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(All amounts in U.S. dollars.)

Celestica Completes 1998 Growth Year With Record Results

Toronto, Canada – Celestica Inc. (NYSE, TSE, ME: CLS), a world leader in electronics manufacturing services (EMS), today announced results for the fourth quarter and the year ended December 31, 1998, a year marked with many major milestones as highlighted below:

- Record annual revenue up 62%
- Record fourth quarter revenue of $925M
- Earnings growth outpaced revenue
- Completion of largest IPO ever in EMS sector ($415M)
- Strengthened balance sheet dramatically
- Completed 8 strategic acquisitions
- Expanded global presence

For the full year, revenue increased by 62% to $3.2 billion, from $2.0 billion in 1997. Adjusted net earnings, which exclude the after-tax effect of integration costs related to acquisitions, unusual charges and amortization of intangible assets, increased by 94% to $45.3 million or $0.84 per share, on a fully diluted basis compared to $23.3 million or $0.65 per share, on a fully diluted basis last year. Net earnings, which take into account the impact of these items, was a loss of $48.5 million or $0.94 per share, compared to a net loss of $6.9 million or $0.20 per share in 1997.

"1998 was a year of outstanding achievements for Celestica. Eight acquisitions enhanced our service offerings, global manufacturing capabilities and our strategic customer relationships," said Eugene Polistuk, President and CEO, Celestica Inc. "Furthermore, our financial results for the year were solid and our IPO significantly improved our financial position for growth."

During the fourth quarter, ended December 31, 1998, revenue was $925.3 million, up 35% from $683.2 million in the same period of 1997 and up 14% sequentially. Adjusted net earnings increased 52% to $18.7 million or $0.27 per share, on a fully diluted basis for the three months ended December 31, 1998, compared to $12.3 million or $0.32 per share, on a fully diluted basis, for the same period of 1997. The company recorded a net loss of $3.8 million or $0.06 per share in the fourth quarter of 1998, compared to net earnings of $2.0 million or $0.05 per share for the same period of 1997. Net loss for the fourth quarter of 1998 includes a charge of $11.9 million related to the merger with International Manufacturing Services, Inc. (IMS). Without this charge, net earnings would have been $8.1 million or $0.12 per share.

Recent Developments

Celestica completed the merger with IMS in the fourth quarter, providing the Company with a major foothold in Asia, as well as complementary markets, customers and skills. This was Celestica's eighth acquisition of 1998 and its twelfth since the beginning of 1997. IMS is now a wholly-owned subsidiary of Celestica and operates as Celestica Asia.

Effective February 8, 1999, Mr. Robert Crandall, a director of Celestica since July 1998, was appointed to the role of Chairman of the Board. Mr. Crandall is the former Chairman of the Board, President and Chief Executive Officer of AMR Corporation and former Chairman of the Board and CEO of American Airlines Inc. Additionally, Mr. Crandall will join the executive committee of Celestica, together with Eugene Polistuk and Tony Melman (Vice President of Onex Corporation).

"Celestica has gone through a profound transformation since our divestiture from IBM in October, 1996. In that timeframe, we have expanded from our base in Toronto to 24 facilities in 7 countries, added approximately 12,000 people and improved our market and customer diversification," said Eugene Polistuk. "We now have the infrastructure in place to achieve our strategic goal of $10 billion in sales by year 2001."

About Celestica
With over 14,000 employees worldwide, Celestica operates 24 manufacturing and design facilities in the United States, Canada, Mexico, the United Kingdom, Ireland, Thailand, Hong Kong and China. Celestica provides a broad range of services including design, prototyping, assembly, testing, product assurance, supply chain management, worldwide distribution and after-sales service. Its customers include industry leading original equipment manufacturers (OEMs), primarily in the computer and communications sectors.

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

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

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

	Three Months ended December 31,		**Year ended December 31,**	
	1998	**1997**	**1998**	**1997**
Revenue	**$ 925,298**	$ 683,187	**$ 3,249,200**	$ 2,006,634
Gross profit	**$ 69,193**	$ 48,620	**$ 230,535**	$ 139,667
Selling, general and administrative expenses	**36,684**	18,307	**130,565**	68,315
Amortization of intangible assets	**10,794**	4,806	**45,372**	15,260
Integration costs related to acquisitions	**2,471**	10,400	**8,123**	13,292
Other charges	**11,913**	-	**64,743**	13,900
Interest expense, net	**3,076**	11,839	**32,249**	33,633
Earnings (loss) before income taxes	**4,255**	3,268	**(50,517)**	(4,733)
Provision for (recovery of) income taxes	**8,029**	1,313	**(2,046)**	2,186
Net earnings (loss) for the period	**(3,774)**	1,955	**(48,471)**	(6,919)
Retained earnings (deficit), beginning of period	**(48,444)**	(5,702)	**(3,747)**	3,172
Deficit, end of period	**$ (52,218)**	$ (3,747)	**$ (52,218)**	$ (3,747)

Basic earnings (loss) per share[1]	**$ (0.06)**	$ 0.05	**$ (0.94)**	$ (0.20)
Weighted average number of shares outstanding (in 000's)	**67,034**	36,327	**51,496**	34,789

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

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

Adjusted net earnings [2]	**$ 18,718**	$ 12,326	**$ 45,322**	$ 23,265
Adjusted net earnings per share - basic	**$ 0.28**	$ 0.34	**$ 0.88**	$ 0.67
Adjusted net earnings per share - fully diluted	**$ 0.27**	$ 0.32	**$ 0.84**	$ 0.65

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

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

As at December 31	**1998**	**1997**
Assets		
Current assets		
Cash and short-term investments	**$ 31,721**	$ 106,052
Accounts receivable	**462,995**	372,146
Inventories	**430,932**	312,926
Other assets	**57,277**	40,578
	982,925	831,702
Capital assets	**214,926**	124,242
Intangible assets	**374,508**	352,264
Other assets	**64,066**	39,099
	$ 1,636,425	$ 1,347,307
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 621,946**	$ 451,024
Deferred income taxes	**2,482**	2,455
Current portion of long-term debt	**2,321**	14,961
	626,749	468,440
Long-term debt	**133,483**	503,964
Other liabilities	**16,927**	11,677
	777,159	984,081
Shareholders' Equity		
Capital stock	**912,074**	367,417
Deficit	**(52,218)**	(3,747)
Foreign currency translation adjustment	**(590)**	(444)
	859,266	363,226
	$ 1,636,425	$ 1,347,307

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