	510.2	152.4	357.8
Software	76.9	15.3	61.6
	$ 844.3	$ 210.9	$ 633.4

	2001		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Land	$ 53.3	$ --	$ 53.3
Buildings	258.8	17.4	241.4
Buildings/leasehold improvements	66.0	24.8	41.2
Office equipment	86.8	40.2	46.6
Machinery and equipment	727.2	291.2	436.0
Software	136.6	40.0	96.6
	$ 1,328.7	$ 413.6	$ 915.1

The above amounts include $13.3 (2000 - $8.1) of assets under capital lease and accumulated amortization of $6.8 (2000 - $6.1) related thereto.

Depreciation and rental expense for the year ended December 31, 2001 was $192.8 (2000 - $121.9; 1999 - $69.5) and $79.8 (2000 - $46.7; 1999 - $21.1), respectively.

7. INTANGIBLE ASSETS:

	2000		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Goodwill	$ 434.1	$ 104.0	$ 330.1
Other intangible assets	100.9	27.7	73.2
Intellectual property	250.1	75.1	175.0
	$ 785.1	$ 206.8	$ 578.3

	2001		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Goodwill	$ 1,261.1	$ 132.3	$ 1,128.8
Other intangible assets	209.3	26.8	182.5
Intellectual property	388.6	143.9	244.7
	$ 1,859.0	$ 303.0	$ 1,556.0

Other intangible assets represent the excess of cost over the fair value of tangible assets and intellectual property acquired in asset acquisitions.

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

Amortization expense is as follows:

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
Amortization of goodwill	$ 31.1	$ 39.1	$ 39.2
Amortization of other intangible assets	8.3	10.7	17.0
Amortization of intellectual property	16.2	39.1	68.8
	$ 55.6	$ 88.9	$ 125.0

8. OTHER ASSETS:

	2000	2001
Deferred pension (note 16)	$ 25.8	$ 28.4
Deferred income taxes	81.5	116.4
Commodity taxes recoverable	78.3	10.7
Other	19.7	9.7
	$ 205.3	$ 165.2

Amortization of deferred financing costs for the year ended December 31, 2001 was $1.7 (2000 - $1.7; 1999 - $1.5).

9. LONG-TERM DEBT:

	2000	2001
Global, unsecured, revolving credit facility due 2003 (a)	$ --	$ --
Global, unsecured, revolving credit facility due 2004 (b)	--	--
Unsecured revolving credit facility due 2005 (c)	--	--
Senior Subordinated Notes due 2006 (d)	130.0	130.0
Other (e)	2.0	17.4
	132.0	147.4
Less current portion	1.4	10.0
	$ 130.6	$ 137.4

(a) Concurrently with the initial public offering on July 7, 1998, the Company entered into a global, unsecured, revolving credit facility providing up to $250.0 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 bear interest at LIBOR plus a margin and are repayable in July 2003. There were no borrowings on this facility during 2000 and 2001. Commitment fees in 2001 were $0.4.

(b) In February 2000, the Company renewed its second global, unsecured, revolving credit facility providing up to $250.0 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 2004. Borrowings under the facility bear interest at LIBOR plus a margin except that borrowings under the swing line facility bears interest at a base rate. There were no borrowings on this facility during 2000 and 2001. Commitment fees in 2001 were $0.6.

(c) In July 2001, the Company entered into an unsecured, revolving credit facility providing up to $500.0 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 July 2005. Borrowings under the facility bear interest at LIBOR plus a margin except that borrowings under the swing line facility bear interest at a base rate. There were no borrowings on this facility in 2001. Commitment fees in 2001 were $0.5.

(d) 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 at various premiums above face value.

(e) Other long-term debt includes secured loan facilities of one of the Company's subsidiaries of which $13.0 is outstanding at December 31, 2001. The weighted average interest rate on these facilities was 4.4%. The loans are denominated in Singapore dollars and are repayable through quarterly payments. There were no commitment fees for 2001.

As at December 31, 2001, principal repayments due within each of the next five years on all long-term debt are as follows:

2002	$ 10.0
2003	4.5
2004	1.3
2005	0.7
2006	130.6

THEREAFTER	0.3

The unsecured, revolving credit facilities have restrictive covenants relating to debt incurrence and sale of assets and also contain 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (in millions of U.S. dollars, except per share amounts)

10. CONVERTIBLE DEBT:

In August 2000, Celestica issued Liquid Yield Option(TM) Notes (LYONs) with a principal amount at maturity of $1,813.6, payable August 1, 2020. The Company received gross proceeds of $862.9 and incurred $12.5 in underwriting commissions, net of tax of $6.9. 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 one thousand dollars 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.

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 (IN MILLIONS)	SUBORDINATE VOTING SHARES	MULTIPLE VOTING SHARES	TOTAL SUBORDINATE AND MULTIPLE VOTING SHARES OUTSTANDING	SHARES TO BE ISSUED
Balance December 31, 1999	146.3	39.1	185.4	0.5
Equity offering (i)	16.6	--	16.6	--
Other share issuances (ii)	1.3	--	1.3	--
Issued as consideration for acquisitions (iii)	0.1	--	0.1	(0.1)
Balance December 31, 2000	164.3	39.1	203.4	0.4
Equity offering (iv)	12.0	--	12.0	--
Other share issuances (v)	1.1	--	1.1	--
Issued as consideration for acquisitions (vi)	13.2	--	13.2	0.1
BALANCE DECEMBER 31, 2001	190.6	39.1	229.7	0.5

AMOUNT	SUBORDINATE VOTING SHARES	MULTIPLE VOTING SHARES	SHARES TO BE ISSUED	TOTAL AMOUNT
Balance December 31, 1999	$ 1,504.5	$ 138.8	$ 2.8	$ 1,646.1
Equity offering, net of issue costs (i)	740.1	--	--	740.1
Other share issuances (ii)	9.2	--	--	9.2
Issued as consideration for acquisitions (iii)	1.1	--	(1.1)	--
Balance December 31, 2000	2,254.9	138.8	1.7	2,395.4
Equity offering, net of issue costs (iv)	707.4	--	--	707.4
Other share issuances (v)	29.2	--	--	29.2
Issued as consideration for acquisitions (vi)	562.8	--	4.2	567.0

BALANCE DECEMBER 31, 2001	$ 3,554.3	$ 138.8	$ 5.9	$ 3,699.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (in millions of U.S. dollars, except per share amounts)

2000 CAPITAL TRANSACTIONS:

(i) In March 2000, the Company issued 16.6 million subordinate voting shares for gross cash proceeds of $757.4 and incurred $17.3 in share issue costs, net of tax of $9.5.

(ii) During 2000, pursuant to employee share purchase and option plans and LTIP awards, the Company issued 1.3 million subordinate voting shares as a result of the exercise of options for cash of $9.2.

(iii) During 2000, the Company issued 0.1 million of reserved shares at an ascribed value of $1.1 for $0.2 cash. As at December 31, 2000, 0.4 million subordinate voting shares remain reserved for issuance at an ascribed value of $1.7.

2001 CAPITAL TRANSACTIONS:

(iv) In May 2001, the Company issued 12.0 million subordinate voting shares for gross cash proceeds of $714.0 and incurred $6.6in share issuance costs, net of tax of $3.4.

(v) During 2001, pursuant to employee share purchase and option plans and LTIP awards, the Company issued 1.1 million subordinate voting shares as a result of the exercise of options for cash of $23.7 and recorded a tax benefit of $5.5.

(vi) In 2001, the Company issued 12.7 million subordinate voting shares, as consideration for acquisitions, for an ascribed value of $558.5 and reserved 0.6 million shares at an ascribed value of $8.5. During 2001, the Company issued 0.5 million of reserved shares at an ascribed value of $4.3. As at December 31, 2001, 0.5 million subordinate voting shares remain reserved for issuance at an ascribed value of $5.9.

(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 23.0 million subordinate voting shares may be issued from treasury. Options are granted at prices equal to the market value of the day prior to 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.

Stock option transactions were as follows:

NUMBER OF OPTIONS (IN MILLIONS)	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at December 31, 1998	11.5	$ 5.41
Granted	5.2	$ 30.05
Exercised	(1.7)	$ 8.25
Cancelled	(0.4)	$ 7.37
Outstanding at December 31, 1999	14.6	$ 14.84
Granted	4.2	$ 55.40
Exercised	(1.4)	$ 6.85
Cancelled	(0.2)	$ 7.33
Outstanding at December 31, 2000	17.2	$ 25.16
Granted/assumed	8.5	$ 42.54
Exercised	(1.6)	$ 14.89
Cancelled	(0.2)	$ 23.36
OUTSTANDING AT DECEMBER 31, 2001	23.9	$ 31.67

Cash consideration received on options exercised	$ 23.7
Shares reserved for issuance upon exercise of stock options or awards (in millions)	28.8

The following options were outstanding as at December 31, 2001:

PLAN	RANGE OF EXERCISE PRICES	OUTSTANDING OPTIONS (IN MILLIONS)	WEIGHTED AVERAGE EXERCISE PRICE	EXERCISABLE OPTIONS (IN MILLIONS)	WEIGHTED AVERAGE EXERCISE PRICE	REMAINING LIFE (YEARS)
ESPO	$ 5.00 - $ 7.50	5.3	$ 5.34	3.9	$ 5.42	6
LTIP	$ 8.75 - $ 13.69	1.7	$ 12.16	0.9	$ 11.96	7
	$ 24.18 - $ 24.18	0.8	$ 24.18	0.4	$ 24.18	8
	$ 24.91 - $ 36.89	0.8	$ 30.58	--	--	10
	$ 39.03 - $ 39.03	2.9	$ 39.03	1.4	$ 39.03	8
	$ 41.89 - $ 41.89	6.4	$ 41.89	--	--	10
	$ 44.23 - $ 54.15	0.6	$ 49.46	--	--	9
	$ 55.40 - $ 60.06	4.1	$ 55.96	1.0	$ 55.96	9
	$ 73.04 - $ 74.90	0.1	$ 73.42	--	--	9
Other	$ 0.93 - $ 13.31	1.0	$ 5.73	0.9	$ 5.67	5
Other	$ 29.73 - $ 72.84	0.2	$ 46.28	--	--	5
		23.9				

12. EARNINGS PER SHARE:

The following table sets forth the calculation of basic and diluted earnings (loss) per share:

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
Numerator:			
Net earnings (loss)	$ 68.4	$ 206.7	$ (39.8)
Convertible debt accretion, net of tax	--	(5.4)	(15.0)
Earnings (loss) available to common shareholders	$ 68.4	$ 201.3	$ (54.8)
Denominator:			
Weighted average shares - basic (in millions)	167.2	199.8	213.9
Effect of dilutive securities (in millions):			
Employee stock options (1)	4.0	7.8	--
Convertible debt	--	4.2	--
Weighted average shares - diluted (in millions) (2)	171.2	211.8	213.9
Earnings (loss) per share:			
Basic	$ 0.41	$ 1.01	$ (0.26)
Diluted	$ 0.40	$ 0.98	$ (0.26)

(1) For 1999 and 2000, excludes the effect of 3.4 million and 3.3 million "out of the money" options, respectively, as they are anti-dilutive.
(2) For 2001, excludes the effect of options and convertible debt as they are anti-dilutive due to the loss.

13. OTHER CHARGES:

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
Restructuring (a)	$ --	$ --	$ 237.0
Other (b)	--	--	36.1
	$ --	$ --	$ 273.1

(a) RESTRUCTURING:
The Company recorded a pre-tax restructuring charge of $237.0 in 2001, in response to a slowing end market. The Company's restructuring plan focused on facility consolidations and a workforce reduction. The following table details the components of the restructuring charge:

	YEAR ENDED DECEMBER 31		
	1999	2000	2001

Employee termination costs	$ --	$ --	$ 90.7
Lease and other contractual obligations	--	--	35.3
Facility exit costs and other	--	--	12.4
Asset impairment (non-cash)	--	--	98.6
	$ --	$ --	$ 237.0

The following table details the activity in the accrued restructuring liability:

	EMPLOYEE TERMINATION COSTS	LEASE AND OTHER CONTRACTUAL OBLIGATIONS	FACILITY EXIT COSTS AND OTHER	TOTAL
Balance at January 1, 2001	$ --	$ --	$ --	$ --
Provision	90.7	35.3	12.4	138.4
Cash payment	(51.2)	(1.6)	(2.9)	(55.7)
BALANCE AT DECEMBER 31, 2001	$ 39.5	$ 33.7	$ 9.5	$ 82.7

Employee terminations were made across all geographic regions of the Company with the majority pertaining to manufacturing and plant employees. A total of 12,041 employees have been identified to be terminated, of which 9,711 employees were terminated during 2001. The remaining termination costs are expected to be paid out during 2002.

The non-cash charges for asset impairment reflects the write-down of certain long-lived assets across all geographic regions that have become impaired as a result of the rationalization of facilities. The asset impairments relate to goodwill and intangible assets, machinery and equipment, buildings and improvements. The assets were written down to their recoverable amounts using estimated cash flows.

The Company expects to complete the major components of the restructuring plan by the end of 2002, except for certain long-term lease contractual obligations.

(b) OTHER:
In 2001, the Company recorded a non-cash charge of $36.1. This is comprised of a write-down of the carrying value of certain assets, primarily goodwill and intangible assets.

14. INCOME TAXES:

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
INCOME (LOSS) BEFORE TAX:			
Canadian operations	$ 84.8	$ 179.4	$ 34.7
Foreign operations	19.6	96.5	(76.6)
	$ 104.4	$ 275.9	$ (41.9)
CURRENT INCOME TAX EXPENSE:			
Canadian operations	$ 25.4	$ 51.2	$ 17.2
Foreign operations	5.3	28.9	8.6
	$ 30.7	$ 80.1	$ 25.8
DEFERRED INCOME TAX EXPENSE (RECOVERY):			
Canadian operations	$ 14.4	$ 33.0	$ (5.4)
Foreign operations	(9.1)	(43.9)	(22.5)
	$ 5.3	$ (10.9)	$ (27.9)

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

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
Combined Canadian federal and provincial income tax rate	44.6%	44.0%	42.1%
Income taxes (recovery) based on earnings (loss) before income taxes at statutory rates	$ 46.6	$ 121.4	$ (17.7)
Increase (decrease) resulting from:			

Manufacturing and processing deduction	(8.1)	(17.7)	(5.0)
Foreign income taxed at lower rates	(11.4)	(43.9)	(2.9)
Amortization of non-deductible costs	9.5	8.9	15.4
Other, including large corporations tax	(0.6)	0.5	8.1
Income tax expense (recovery)	$ 36.0	$ 69.2	$ (2.1)

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, 2000 and 2001:

	2000	2001
DEFERRED TAX ASSETS:		
Income tax effect of net operating losses carried forward	$ 52.5	$ 51.9
Accounting provisions not currently deductible	21.6	63.5
Capital, intangible and other assets	6.7	17.0
Share issue and convertible debt issue costs	23.0	17.2
Other	1.8	4.5
Total deferred tax assets	105.6	154.1
DEFERRED TAX LIABILITIES:		
Capital, intangible and other assets	(12.4)	(37.7)
Deferred pension asset	(8.9)	(9.1)
Other	(0.8)	(4.5)
Total deferred tax liabilities	(22.1)	(51.3)
Deferred income tax asset, net	$ 83.5	$ 102.8

Celestica has been granted tax incentives, including tax holidays, for its Czech Republic, China, Malaysia, Thailand and Singapore 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, 2001, the Company had $340.0 of non-capital (net operating) losses, the income tax benefits of which have been recognized in the financial statements. A portion of these losses have an indefinite carry-forward period. The other portion of these losses will expire over a 20-year period commencing in 2005.

The Company also has net capital losses amounting to $11.5, and has recognized the benefit of these losses in the financial statements.

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 $295.0. 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.

15. RELATED PARTY TRANSACTIONS:

In 2001, the Company expensed acquisition and management related fees of $2.1 (2000 - $2.1; 1999 - $2.0) and capitalized acquisition related fees of $Nil (2000 - $0.5; 1999 - $Nil) charged by its parent company. Management believes that the fees charged were reasonable in relation to the services provided.

16. 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		
	1999	2000	2001
Period cost, plans providing pension benefits	$ 8.6	$ 12.8	$ 18.9

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 March and April 2000 and January 2001. 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, 2000 and 2001 are as follows:

	PENSION PLANS		OTHER BENEFIT PLANS	
	2000	2001	2000	2001
Plan assets, at fair value	$ 188.6	$ 174.5	$ --	$ --
Projected benefit obligations	170.3	179.1	47.7	56.4
Excess (deficit) of plan assets over projected benefit obligations	18.3	(4.6)	(47.7)	(56.4)
Unamortized past service costs	--	--	4.3	4.1
Unrecognized net loss from past experience and effects of changes in assumptions	9.7	33.6	5.3	5.0
Foreign currency exchange rate changes	(2.2)	(0.6)	--	--
Deferred amount	$ 25.8	$ 28.4	$ (38.1)	$ (47.3)

The Company has one pension plan with accumulated benefit obligations in excess of plan assets. This plan has an accumulated benefit obligation of $114.2 and plan assets of $95.1.

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	
	2000	2001
Opening plan assets	$ 191.1	$ 188.6
Actual return on plan assets	1.5	(13.1)
Foreign currency exchange rate changes	(11.1)	(8.0)
Contributions by employees	2.1	2.1
Contributions by employer	7.5	10.1
Benefits paid	(2.5)	(5.2)
	$ 188.6	$ 174.5
Vested benefit obligations	$ 100.6	$ 174.6
Accumulated benefit obligations	$ 143.2	$ 174.6

There are no assets recorded for the other benefit plans.

Projected benefit obligations are outlined below:

	PENSION PLANS		OTHER BENEFIT PLANS	
	2000	2001	2000	2001
Opening projected benefit obligations	$ 147.3	$ 170.3	$ 17.5	$ 47.7
Service cost	7.5	8.6	1.5	7.6
Interest cost	10.6	11.3	1.5	2.0
Benefits paid	(2.5)	(5.2)	(0.2)	(3.8)
Actuarial gains and losses	7.3	--	0.4	4.6
Plan amendments	--	1.9	0.7	--
Acquisitions	--	--	26.3	1.1
Changes in assumptions	7.4	(1.9)	0.5	(1.4)
Foreign currency exchange rate changes	(7.3)	(5.9)	(0.5)	(1.4)
	$ 170.3	$ 179.1	$ 47.7	$ 56.4

Net plan expense is outlined below:

	PENSION PLANS YEAR ENDED DECEMBER 31			OTHER BENEFIT PLANS YEAR ENDED DECEMBER 31		
	1999	2000	2001	1999	2000	2001
Plan cost:						
Service cost - benefits earned	$ 6.5	$ 7.5	$ 8.6	$ 1.2	$ 1.5	$ 7.6
Interest cost on projected benefit obligations	9.0	10.6	11.3	1.1	1.5	2.0
Actual return on plan assets	(30.0)	(1.5)	13.1	--	--	--
Amortization of past service costs	--	2.4	(5.8)	--	--	--
Net amortization and deferral	18.6	(15.0)	(21.4)	1.4	0.3	0.8
	$ 4.1	$ 4.0	$ 5.8	$ 3.7	$ 3.3	$ 10.4
Actuarial assumptions (percentages):						
Weighted average discount rate for projected benefit obligations	6.0 - 6.5	6.5 - 7.0	5.8 - 7.8	6.5 - 8.0	7.0 - 8.0	7.0 - 7.8
Weighted average rate of compensation increase	3.5 - 4.0	4.0	4.5	4.5	4.5	4.5
Weighted average expected long-term rate of return on plan assets	7.5	7.3 - 7.5	7.3 - 7.8	--	--	--
Health care cost trend rate	--	--	--	5.1 - 7.4	5.1 - 6.8	3.5 - 8.0

A one-percentage point increase and decrease in the assumed healthcare cost trend rate would increase by $0.9 and decrease by $0.7 the service cost and increase by $5.1 and decrease by $4.0 the accumulated obligation for other benefit plans for the year ended December 31, 2001.

17. 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, 2000 and 2001, are as follows:

	DECEMBER 31, 2000		DECEMBER 31, 2001	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Senior Subordinated Notes and other long-term debt	$ 130.0	$ 135.2	$ 143.0	$ 149.5
Foreign currency contracts - asset (liability)	--	7.5	--	(7.4)

DERIVATIVES AND HEDGING ACTIVITIES:

The Company has entered into foreign currency contracts to hedge foreign currency risk relating to cash flow exposures. 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 counterparties to the contracts are multinational commercial banks and therefore the credit risk of counterparty non-performance is remote. As at December 31, 2001, the Company had outstanding foreign exchange contracts to sell $379.5 in exchange for Canadian dollars over a period of 17 months at a weighted average exchange rate of U.S. $0.65. In addition, the Company had exchange contracts to sell $191.8 in exchange for Euros over a period of 15 months at a weighted average exchange rate of U.S. $0.88, $56.6 in exchange for British pounds sterling over a period of 15 months at a weighted average exchange rate of U.S. $1.40, $46.3 in exchange for Mexican pesos over a period of 12 months at a weighted average exchange rate of U.S. $0.10, $24.2 in exchange for Thailand baht over a period of 12 months at a weighted average exchange rate of U.S. $0.02 and $6.4 in exchange for Czech koruna over a period of 12 months at a weighted average exchange rate of U.S. $0.03. At December 31,

2001, these contracts had a fair value liability of $7.4 (2000 - asset of $7.5).

CONCENTRATION OF RISK:
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. In certain instances, the Company obtains letters of credit from its customers. The Company considers its concentrations of credit risk in determining its estimates of reserves for potential credit losses. The Company maintains cash and cash equivalents in high quality short-term investments or on deposit with major financial institutions.

18. COMMITMENTS AND CONTINGENCIES:

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

	OPERATING LEASES	LICENSE COMMITMENTS	TOTAL
2002	$ 103.5	$ 0.6	$ 104.1
2003	81.3	-	81.3
2004	38.0	-	38.0
2005	26.4	-	26.4
2006	20.4	-	20.4
THEREAFTER	89.2	-	89.2

Contingent liabilities in the form of letters of credit and guarantees, including guarantees of employee share purchase loans, amounted to $24.1 at December 31, 2001 (2000 - $12.0).

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.

19. SIGNIFICANT CUSTOMERS:

During 2001, three customers individually comprised 23%, 21% and 11% of total revenue across all geographic segments. At December 31, 2001, two customers represented 14% and 26% of total accounts receivable.

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

During 1999, three customers individually comprised 25%, 18% and 12% of total revenue across all geographic segments. At December 31, 1999, two customers represented 14% and 15% of total accounts receivable.

20. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (in millions of U.S. dollars, except per share amounts)

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
REVENUE			
Americas	$ 3,587.5	$ 6,542.7	$ 6,334.6
Europe	1,108.6	2,823.3	3,001.3
Asia	710.2	871.6	991.1
Elimination of inter-segment revenue	(109.1)	(485.5)	(322.6)
	$ 5,297.2	$ 9,752.1	$10,004.4

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
EBIAT			
Americas	$ 114.2	$ 200.1	$ 192.9
Europe	42.8	121.1	128.5
Asia	23.3	40.7	49.7
	180.3	361.9	371.1
Interest, net	(10.7)	19.0	7.9
Amortization of intangible assets	(55.6)	(88.9)	(125.0)
Integration costs related to acquisitions	(9.6)	(16.1)	(22.8)
Other charges	--	--	(273.1)
Earnings (loss) before income taxes	$ 104.4	$ 275.9	$ (41.9)
Adjusted net earnings	$ 123.0	$ 304.1	$ 320.6

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
CAPITAL EXPENDITURES			
Americas	$ 138.0	$ 154.0	$ 107.9
Europe	29.1	86.9	55.4
Asia	44.7	41.9	36.0
	$ 211.8	$ 282.8	$ 199.3

	AS AT DECEMBER 31	
	2000	2001
TOTAL ASSETS		
Americas	$ 3,444.6	$ 3,408.2
Europe	1,904.7	1,626.3
Asia	588.7	1,598.4
	$ 5,938.0	$ 6,632.9
INTANGIBLE ASSETS		
Americas	$ 307.8	$ 516.4
Europe	196.6	165.6
Asia	73.9	874.0
	$ 578.3	$ 1,556.0
CAPITAL ASSETS		
Americas	$ 327.0	$ 468.0
Europe	216.0	279.1
Asia	90.4	168.0

	$ 633.4	$ 915.1

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (in millions of U.S. dollars, except per share amounts)

The following table details the Company's external revenue allocated by manufacturing location among foreign countries exceeding 10%:

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
REVENUE			
Canada	43%	28%	20%
United States	22%	30%	35%
Italy	--	10%	13%
United Kingdom	19%	17%	11%

21. SUBSEQUENT EVENT:

In January 2002, the Company entered into an agreement with NEC Corporation to purchase certain manufacturing assets in Miyagi and Yamanashi, Japan. This acquisition is expected to close in the first quarter of 2002.

22. 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		
	1999	2000	2001
Net earnings (loss) in accordance with Canadian GAAP	$ 68.4	$ 206.7	$ (39.8)
Compensation expense (a)	(1.9)	(2.5)	(3.2)
Interest expense on convertible debt, net of tax of $9.5 (2000 - $3.8) (b)	--	(6.8)	(17.7)
Other charges (c)	--	--	(2.7)
Gain on foreign exchange contract, net of tax of $3.6 (d)	--	--	12.1
Net earnings (loss) in accordance with United States GAAP	$ 66.5	$ 197.4	$ (51.3)
Other comprehensive income:			
Cumulative effect of a change in accounting policy, net of tax of $1.9 (e)	--	--	5.6
Net loss on derivatives designated as hedges, net of tax of $3.2 (e)	--	--	(11.7)
Minimum pension liability, net of tax of $6.4 (f)	--	--	(14.9)
Foreign currency translation adjustment	(3.5)	--	1.2
Comprehensive income (loss) in accordance with United States GAAP	$ 63.0	$ 197.4	$ (71.1)

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

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
Earnings (loss) available to shareholders - basic	$ 66.5	$ 197.4	$ (51.3)
Add: Interest expense on convertible debt, net of tax	--	6.8	17.7
Earnings (loss) available to shareholders - diluted	$ 66.5	$ 204.2	$ (33.6)
Weighted average shares - basic (in millions)	167.2	199.8	213.9
Weighted average shares - diluted (in millions) (1)	171.2	211.8	213.9
Basic earnings (loss) per share	$ 0.40	$ 0.99	$ (0.24)
Diluted earnings (loss) per share	$ 0.39	$ 0.96	$ (0.24)

(1) For 2001, excludes the effect of options and convertible debt as they are anti-dilutive due to the loss.

The cumulative effect of these adjustments on shareholders' equity of the Company is as follows:

	AS AT DECEMBER 31		
	1999	2000	2001
Shareholders' equity in accordance with Canadian GAAP	$ 1,658.2	$ 3,469.3	$ 4,745.6
Compensation expense (a)	(8.1)	(10.6)	(13.8)
Capital stock (a)	6.1	8.6	11.8
Interest expense on convertible debt, net of tax (b)	--	(6.8)	(24.5)
Convertible debt (b)	--	(860.5)	(886.8)
Convertible debt accretion, net of tax (b)	--	5.4	20.4
Other charges (c)	--	--	(2.7)
Gain on foreign exchange contract, net of tax (d)	--	--	12.1
Net loss on cash flow hedges (e)	--	--	(6.1)
Minimum pension liability, net of tax (f)	--	--	(14.9)
Shareholders' equity in accordance with United States GAAP	$ 1,656.2	$ 2,605.4	$ 3,841.1

(a) In 1998, the Company amended the vesting provisions of 6.2 million 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 has and will record an aggregate $15.6 non-cash stock compensation charge to be reflected in earnings and capital stock over the vesting period as follows: 1998 - $4.2; 1999 - $1.9; 2000 - $2.5; 2001 - $3.2; 2002 - $3.8. No similar charge is required to be recorded by the Company under Canadian GAAP.

(b) 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.

(c) In 2001, the Company recorded a charge to write-down goodwill, which was measured using undiscounted cash flows. United States GAAP requires the use of discounted cash flows, resulting in an additional charge of $2.7.

(d) In 2001, the Company entered into a forward exchange contract to hedge the cash portion of the purchase price for the Omni acquisition. The transaction does not qualify for hedge accounting treatment under SFAS No. 133 which specifically precludes hedges of forecasted business combinations. As a result, the gain on the exchange contract of $15.7, less tax of $3.6, is recognized in income for United States GAAP. For Canadian GAAP, the gain on the contract was included in the cost of the acquisition, resulting in a goodwill value that is $15.7 lower for Canadian GAAP than United States GAAP.

(e) 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 has implemented SFAS No. 133 for 2001 for purposes of the United States GAAP reconciliation. The Company enters into forward exchange contracts to hedge certain forecasted cash flows. The contracts are for periods consistent with the forecasted transactions. All relationships between hedging instruments and hedged items, as well as risk management objectives and strategies, are documented. Changes in the spot value of the foreign currency contracts that are designated, effective and qualify as cash flow hedges of forecasted transactions are reported in accumulated other comprehensive income and are reclassified into the same component of earnings and in the same period as the hedged transaction is recognized. Accordingly, on January 1, 2001, the Company recorded an asset in the amount of $7.5 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 pursuant to United States GAAP. At December 31, 2001, the Company has recorded a liability of $7.4 and has recorded the corresponding adjustments to other comprehensive income and earnings. It is expected that $7.0 of net losses reported in accumulated other comprehensive income will be reclassified into earnings during the period ended December 31, 2002. Under Canadian GAAP, the derivative instruments are not marked to market and the related, off-balance sheet gains and losses are recognized in earnings in the same period as the hedged transactions.

(f) Under United States GAAP, the Company is required to record an additional minimum pension liability for one of its plans to reflect the excess of the accumulated benefit obligations over the fair value of the plan assets. Other

comprehensive income has been charged with $14.9, net of tax of $6.4. No such adjustments are required under Canadian GAAP.

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% (2000 - 5.4%; 1999 - 5%), dividend yield of 0%, a volatility factor of the expected market price of the Company's shares of 70% (2000 - 70%; 1999 - 47%); and a weighted-average expected option life of 7.5 years in 2001 (2000 - 7.5 years; 1999-5 years). The weighted-average grant date fair values of options issued in 2001 was $34.31 per share (2000 - $40.49 per share; 1999 - $10.24 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, 2001, the Company's United States GAAP pro forma loss is $97.1 and basic loss per share is $0.45 (2000 - earnings of $176.2 and $0.88 per share; 1999 - earnings of $52.3 and $0.31 per share).

(b) Accumulated other comprehensive income (loss):

	YEAR ENDED DECEMBER 31		
	1999	2000	2001
Opening balance of accumulated net gain on cash flow hedges	$ --	$ --	$ --
Cumulative effect of a change in accounting policy, net of tax (e)	--	--	5.6
Net loss on derivatives designated as hedges (e)	--	--	(11.7)
Closing balance of accumulated net loss on cash flow hedges	--	--	(6.1)
Opening balance of foreign currency translation account	(0.6)	(4.1)	(4.1)
Foreign currency translation gain (loss)	(3.5)	--	1.2
Closing balance of foreign currency translation account	(4.1)	(4.1)	(2.9)
Minimum pension liability, net of tax (f)	--	--	(14.9)
Accumulated other comprehensive loss	$ (4.1)	$ (4.1)	$ (23.9)

(c) Under United States GAAP, the subtotal "cash from earnings" would be excluded from the consolidated statements of cash flows.

(d) New United States accounting pronouncements:

In July 2001, the FASB issued Statement No. 141, "Business Combinations," and Statement No. 142, "Goodwill and Intangible Assets." These statements are substantially consistent with CICA Sections 1581 and 3062 (refer to note 2(n)) except that under United States GAAP, any transitional impairment charge is recognized in earnings as a cumulative effect of a change in accounting principle. Under Canadian GAAP, the cumulative adjustment is recognized in opening retained earnings.

In October 2001, FASB issued Statement No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," which retains the fundamental provisions of SFAS 121 for recognizing and measuring impairment losses of long-lived assets other than goodwill. Statement 144 also broadens the definition of discontinued operations to include all distinguishable components of an entity that will be eliminated from ongoing operations. This Statement is effective for the Company's fiscal year commencing January 1, 2002, to be applied prospectively. In August 2001, SFAS 143, "Accounting for Asset Retirement Obligations" was approved and requires that the fair value of an asset retirement obligation be recorded as a liability, at fair value, in the period in which the Company incurs the obligation. SFAS 143 is effective for the Company's fiscal year commencing January 1, 2003. The Company expects the adoption of these standards will have no material impact on its financial position, results of operations or cash flows.

SHARE INFORMATION

SHARE INFORMATION

shares and options outstanding at December 31, 2001 (in millions)

Subordinate Voting Shares (NYSE, TSE)	190.6
Multiple Voting Shares	39.1
Shares issued and outstanding	229.7
Shares for Convertible Debt	10.3
Employee Stock Options	23.9

institutional/retail split

institutional	76%
retail	24%

Source: Celestica estimates, Thomson Financial

global ownership

U.S./International	80%
Canada	20%

Source: Celestica estimates, Thomson Financial

average daily trading volumes

(in millions)	1998	1999	2000	2001
NYSE	0.3	0.4	1.1	2.4
TSE	0.5	0.6	0.8	1.3

Source: Bloomberg

total volumes traded

(in millions)	1998	1999	2000	2001
NYSE	22	116	315	702
TSE	34	143	202	408

Source: Bloomberg

top 20 CLS broker volumes

		(VOLUME MILLIONS)			(VOLUME MILLIONS)
1	Banc of America Securities	97.3	11	Goldman Sachs	27.4
2	Salomon Smith Barney	80.6	12	Credit Suisse First Boston	27.0
3	Merrill Lynch	65.7	13	JP Morgan H&Q	24.7
4	Morgan Stanley	65.1	14	UBS Warburg	23.2
5	ABN-AMRO	46.7	15	Yorkton Securities	21.1
6	CIBC World Markets	41.7	16	TD Securities	20.8
7	National Bank Financial	41.6	17	Knight/Trimark Group	19.0
8	Lehman Brothers	35.7	18	Robertson Stephens	18.2
9	Royal Bank Financial	33.7	19	Thomas Weisel	11.2
10	BMO Nesbitt Burns	33.6	20	Bear Stearns	11.0

Source: AutEx/BlockDATA, Toronto Stock Exchange. NYSE and TSE combined totals.

SHARE INFORMATION

	FIRM	RESEARCH COVERAGE	BANKING RELATIONSHIP*
1	ABN AMRO	o	o
2	A.G. Edwards & Sons	o	
3	Banc of America Securities	o	o
4	Bank of Tokyo-Mitsubishi		o
5	Bear Stearns	o	
6	BMO Nesbitt Burns	o	o
7	Canaccord Capital	o	
8	CIBC World Markets	o	o
9	Credit Suisse First Boston	o	o
10	Deutsche Banc Alex. Brown	o	o
11	Dlouhy Merchant	o	
12	Edward Jones	o	
13	Goldman, Sachs & Co.	o	o
14	Griffiths, McBurney & Partners	o	
15	JP Morgan H & Q	o	o
16	Lehman Brothers	o	
17	McDonald Investments	o	
18	Merrill Lynch	o	o
19	Midwest Research	o	
20	Morgan Stanley Dean Witter	o	o
21	National Bank Financial	o	o
22	Needham and Company	o	
23	Paradigm Capital	o	
24	Prudential Securities	o	
25	Raymond James	o	
26	RBC Capital Markets	o	o
27	Robertson Stephens	o	o
28	Royal Bank of Scotland		o
29	Salomon Smith Barney	o	o
30	Scotia Capital	o	o
31	SoundView Technology Group	o	
32	Sprott Securities	o	
33	TD Newcrest	o	o
34	Thomas Weisel Partners	o	
35	Yorkton Securities	o	

* Has earned fees in the past for financial services provided to Celestica.

CELESTICA INC. PUBLIC CREDIT RATINGS
STANDARD & POOR'S

Corporate credit rating	BB+
Subordinated notes rating	BB-
Bank loan rating	BB+
Outlook	Stable

MOODY'S INVESTOR SERVICE

Senior implied rating	Ba1

Subordinated notes rating	Ba2
Bank loan rating	Ba1
Outlook	Stable

AUDIT AND NON-AUDIT FEES

The Company's auditors are KPMG LLP. In 2001, KPMG LLP billed the Company $1.5 million for the audit of the Company`s annual financial statements and $2.9 million for tax, audit-related and other services. KPMG LLP did not provide any financial information systems design and implementation services to the Company.

The audit committee of the Company's board of directors has considered that the provision of the non-audit services is compatible with maintaining KPMG's independence.

The Company also used other public accounting firms for consulting and other services totalling $3.1 million.

CORPORATE INFORMATION

ANNUAL MEETING

The 2001 annual meeting of Celestica shareholders will be held at 10:00 a.m. Eastern Standard Time, April 17, 2002 at:

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

HEAD OFFICE

CELESTICA INC.
12 Concorde Place, 8th Floor
Toronto, Ontario
Canada M3C 3R8

WEB SITE

http://www.celestica.com

AUDITORS

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

TRANSFER AGENTS AND REGISTRAR

SUBORDINATE VOTING SHARES

CANADA:
Computershare Trust Company of Canada
100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1
Tel: 1-800-663-9097
Fax: 416-644-3804

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

INVESTOR RELATIONS

CELESTICA INVESTOR RELATIONS
12 Concorde Place, 8th Floor
Toronto, Ontario
Canada M3C 3R8
Tel: 416-448-2211
Fax: 416-448-2280
E-mail: clsir@celestica.com

DIRECTORS

EUGENE V. POLISTUK

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$10 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 and a Doctor of Engineering (Hon.) from Ryerson University. His vision and leadership have been consistently acknowledged by both industry and his peers. In 1994, he was presented with the '2T5 Meritorious Service Medal' in recognition of his meritorious service in and for the profession, by his peers in the University of Toronto Engineering Alumni Association. He has been the recipient of ELECTRONIC BUSINESS' Outstanding CEO award, and most recently, under Mr. Polistuk's leadership, Celestica has been recognized as the number one ranking company on BUSINESSWEEK's 2001 InfoTech 100 list, and as CANADIAN BUSINESS' Company of the Year in the publication's 2001 Tech 100 issue.

ANTHONY P. PUPPI

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 global financial activities, as well as a number of global service businesses, including design, repair and power systems. 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.

ROBERT L. CRANDALL

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 Allied World Assurance Company, Anixter International Inc., Clear Channel Communications Inc., the Halliburton Company, and i2 Technologies Inc. He also serves on the International Advisory Board of American International Group Inc. 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.

WILLIAM A. ETHERINGTON

William A. Etherington is the former Senior Vice President and Group Executive, Sales and Distribution, IBM Corporation and Chairman, President and Chief Executive Officer of IBM World Trade Corporation. Mr. Etherington has been a director of Celestica since October 2001. After joining IBM Canada in 1964, Mr. Etherington ran successively larger portions of the company's business in Canada, Latin America, Europe and from the corporate office in Armonk, New York. He retired from IBM after a 37-year career. Mr. Etherington holds a Bachelor of Science in Electrical Engineering and a Doctor of Laws (Hon.) degree from the University of Western Ontario.

MARK L. HILSON

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 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

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 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

Roger L. Martin is Dean and Professor of Strategy at the Joseph L. Rotman School of Management at the University of Toronto and has been a director of Celestica since July 1998. Mr. Martin was formerly a director of Monitor Company, a Cambridge, Massachusetts-based consulting firm and is Chair of the Ontario Task Force on Competitiveness, Productivity, and Economic Progress. Mr. Martin also serves as a director for Thomson Corporation, Ontario SuperBuild Corporation, the Canadian Film Centre, and as 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.

ANTHONY R. MELMAN
Anthony R. Melman is a Vice President of Onex and has been a director of Celestica since 1996. Dr. Melman joined Onex Corporation in 1984 and is actively involved in negotiating acquisitions, divestitures, and the financing thereof. He serves on the boards of various Onex subsidiaries. From 1977 to 1984, Dr. Melman was Senior Vice President of Canadian Imperial Bank of Commerce in charge of worldwide merchant banking, project financing, acquisitions and other specialized financing activities. Prior to emigrating to Canada in 1977, he had extensive merchant banking experience in South Africa and the U.K. Dr. Melman is also a director of The Baycrest Centre Foundation, The Baycrest Centre for Geriatric Care, the University of Toronto Asset Management Corporation, and a member of the Board of Governors of Mount Sinai Hospital. Dr. Melman holds a Bachelor of Science from the University of The Witwatersrand, a Master of Business Administration (gold medalist) from Cape Town University and a Ph.D. in Finance from the University of The Witwatersrand.

MICHIO NARUTO
Michio Naruto has been Chairman of the Board of ICL (International Computer Ltd.) since 1997. He has been special representative of Fujitsu since June, 2000 and was Vice Chairman of Fujitsu until April, 2000. Mr Naruto is currently Chairman of Toyota Info Technology Center, a subsidiary of Toyota Motor Corporation. He has been a director of Celestica since October 2001. Mr. Naruto joined Fujitsu Limited in February 1962. In 1981, when the company entered into the technology agreement with ICL, he held the position of General Manager, Business Administration of International Operations. He was appointed to the board of Fujitsu Limited in 1985, in charge of International Operations. Later his responsibility in Fujitsu covered the ICL Business Group; Legal and Industry Relations; External Affairs and Export Control. In his current capacity, he attends various international conferences as special representative of Fujitsu and also takes a role as chairman of Fujitsu Research Institute. Mr. Naruto holds a Bachelor of Laws degree from the University of Tokyo.

GERALD W. SCHWARTZ
Gerald W. Schwartz is the Chairman of the Board, President and Chief Executive Officer of Onex Corporation 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 is also Vice Chairman and member of the Executive Committee of Mount Sinai Hospital and is a director, governor or trustee of a number of other organizations, including Junior Achievement, Canadian Council of Christians and Jews and The Board of Associates of the Harvard Business School. He 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
Don Tapscott is an internationally sought authority, consultant and speaker on business strategy and organizational transformation. He is the author of several widely read books on the application of technology in business. Mr. Tapscott is the co-founder of Digital 4Sight, a company that researches and designs new business models for Global 2000 organizations; President of New Paradigm Learning Corporation, Chairman of Maptuit, and an adjunct Professor of Management at the University of Toronto's Joseph L. Rotman School of Management. He is also a founding member of the Committee of Advisers of the Business and Economic Roundtable on Addiction and Mental Health. Mr. Tapscott has been a director of Celestica since September 1998. He holds a Bachelor of Science degree in Psychology and Statistics and a Master of Education degree, specializing in Research Methodology, as well as a Doctor of Laws (Hon.) from the University of Alberta.

OFFICERS OF THE COMPANY

EUGENE V. POLISTUK
Chairman, Chief Executive Officer

J. MARVIN MAGEE
President, 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

ANDREW G. GORT
Executive Vice President, Global Supply Chain Management

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

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

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.

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.

- 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.

CELESTICA GLOBAL LOCATIONS

CORPORATE HEAD OFFICE
12 Concorde Place
8th Floor
Toronto, Ontario
Canada M3C 3R8

OPERATIONS

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

18107 Trans-Canada Highway
Kirkland, Quebec
Canada H9J 3K1

U.S.A.
7400 Scott Hamilton Drive
Little Rock, Arkansas
U.S.A. 72209

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

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

1200 West 120th Avenue
Westminster, Colorado
U.S.A. 80234

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

1615 East Washington Street
Mt. Pleasant, Iowa
U.S.A. 52641

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

3050 Superior Drive NW
Rochester, Minnesota
U.S.A. 55901

9 Northeastern Boulevard
Salem, New Hampshire
U.S.A. 03079

3600 Tarheel Drive
Raleigh, North Carolina
U.S.A. 27609

6200 E. Broad Street
Columbus, Ohio
U.S.A. 43213

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Oklahoma City, Oklahoma
U.S.A. 73126

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Milwaukie, Oregon
U.S.A. 9722

4616 West Howard Lane
Building 1, Suite 100
Austin, Texas
U.S.A. 78728

1050 Venture Court
Carrollton, Texas
U.S.A. 75006

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

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Col. Pinar de la Calma
Tlaquepaque, Jalisco
Mexico C.P. 45080

Blvd. Parque Industrial
Monterrey No. 208
Apocada, Nuevo Leon
Mexico C.P. 66600

Av. De la Noria
No 125 Parque Industrial Queretaro
Santa Rosa Jauregui, Queretaro
Mexico

BRAZIL
Rod. SP 340 S/N Km 128, 7B
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Brazil CEP 13820-000

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CZECH REPUBLIC
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Kladno, Czech Republic
CZ 272 01

Ulice Osvobezni 363
Rajecko, Czech Republic
CZ 679 02

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Swords
Co. Dublin
Ireland

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00040 Santa Palomba (Roma)
Italia

Via Lecco 61
20059 Vimercate (Milano)
Italia

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U.K. ST7 1TL

Castle Farm
Priorslee
Telford
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U.K. TF2 9SA

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

2005 Yang Gao Bei Road
318 Fa Sai Road, Wai Gao Qiao
Free Trade Zone
Pudong, Shanghai
P.R.C. 200131

No. 158-58 Hua Shan Road
Suzhou New District, Jiangsu Province
P.R.C. 215219

4th Floor, Block B, No. 5, Xinghan Street
Suzhou Industrial Park, Jiangsu Province
P.R.C. 215021

No. 33 Xiangxing Road 1st
Xiangyu Free Trade Zone
Huli District, Xiamen
P.R.C. 361006

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

INDONESIA
Lot 509, Jalan Delima
Batamindo Industrial Park
Mukakuning, Batam
Indonesia 29433

Kawasan Industri Bintan
Jln Terati Lot D13

Lobam, Tanjong Uban
Indonesia 29152

JAPAN
450-3 Higashishinmachi, Ota-shi
Gunma, Japan 373-0015

MALAYSIA
No 9, Jalan Tampoi 7/4
81200 Johor Bahru
Johor Darul Takzim, Malaysia

No 10 & 10A, Jalan Bayu
Kawasan Perindustrian Hasil
81200 Johor Bahru, Malaysia

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

Lot 7294 Jalan Perusahaan 2
Parit Buntar Industrial Estate
34200 Parit Buntar
Perak, Malaysia

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

39 Tuas Basin Link
Singapore, Singapore
638772

Blk 33 Marsiling Industrial Estate Road 3
Woodlands Avenue 5 #07-01
Singapore, Singapore
739256

TAIWAN

4f, 113, Sec. 1, Chung Chen Road
Taipei, Taiwan
R.O.C.

THAILAND
49/12 Moo 5
Laem Chabang
Industrial Estate
Siracha District
Chon Buri Province
Thailand 20230

64/65 Moo 4, Highway 331, T. Pluakdaeng
A. Pluakdaeng, Rayong
Thailand 21140

OUTSOURCING
NETWORK

CORE
COMPETENCY

GLOBAL
SCOPE

FINANCIAL
PERFORMANCE

SHARE
INFORMATION

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[CELESTICA LOGO] CELESTICA-TM-

Exhibit 99.5

CONSENT OF AUDITORS

The Board of Directors
Celestica Inc.

We consent to the incorporation by reference in the registration statements on Forms S-8 (Nos. 333-9500, 333-9822, 333-9780, 333-71126, 333-66726 and 333-63112) and on Forms F-3 (Nos. 333-12272, 333-50240 and 333-69278) of Celestica Inc. of our report dated January 21, 2002, with respect to the consolidated balances sheets of Celestica Inc. as of December 31, 2000 and 2001 and the related consolidated statements of earnings (loss), shareholders' equity and cash flows for each of the years in the three year period ended December 31, 2001, which report appears in the December 31, 2001 annual report filed as an exhibit on the Current Report on Form 6K of Celestica Inc. dated March 2002.

/s/ KPMG LLP
Chartered Accountants

Toronto, Canada
January 21, 2002