CELESTICA INC
Form F-4/A
December 24, 2003

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As filed with the Securities and Exchange Commission on December 24, 2003

Registration No. 333-110362

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

PRE-EFFECTIVE AMENDMENT NO. 1
TO

FORM F-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Celestica Inc.

(Exact name of Registrant as specified in its charter)

Ontario, Canada	**3342**	**N/A**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1150 Eglinton Avenue East
Toronto, Ontario M3C 1H7 Canada
(416) 448-5800
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Kaye Scholer LLP
Attention: Managing Attorney
425 Park Avenue
New York, New York 10022
(212) 836-8000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Lynn Toby Fisher, Esq. **Joel I. Greenberg, Esq.** **Kaye Scholer LLP** **425 Park Avenue** **New York, New York 10022** **(212) 836-8000**	**Jay E. Bothwick, Esq.** **Thomas S. Ward, Esq.** **Hale and Dorr LLP** **60 State Street** **Boston, Massachusetts 02109** **(617) 526-6000**

Approximate date of commencement of proposed sale to the public:
Upon completion of the merger described herein. o

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If the form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If the form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this proxy statement/prospectus is not complete and may be changed. Celestica may not sell these securities until the registration statement filed with the United States Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated December 24, 2003

[MSL LOGO] **[CLS LOGO]**

PROXY STATEMENT **PROSPECTUS**

, 2003

Dear Stockholder of Manufacturers' Services Limited:

Manufacturers' Services Limited ("MSL") cordially invites you to attend a special meeting of stockholders of MSL to be held on , , 2004, at 10:00 a.m., local time, at the offices of Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109. At the special meeting, MSL will ask you to consider and vote upon a proposal to adopt the merger agreement that we entered into on October 14, 2003 with Celestica Inc. ("Celestica") and its wholly-owned subsidiary, MSL Acquisition Sub Inc. The merger agreement provides for the merger of MSL with and into a wholly-owned subsidiary of Celestica, with Celestica's wholly-owned subsidiary surviving. MSL will cease to exist as a separate legal entity at the effective time of the merger.

At the completion of the merger, each share of MSL common stock will be converted into the right to receive 0.375 of a Celestica subordinate voting share, subject to adjustment as described below. Celestica subordinate voting shares are listed and traded on The New York Stock Exchange and the Toronto Stock Exchange under the symbol "CLS". In addition, the holders of shares of MSL Series A and Series B preferred stock will be entitled to receive, at the stockholder's election, either (a) $52.50 per share, plus accrued and unpaid dividends, payable in cash or (b) a number of Celestica subordinate voting shares equal to 0.375 times the number of shares of MSL common stock into which the Series A and Series B stock may be converted, subject to adjustment as described below, plus, in the case of holders of Series B preferred shares electing to receive Celestica subordinate voting shares, a "make-whole" payment of $2.25 per share payable, at the option of MSL as directed by Celestica, in either cash or Celestica subordinate voting shares.

The share exchange ratio will be adjusted, if necessary, to ensure that the value of the consideration received for each share of MSL common stock will be not less than $6.00 and not more than $7.25. Accordingly, the share exchange ratio will be adjusted if the market price of the Celestica subordinate voting shares is $19.33 or more or $16.00 or less. Because the market price used in the calculation of the share exchange ratio will be based on the 20 consecutive trading day volume weighted average closing price of the Celestica subordinate voting shares on The New York Stock Exchange, determined on the third business day prior to the merger, at the time you vote at the special meeting you may not know how many Celestica subordinate voting shares you will receive in the merger. The closing price of Celestica subordinate voting shares on The New York Stock Exchange on January , 2004 was $. If the merger had been consummated on that date, the share exchange ratio would have been 0. of a Celestica subordinate voting share, or an equivalent of $ (based on such closing price), for each share of MSL common stock.

MSL's board of directors has unanimously approved and declared the merger, the merger agreement and the transactions contemplated by the merger agreement advisable, and has declared that it is in the best interests of MSL's stockholders that MSL enter into the merger agreement and consummate the merger on the terms and conditions set forth in the merger agreement. **MSL's board of directors recommends that you vote "FOR" adoption of the merger agreement at the special meeting.**

Your vote is very important. MSL cannot complete the proposed merger unless the merger agreement is adopted by the affirmative vote of the holders of a majority of the voting power of the shares of MSL capital stock outstanding at the close of business on the record date. Whether or not you plan to attend the special meeting, if you are a holder of MSL common stock or preferred stock

please take the time to vote by completing, signing, dating and mailing the enclosed proxy card to MSL.

The proxy statement/prospectus attached to this letter provides you with detailed information about the proposed merger and related matters. We encourage you to read carefully the entire proxy statement/prospectus, including the annexes. **Please pay particular attention to the risk factors beginning on page 15 of this proxy statement/prospectus for a discussion of the description of risks related to the merger.**

If the merger agreement is adopted and the merger is completed, you will be sent written instructions for exchanging your certificates for Celestica shares. Please do not send your certificates in until you have received these instructions.

On behalf of MSL's board of directors, I thank you for your support and appreciate your consideration of this matter.

ROBERT C. BRADSHAW
Chairman, President and Chief Executive Officer

This proxy statement/prospectus constitutes an offering of Celestica subordinate voting shares. Celestica has two classes of common equity shares, the subordinate voting shares being offered hereby and multiple voting shares. The multiple voting shares are identical to the subordinate voting shares, except that (1) each subordinate voting share is entitled to one vote and each multiple voting share is entitled to 25 votes and (2) each multiple voting share is convertible into one subordinate voting share at any time at the option of the holder, and automatically in certain other circumstances. Based on a 0.375 share exchange ratio, up to 20,551,647 subordinate voting shares would be issued in connection with the merger, including shares issuable upon the exercise of MSL options and warrants outstanding and assuming all holders of Series A and Series B preferred stock elect to receive subordinate voting shares.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Celestica subordinate voting shares to be issued in the merger or determined if this document is truthful or complete. Any representation to the contrary is a criminal offense.

This document is dated , 2004 and is first being mailed to MSL stockholders on or about , 2004.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

MANUFACTURERS' SERVICES LIMITED
300 BAKER AVENUE
CONCORD, MA 01742

NOTICE OF A SPECIAL MEETING OF STOCKHOLDERS
To be Held on , 2004 at 10:00 a.m., local time

To the Stockholders of Manufacturers' Services Limited:

Notice is hereby given that a special meeting of the stockholders of Manufacturers' Services Limited, a Delaware corporation ("MSL"), will be held at the offices of Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109 on , , 2004, 10:00 a.m., local time, for the following purpose:

To consider and vote upon a proposal to adopt the merger agreement by and among Celestica Inc. ("Celestica"), MSL Acquisition Sub Inc., a wholly-owned subsidiary of Celestica, and MSL, pursuant to which MSL will be merged with and into the wholly-owned subsidiary of Celestica. Under the merger agreement, each outstanding share of MSL common stock will be converted into the right to receive 0.375 of a Celestica subordinate voting share, subject to adjustment as described below. In addition, each share of outstanding MSL Series A and Series B preferred stock will be entitled to receive, at the stockholder's election, either (a) $52.50 per share, plus accrued but unpaid dividends payable in cash or (b) a number of Celestica subordinate voting shares equal to 0.375 times the number of shares of MSL common stock into which the MSL Series A and Series B stock may be converted, subject to adjustment as described below, plus, in the case of holders of Series B preferred shares electing to receive Celestica subordinate voting shares, a "make-whole" payment of $2.25 per share payable, at the option of MSL as directed by Celestica, in either cash or Celestica subordinate voting shares. The share exchange ratio will be adjusted, if necessary, to ensure that the value of the consideration received for each share of MSL common stock (based on the 20 consecutive trading day volume weighted average NYSE closing price of the Celestica subordinate voting shares determined on the third business day prior to the completion of the transaction) will be not less than $6.00 and not more than $7.25.

No other business will be transacted at the special meeting, other than possible adjournments or postponements of the special meeting.

Holders of record of shares of MSL common stock, Series A preferred stock and Series B preferred stock at the close of business on Monday, January 5, 2004, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

Your vote is very important. MSL cannot complete the proposed merger unless the merger agreement is adopted by the affirmative vote of the holders of a majority of the voting power of the shares of MSL capital stock outstanding at the close of business on the record date.

This notice is accompanied by a form of proxy and a proxy statement containing more detailed information with respect to the matters to be considered at the special meeting, including a copy of the merger agreement. You should not send any certificates representing your MSL common stock, Series A preferred stock or Series B preferred stock with your proxy.

Whether or not you plan to attend the special meeting, please sign, date and return the enclosed proxy card. Executed proxies with no instructions indicated thereon will be voted "FOR" the adoption of the merger agreement. Even if you have returned your proxy, you may still vote in person if you attend the special meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the special meeting, you must obtain from the record holder a proxy issued in your name. If you fail to return your proxy or to vote in person at the special meeting, your shares will not be counted for purposes of determining whether a quorum is present at the special meeting, and will effectively be counted a vote against the adoption of the merger agreement.

By order of the Board of Directors,

Alan R. Cormier
Secretary

Concord, Massachusetts
, 2004

No person is authorized in connection with any offering made by this proxy statement/prospectus to give any information or make any representation not contained in, or incorporated by reference into, this proxy statement/prospectus. If given or made, any such information or representation must not be relied on as having been authorized by Celestica or MSL. This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this proxy statement/prospectus, or the solicitation of a proxy, in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer, solicitation of an offer or proxy solicitation in such jurisdiction. Neither the delivery of this proxy statement/prospectus nor any distribution of securities pursuant to this proxy statement/prospectus shall, under any circumstances, create any implication that there has been no change in the information set forth or incorporated into this proxy statement/prospectus by reference or in our affairs since the date of this proxy statement/prospectus.

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All dollar amounts in this proxy statement/prospectus are expressed in United States dollars, except where indicated otherwise. In this proxy statement/prospectus, all references to "$" are to U.S. dollars.

Canada has no system of exchange controls. There are no Canadian restrictions on the repatriation of capital or earnings of a Canadian public company to non-resident investors. There are no laws of Canada or exchange restrictions affecting the remittance of dividends, interest, royalties or similar payments to non-resident holders of Celestica's securities, except as described under "*The Merger Principal Canadian Federal Income Tax Considerations*" beginning on page 72 of this proxy statement/prospectus.

This proxy statement/prospectus incorporates important business and financial information about Celestica and MSL from documents that each company has filed with the Securities and Exchange Commission but that have not been included in or delivered with this proxy statement/prospectus. For a listing of documents incorporated by reference into this proxy statement/prospectus, please see the section entitled "*Where You Can Find More Information*" beginning on page 120 of this proxy statement/prospectus.

Celestica will provide you with copies of this information relating to Celestica (excluding all exhibits unless Celestica has specifically incorporated by reference an exhibit in this proxy statement/prospectus), without charge, upon written or oral request to:

Celestica Inc.
1150 Eglinton Avenue East
Toronto, Ontario M3C 1H7
Canada
Attention: Investor Relations
(416) 448-2211

MSL will provide you with copies of this information relating to MSL (excluding all exhibits unless MSL has specifically incorporated by reference an exhibit in this proxy statement/prospectus), without charge, upon written or oral request to:

Manufacturers' Services Limited
300 Baker Avenue
Suite 106
Concord, Massachusetts 01742
Attention: Investor Relations
(978) 371-5495

In order to receive timely delivery of the documents, you must make your requests no later than , 2004.

QUESTIONS AND ANSWERS REGARDING THE MERGER

The following is important information in a question-and-answer format regarding the special meeting and this proxy statement/prospectus.

General Questions and Answers

Q:

Why am I receiving this proxy statement/prospectus?

A:

Celestica has agreed to acquire MSL under the terms of a merger agreement that is described in this proxy statement/prospectus. Please see the section entitled "*The Merger Agreement*" beginning on page 77 of this proxy statement/prospectus. A copy of the merger agreement is attached to this proxy statement/prospectus as Annex A.

In order to complete the merger, MSL stockholders must adopt the merger agreement, and all other conditions to the merger must be satisfied or waived. MSL will hold a special meeting of its stockholders to obtain this stockholder approval. This proxy statement/prospectus contains important information about the merger agreement, the merger and the special meeting, and you should read it carefully. The enclosed voting materials for the special meeting allow you to vote your shares of MSL common stock, Series A preferred stock and Series B preferred stock without attending the special meeting. Stockholders of Celestica are not required to approve the merger, the issuance of Celestica subordinate voting shares in the merger or any matter relating to the merger. Accordingly, Celestica will not hold a special meeting of its stockholders in connection with the merger.

Q:

How does MSL's board of directors recommend that stockholders vote on the merger proposal?

A:

After careful consideration, MSL's board of directors unanimously determined that the merger is advisable and in the best interests of MSL and its stockholders and approved the merger agreement and the merger. Accordingly, MSL's board of directors unanimously recommends that you vote "FOR" the proposal to adopt the merger agreement.

Q:

What will I be entitled to receive in the merger?

A:

If the merger agreement is adopted by MSL's stockholders, the other conditions to the merger are satisfied or waived and the merger is completed and you hold MSL common stock, you will be entitled to receive Celestica subordinate voting shares for your MSL common stock. If you hold MSL Series A or Series B preferred stock, for which you do not seek appraisal rights and do not make a valid stock election, you will be entitled to receive a cash payment equal to $52.50 per share plus any accrued and unpaid dividends through the date of the closing of the merger. If you hold MSL Series A or Series B preferred stock for which you do not seek appraisal rights and make a valid stock election, you will be entitled to receive Celestica subordinate voting shares plus, in the case of Series B preferred stock, a payment of $2.25 per share in cash or, at the election of MSL at the direction of Celestica, in Celestica subordinate voting shares.

Q:

What is the "share exchange ratio"? Will the number of Celestica subordinate voting shares I will be entitled to receive in the merger be changed for any reason?

A:

Generally, for each share of MSL common stock you own, you will be entitled to receive in the merger 0.375 of a Celestica subordinate voting share. We refer to the fraction of a Celestica subordinate voting share you will be entitled to receive for one share of MSL common stock as the "share exchange ratio". The number of Celestica subordinate voting shares you will be entitled to receive for your MSL preferred stock, if you make a valid stock election, will be based on the share exchange ratio for the MSL common stock.

The share exchange ratio will be adjusted if the market price (as defined in the merger agreement) of a Celestica subordinate voting share just prior to the merger is $19.33 or more or $16.00 or less, to ensure that the market price of the consideration for one share of MSL common stock will be not more than $7.25 and not less than $6.00.

Q:

What is a subordinate voting share?

A:

A subordinate voting share is a share of common stock of Celestica that has the right to one vote per share. The subordinate voting shares are listed on The New York Stock Exchange and the Toronto Stock Exchange under the symbol "CLS." Celestica also has multiple voting shares, which are common stock with the right to 25 votes per share. The multiple voting shares are all held by Onex Corporation and its affiliates and represent approximately 85% of the voting interest in Celestica prior to the completion of the merger.

Q:
What should I do now?

A:
Please carefully review this proxy statement/prospectus and, whether or not you plan to attend the special meeting, vote each proxy card and voting instruction card you receive as soon as possible.

Q:
If I hold MSL Series A or Series B preferred stock, how do I make an election to receive Celestica subordinate voting shares in the merger?

A:
If you are a holder of Series A or Series B preferred stock, you may make an election to receive the merger consideration relating to your MSL preferred stock in Celestica subordinate voting shares rather than in cash, as described above, by completing, signing, dating and returning the stock election form in the pre-addressed envelope provided with these voting materials. For your election to be considered a "valid stock election", your properly completed and signed stock election form must be actually received by MSL prior to the completion of the merger. We anticipate that the merger will be completed immediately following the MSL special meeting. For further information on making a valid stock election, please see the section entitled "*The Merger Agreement Stock Elections Relating to MSL Preferred Stock*" beginning on page 79 of this proxy statement/prospectus.

Q:
Do I need to send in my MSL stock certificate now?

A:
No. You should not send in your MSL stock certificates now. Following the merger, a letter of transmittal will be sent to MSL stockholders informing them where to deliver their MSL stock certificates in order to receive Celestica subordinate voting shares, the cash consideration and any cash in lieu of a fractional Celestica subordinate voting share. You should not send in your MSL stock certificates before receiving this letter of transmittal.

Q:
Are there any stockholders already committed to voting in favor of the merger?

A:
Yes. Some executives of MSL and certain institutional stockholders of MSL have agreed to vote all of their shares of MSL common stock and Series A preferred stock in favor of adoption of the merger agreement. At the record date, the shares held by these stockholders represented approximately 41.5% of the votes entitled to be cast on the merger proposal. For more information, please see the section entitled "*The Stockholder Agreements*" beginning on page 95 of this proxy statement/prospectus.

Q:
When do you expect to complete the merger?

A:
We expect to complete the merger immediately following the special meeting.

Q:
As an MSL stockholder, will I be able to trade the Celestica subordinate voting shares I receive in connection with the merger?

A:
The Celestica subordinate voting shares issued in connection with the merger will be freely tradable, unless you are an "affiliate" of MSL, as defined in the Securities Act of 1933, as amended. If you are an affiliate of MSL, you will be required to comply with the applicable restrictions of Rule 145 of the Securities Act in order to resell the Celestica subordinate voting shares you receive in the merger. You will be notified if you are an affiliate of MSL.

Q:
Where will my new subordinate voting shares trade after the merger?

A:

The Celestica subordinate voting shares you will receive will be listed on each of The New York Stock Exchange and the Toronto Stock Exchange.

Q:

What has been the dividend policy of MSL and Celestica?

A:

To date, MSL has not paid cash dividends on its common stock and Celestica has not paid cash dividends on its subordinate voting shares.

Q:

What periodic reports can I expect to receive as a Celestica shareholder?

A:

As a foreign private issuer, Celestica is not required to file with the Securities and Exchange Commission an annual report on Form 10-K, quarterly reports on Form 10-Q or current reports on Form 8-K. Instead, Celestica files an annual report on Form 20-F and furnishes reports on Form 6-K; Celestica generally is required to furnish a Form 6-K when it discloses material information, as required under Canadian law, or distributes information to its shareholders.

After the merger, you will receive the same periodic reports that Celestica currently provides to its shareholders under Canadian law and the U.S. securities laws. These reports include annual reports (which include audited annual consolidated financial statements prepared in accordance with Canadian GAAP with a reconciliation to U.S. GAAP), unaudited quarterly consolidated financial statements (unless you notify Celestica of your desire not to receive these reports) and proxy statements and related materials for annual and special meetings of Celestica shareholders.

Questions and Answers About the MSL Special Meeting

Q:

When and where will the MSL special meeting of stockholders be held?

A:

The special meeting will take place on   , 2004, at the offices of Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, commencing at 10:00 a.m., local time.

Q:

How can I vote?

A:

If you are a stockholder of record, you may submit a proxy for the special meeting by completing, signing, dating and returning the proxy card in the pre-addressed envelope provided.

If you hold your shares of MSL common stock in a stock brokerage account or if your shares are held by a bank or nominee (*i.e.*, in "street name"), you must provide the record holder of your shares with instructions on how to vote your shares. Please check the voting instruction card included by your broker or nominee for directions on providing instructions to vote your shares.

If you are a stockholder of record, you may also vote at the special meeting. If you hold shares in street name, you may not vote in person at the special meeting unless you obtain a signed proxy from the record holder giving you the right to vote the shares.

Q:

How will my proxy be exercised with respect to the proposal regarding the merger?

A:

All valid proxies received before the meeting will be exercised. All shares represented by a proxy will be voted, and where a stockholder specifies by means of his or her proxy a choice with respect to the possible adjournment of the special meeting or the merger proposal, the shares will be voted in accordance with the specification so made.

Q:

Will any other business be conducted at the special meeting?

A:

No business will be considered at the special meeting other than the merger proposal described in this proxy statement/prospectus.

Q:

What happens if I do not indicate how to vote on my proxy card?

A:

If you sign and send in your proxy card and do not indicate how you want to vote, your proxy will be counted as a vote "FOR" adoption of the merger agreement.

Q:

What happens if I do not return a proxy card or vote?

A:

If you do not sign and send in your proxy card or vote at the special meeting, or if you mark the "ABSTAIN" box on the proxy card, it will have the same effect as a vote against the adoption of the merger agreement.

Q:

If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A:

Your broker will vote your shares only if you provide instructions on how to vote. Therefore, you should be sure to provide your broker with instructions on how to vote your shares. Without instructions, your shares will not be voted, which will have the effect of a vote against the adoption of the merger agreement.

Q:

What should I do if I receive more than one set of voting materials?

A:

Please complete, sign, date and return each proxy card and voting instruction card you receive. You may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If your shares are held in more than one name, you will receive more than one proxy or voting instruction card.

Q:

May I change my vote after I have mailed my signed proxy or voting instruction card?

A:

Yes. If you have completed a proxy, you may change your vote at any time before your proxy is voted at the MSL special meeting of stockholders. You can do this one of three ways:

First, you can send a written, dated notice to the Secretary of MSL stating that you would like to revoke your proxy;

Second, you can complete, date and submit a new, later-dated proxy card; or

Third, you can attend the special meeting and vote in person. Your attendance alone will not revoke your proxy.

If you have instructed a broker or bank to vote your shares of MSL capital stock by executing a voting instruction card, you must follow the directions received from your broker or bank to change your instructions.

Q:

Who can answer my questions about the merger or MSL's special meeting of stockholders?

A:

If you would like additional copies of this proxy statement/prospectus without charge or if you have questions about the merger or MSL's special meeting of stockholders, including the procedures for voting your shares, you should contact:

Manufacturers' Services Limited
300 Baker Avenue
Suite 106
Concord, Massachusetts 01742
Attention: Investor Relations
(978) 371-5495

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SUMMARY

This summary highlights information found in greater detail elsewhere in this proxy statement/ prospectus. For a more complete description of the legal terms of the merger, we urge you to carefully read the entire proxy statement/prospectus (including the annexes) and the documents to which we have referred you before you decide how to vote and, if you hold MSL preferred stock, whether to elect to receive Celestica subordinate voting shares rather than cash in the merger. For instructions on how to obtain additional information regarding Celestica and MSL, please see the section entitled "Where You Can Find More Information" beginning on page 120 of this proxy statement/prospectus.

The Companies

Manufacturers' Services Limited
300 Baker Avenue
Suite 106
Concord, Massachusetts 01742
(978) 287-5630

Manufacturers' Services Limited, or MSL, is a leading global provider of advanced electronics manufacturing services, or EMS, to original equipment manufacturers, or OEMs. MSL has developed relationships with leading OEMs in a diverse range of industries, including industrial equipment, commercial avionics, retail infrastructure, medical products, voice and data communications, network storage, office equipment, computers, computer peripherals and consumer electronics. MSL provides OEMs with a range of integrated supply chain solutions designed to address all states of its customers' product life cycle, including engineering and design, new product introduction, global supply chain management, printed circuit board assembly, high speed automated manufacturing, final product assembly including configure-to-order and build-to-order, integration and testing of complex systems, fulfillment and distribution, and after market services.

MSL was incorporated on December 1, 1994 under the Delaware General Corporation Law.

Celestica Inc.
1150 Eglinton Avenue East
Toronto, Ontario M3C IH7
Canada
(416) 448-5800

Celestica Inc., or Celestica, is a world leader in the delivery of innovative electronics manufacturing services. Celestica operates a highly sophisticated global manufacturing network with operations in Asia, Europe and the Americas, providing a broad range of services to leading original equipment manufacturers. A recognized leader in quality, technology and supply chain management, Celestica provides a competitive advantage to its customers by improving their time-to-market, scalability and manufacturing efficiency.

Celestica was incorporated on September 27, 1996 under the Business Corporations Act (Ontario).

MSL Acquisition Sub Inc.
1150 Eglinton Avenue East

Toronto, Ontario M3C 1H7
Canada
(416) 448-5800

MSL Acquisition Sub Inc., or Merger Sub, was incorporated on October 14, 2003, under the Delaware General Corporation Law, for the purpose of effecting the merger. Merger Sub is a wholly-owned subsidiary of Celestica.

The Merger

For more information on the terms of the merger, please see "*The Merger Agreement*" beginning on page 77 of this proxy statement/prospectus.

The Agreement and Plan of Merger, dated as of October 14, 2003, among Celestica, Merger Sub and MSL is attached as Annex A to this proxy statement/prospectus. We encourage you to read the merger agreement. It is the legal document governing the merger.

As a result of the merger, MSL will be merged into Merger Sub, with Merger Sub

surviving as a wholly-owned subsidiary of Celestica. Holders of MSL common stock will receive Celestica subordinate voting shares. Holders of Series A and Series B preferred stock will receive cash or, at their election, Celestica subordinate voting shares and, in certain circumstances, cash.

Reasons for the Merger

The board of directors of MSL, or the MSL board, believes the merger may result in a number of benefits to MSL's stockholders, including, among other benefits:

- The combined company will have broader geographic reach and will be more diversified and better positioned to capitalize on market opportunities resulting from its greater scale, and MSL stockholders will have the opportunity to participate in the potential for growth of the combined company after the merger through their ownership of Celestica subordinate voting shares.

- MSL stockholders will have the opportunity to attain greater stockholder liquidity through ownership of Celestica subordinate voting shares than they have in their MSL capital stock.

- The merger will be treated as a reorganization for tax purposes.

To review the background and reasons for the merger in greater detail, as well as the risks of the merger, please see "*The Merger Background of the Merger*" beginning on page 45 of this proxy statement/prospectus, " *MSL's Reasons for the Merger*" beginning on page 49 of this proxy statement/prospectus, " *Recommendation of the Merger by the MSL Board of Directors*" beginning on page 51 of this proxy statement/prospectus, " *Celestica's Reasons for the Merger*" on page 62 of this proxy statement/prospectus and "*Risk Factors Risks Related to the Merger*" beginning on page 15 of this proxy statement/prospectus.

MSL Special Meeting

Date, Time and Place of MSL Special Meeting

The MSL special meeting of stockholders will be held at the offices of Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, on   , 2004 at 10:00 a.m. local time.

Purpose

The purpose of the MSL special meeting is to adopt the merger agreement. MSL stockholders may also consider and vote upon such other matters as may be properly brought before the MSL special meeting or any adjournments thereof.

Record Date and Outstanding Shares

Only stockholders of record of MSL common stock, MSL Series A preferred stock and MSL Series B preferred stock as of the close of business on January 5, 2004, the record date, are entitled to notice of, and to vote at, the MSL special meeting. As of the record date, there were approximately holders of record holding an aggregate of shares of MSL common stock, holders of record holding an aggregate of 830,000 shares of Series A preferred stock and holders of record holding an aggregate of 500,000 shares of Series B preferred stock.

On or about , 2004, this proxy statement/prospectus, which includes a notice meeting the requirements of Delaware law, is being mailed to all MSL stockholders of record as of the record date.

Vote Required

In order to adopt the merger agreement, the holders of shares of MSL common stock, Series A preferred stock and MSL Series B preferred stock, voting together as a single class, representing a majority of the votes entitled to be cast at the MSL special meeting, must be present in person or represented by proxy and vote "FOR" the adoption of the merger agreement.

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Share Ownership of Management and Certain Holders

As of the record date, the directors and executive officers of MSL, as a group, held together with their affiliates approximately 41.5% of the outstanding MSL common stock, on an as-converted basis and approximately 41.5% of the votes entitled to be cast on the merger proposal. See " Stockholder Agreements", below.

See " Ownership of Celestica Following the Merger", on page 14, for information on Celestica shares owned by its directors, executive officers and their affiliates.

Recommendation of MSL Board of Directors

The MSL board has unanimously approved the merger agreement and the transactions contemplated thereby and has determined that the merger is advisable and in the best interests of MSL and its stockholders. After careful consideration, the MSL board unanimously recommends a vote "FOR" the adoption of the merger agreement.

Voting and Solicitation

At the MSL special meeting, each stockholder is entitled to one vote for each share of common stock, and a number of votes for the holder's shares of Series A preferred stock and Series B preferred stock equal to the number of shares of common stock into which the preferred stock is convertible. The holders of a majority of the shares of MSL common stock and preferred stock, on an as-converted basis, issued and outstanding and entitled to vote, whether present in person or represented by proxy, will constitute a quorum for the transaction of business at the MSL special meeting.

Shares that are voted "FOR," "AGAINST" or "ABSTAIN" with respect to a matter are treated as being present at the MSL special meeting for purposes of establishing a quorum. For purposes of obtaining the required vote of a majority of the votes entitled to be cast to adopt the merger agreement, the effect of an abstention or a broker non-vote is the same as a vote against the proposal.

All valid proxies received prior to the MSL special meeting will be voted. All shares represented by a proxy will be voted, and where a stockholder specifies by means of the proxy a choice ("FOR," "AGAINST" or "ABSTAIN") with respect to the proposal to adopt the merger agreement, the shares will be voted in accordance with the specification so made. **If no choice is indicated on the proxy, the shares will be voted "FOR" the adoption of the merger agreement (other than instances of broker non-votes, which will not be voted).**

The cost of this solicitation will be borne by MSL. In addition, MSL may reimburse brokerage firms, banks and other fiduciaries representing owners of MSL capital stock for expenses incurred in forwarding solicitation material to the beneficial owners. Proxies also may be solicited by certain of MSL's directors, officers and regular employees, personally or by telephone or telecopier. These persons will not receive additional compensation, but may be reimbursed for reasonable out-of-pocket expenses.

Stockholder Agreements

As of the date of the merger agreement, certain affiliated stockholders of MSL owned 16,353,979 outstanding shares of MSL common and 300,000 shares of Series A preferred stock (which are convertible into approximately 2,331,000 shares of MSL common stock), representing approximately 41.4% of the votes entitled to be cast on the merger proposal. These MSL stockholders, referred to together as the institutional stockholders, have agreed with Celestica and Merger Sub that they will vote their shares of MSL common stock and Series A preferred stock, together with any shares of MSL common stock or preferred stock they may subsequently acquire, in favor of adoption of the merger agreement. In addition, the institutional stockholders have agreed to vote against any proposal that would result in a breach by MSL of the merger agreement or any other action or

agreement that would be reasonably likely to impede, interfere with or delay the merger.

In addition, some executives of MSL who own, in the aggregate, 18,478 shares of MSL common stock, have each agreed that they will vote their shares of MSL common stock, together with any shares of MSL common stock they may subsequently acquire, in favor of adoption of the merger agreement. These management stockholders have also agreed to vote against any proposal that would result in a breach by MSL of the merger agreement and any other action or agreement that would be reasonably likely to impede, interfere with or delay the merger.

The institutional stockholders and the management stockholders have granted proxies to Celestica to vote all of their shares of MSL capital stock with respect to these matters. The proxies cannot be revoked. At October 14, 2003, these proxies represented approximately 41.5% of the votes entitled to be cast on the merger proposal.

The institutional stockholders have each also granted to Celestica an option to purchase a portion of their shares of MSL common stock, totaling 13,525,328 shares of MSL common stock, at an exercise price of $6.5992, payable in cash, for each share of MSL common stock. The options are exercisable by Celestica only if the merger agreement is terminated because the MSL board has authorized another acquisition proposal.

These agreements, referred to collectively as the stockholder agreements, which include the related irrevocable proxies and options, are included as Annexes B-l and B-2 to this proxy statement/ prospectus. For more information on the stockholder agreements, please see "*The Stockholder Agreements*" beginning on page 95 of this proxy statement/prospectus.

Opinions of MSL's Financial Advisors

In connection with the merger, Credit Suisse First Boston LLC and Sonenshine Pastor Advisors LLC delivered written opinions to the MSL board as to the fairness, from a financial point of view, to the holders of MSL common stock (other than, in the case of Credit Suisse First Boston's opinion, private equity funds affiliated with Credit Suisse First Boston and those holders of MSL common stock who have entered into stockholder agreements in connection with the merger and their respective affiliates) of the share exchange ratio provided for in the merger. The full text of the written opinions of Credit Suisse First Boston and Sonenshine Pastor, each dated October 14, 2003, are attached to this proxy statement/prospectus as Annex C and Annex D, respectively. We encourage you to read these opinions carefully in their entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. **Each of the written opinions of Credit Suisse First Boston and Sonenshine Pastor was provided to the MSL board in connection with its evaluation of the share exchange ratio, does not address any other aspect of the merger and does not constitute a recommendation to any stockholder as to any matters relating to the merger.** For more information, please see "*The Merger Opinions of MSL's Financial Advisors*" beginning on page 52 of this proxy statement/prospectus.

Interests of Certain Persons in the Merger

MSL stockholders should note that certain members of MSL management and the MSL board have interests in the merger as employees and/or directors that may be different from, or in addition to, your interests as a stockholder. Options held by directors and executive officers to purchase, in the aggregate, approximately 1,400,000 shares of MSL common stock, at prices ranging from $3.90 to $20.00 per share, will vest as a result of the merger. In addition, the executive officers will be entitled to receive payments totaling approximately $10.7 million if their employment is terminated under certain circumstances after the merger. If Celestica and MSL complete the merger, Celestica will continue certain indemnification arrangements for persons serving as directors and officers of MSL at the time of the merger. Celestica will also maintain a policy of directors' and officers'

liability insurance for the benefit of those persons for six years after the merger. Celestica has had discussions with several of MSL's executive officers concerning their employment opportunities with Celestica after the merger. For more information, please see "*The Merger Interests of MSL's Directors and Executive Officers in the Merger*" beginning on page 62 of this proxy statement/prospectus.

When the Merger Will Occur

Unless Celestica and MSL otherwise agree, the merger will take place no later than the fifth business day after all of the conditions to closing contained in the merger agreement have been satisfied or waived. Assuming that both companies satisfy or waive all of the conditions in the merger agreement, we anticipate that the merger will occur immediately following the special meeting. For more information on conditions to the merger, please see "*The Merger Agreement Conditions to Completion of the Merger*" beginning on page 89 of this proxy statement/prospectus. We sometimes refer to the time when the merger is completed as the "effective time" of the merger.

What MSL Stockholders Will Receive in the Merger

MSL Common Stock

If MSL stockholders adopt the merger agreement, holders of MSL common stock will be entitled to receive 0.375 of a Celestica subordinate voting share for each share of MSL common stock, subject to adjustment. We refer to the fraction of a Celestica subordinate voting share to be issued for each share of MSL common stock as the "share exchange ratio". If the market price for Celestica subordinate voting shares, determined as we describe below, is $19.33 or more, the share exchange ratio will be adjusted so that each share of MSL common stock is exchanged for that fraction of a Celestica subordinate voting shares with a market price equal to $7.25. If the market price of a Celestica subordinate voting share is $16.00 or less, the share exchange ratio will be adjusted so that each share of MSL common stock is exchanged for that fraction of a Celestica subordinate voting shares with a market price equal to $6.00.

Determination of Share Exchange Ratio

The "market price" we refer to in describing the determination of the share exchange ratio is not the trading price at a single point in time. Instead, it is the weighted average closing price of Celestica subordinate voting shares on The New York Stock Exchange for the 20 consecutive trading days ending on the third business day prior to the day on which the effective time of the merger occurs. This market price is not likely to be the trading price of Celestica subordinate voting shares on the day the merger is completed. For more information, please see "*Risk Factors Risks Related to the Merger*" beginning on page 15 of this proxy statement/prospectus.

The price of Celestica subordinate voting shares has been volatile, with closing prices on The New York Stock Exchange ranging from $13.20 to $19.90 over the past six months. Please see "Comparative Per Share Market Price Data Prices of Celestica Shares" on page 41 for more detailed information concerning the historical trading prices of subordinate voting shares. Based on this range of prices, the following table illustrates the range of share exchange ratios, equivalent per share prices of MSL common stock and total number of Celestica subordinate voting shares that would be issued in the merger if no holders of Series A or Series B preferred stock make a stock election (and excluding subordinate voting shares

to be issued pursuant to MSL options and warrants).

Assumed "market price" of Celestica subordinate voting shares	Share exchange ratio	Equivalent MSL per share price	Total number of subordinate voting shares issued in merger

Assumed "market price" of Celestica subordinate voting shares	Share exchange ratio	Equivalent MSL per share price	Total number of subordinate voting shares issued in merger
$13.20	0.4545	$ 6.00	15,633,904
$13.80	0.4348	$ 6.00	14,956,263
$14.85	0.4040	$ 6.00	13,896,804
$16.00	0.375	$ 6.00	12,899,261
$18.10	0.375	$ 6.79	12,899,261
$19.33	0.375	$ 7.25	12,899,261
$20.00	0.3625	$ 7.25	12,469,285

Celestica and MSL expect that the 20-day period for the determination of the share exchange ratio will expire prior to the date of the special meeting. On the business day immediately preceding the special meeting, Celestica and MSL will each issue a press release announcing the share exchange ratio that will be effective, assuming the merger is completed on the day of the special meeting, and will include that press release in a filing with the Securities and Exchange Commission.

Preferred Stock

If the MSL stockholders adopt the merger agreement, each holder of Series A preferred stock and Series B preferred stock will have the choice of receiving for each share of preferred stock:

$52.50 in cash, plus dividends accrued and unpaid to the effective time, or

for Series A preferred

a number of Celestica subordinate voting shares (which may be less than one) equal to (i) 7.77 times (ii) the share exchange ratio, and

for Series B preferred

a number of Celestica subordinate voting shares (which may be less than one) equal to (i) 8.4745 times (ii) the share exchange ratio,

plus, in the case of Series B preferred stock for which the holder elects to receive Celestica subordinate voting shares, a payment of $2.25 per share in cash or, at the election of MSL (as directed by Celestica), a number of Celestica subordinate voting shares issuable in satisfaction of the "optional make whole payment" under the provisions of MSL's certificate of incorporation governing the Series B preferred stock. The election concerning the optional make whole payment will be made, and announced by MSL and Celestica in a press release, prior to the date of the special meeting. For further information, please see "*The Merger Agreement Conversion of MSL Common Stock and Series A and Series B Preferred Stock in the Merger*" beginning on page 77 of this proxy statement/prospectus.

MSL Stock Options and Warrants

Each stock option or warrant to purchase MSL common stock will convert into a stock option or warrant to purchase 0.375 (or, if adjusted, the share exchange ratio) of a Celestica subordinate voting share for each share subject to the stock option or warrant, at an adjusted exercise price.

The terms and conditions that will apply to the new options and warrants will be substantially the same as the terms and conditions that apply to the existing options and warrants. For more information on conversion of the MSL options and warrants, please see "*The Merger Agreement Treatment of MSL Stock Options and Warrants*" beginning on page 86 of this proxy statement/prospectus.

* * *

The consideration payable with respect to MSL capital stock in the merger, whether in Celestica subordinate voting shares or cash, is collectively referred to in this document as the merger consideration.

Stock Elections Relating to MSL Preferred Stock

To make a valid election to receive the merger consideration in connection with your shares of Series A or Series B preferred stock in Celestica subordinate voting shares rather than in cash, you must complete and return the stock

election form provided with this proxy statement/prospectus prior to the completion of the merger. We anticipate that the merger will be completed immediately following the MSL special meeting. For further information on making a valid stock election, please see the section entitled "*The Merger Agreement Stock Elections Relating to MSL Preferred Stock*" beginning on page 79 of this proxy statement/prospectus.

Exchange of Stock Certificates

You should not surrender your MSL stock certificates until after the merger and until you receive a letter of transmittal. For information on exchanging your stock certificates, please see the section entitled "*The Merger Agreement Exchange of Stock Certificates*" beginning on page 79 of this proxy statement/prospectus.

Material United States Federal Income Tax Consequences

We intend that the merger qualify as a reorganization within the meaning of section 368(a) of the U.S. Internal Revenue Code. If the merger qualifies as a reorganization and you receive solely Celestica subordinate voting shares as merger consideration, you generally will not recognize taxable gain or loss in the merger (other than gain with respect to cash received in lieu of a fractional share, which will be subject to tax). If you receive solely cash as merger consideration, you will recognize taxable gain or loss equal to the difference between the amount of cash you receive and your tax basis in the shares of MSL preferred stock you surrender. If you receive both Celestica subordinate voting shares and cash (other than cash received in lieu of a fractional share) as merger consideration, the tax consequences of the merger may differ depending on your individual circumstances, as described in more detail in *"The Merger Material United States Federal Income Tax Consequences"* beginning on page 67 of this proxy statement/prospectus. The merger agreement does not require MSL or Celestica to obtain a ruling from the IRS as to the tax consequences of the merger. In connection with the merger agreement, each of MSL and Celestica will receive an opinion from its legal counsel that, based on certain assumptions and certifications, the merger will constitute a reorganization for U.S. federal income tax purposes. For more information, please see *"The Merger Material United States Federal Income Tax Consequences"* beginning on page 67 of this proxy statement/prospectus.

The summary of tax consequences provided in this proxy statement/prospectus describes only material United States federal income tax consequences of the merger. Tax matters are very complicated. The tax consequences of the merger to you will depend on the facts of your own situation. We urge you to consult your own tax advisor as to the specific tax consequences of the merger, including the applicable federal, state, local and foreign taxes.

Appraisal Rights

Common Stock

In connection with the merger, a holder of MSL common stock is not entitled to appraisal rights under Delaware law. Please see "*The Merger Appraisal Rights for MSL Series A and Series B Preferred Stock; No Appraisal Rights for MSL Common Stock*" beginning on page 76 and "*Comparison of Celestica and MSL Stockholders' Rights Appraisal and Dissent Rights MSL*" beginning on page 107 of this proxy statement/prospectus.

Preferred Stock

In connection with the merger, a holder of Series A or Series B preferred stock is entitled to appraisal rights under Delaware law. Please see "*The Merger Appraisal Rights for MSL Series A and Series B Preferred Stock; No Appraisal Rights for MSL Common Stock*", beginning on page 76, "*Comparison of Celestica and MSL Stockholders' Rights Appraisal and Dissent Rights MSL*" beginning on page 107 and "*Appraisal Rights for MSL Preferred Stock*" beginning on page 116 of this proxy statement/prospectus.

MSL Prohibited from Soliciting Other Offers

Under the merger agreement, MSL, its subsidiaries and their officers, directors, advisors and representatives are prohibited from soliciting, facilitating or negotiating an acquisition proposal from a third party. Furthermore, MSL is obligated to promptly notify Celestica if it receives an acquisition proposal from a third party.

However, if, prior to the adoption of the merger agreement by the MSL stockholders, MSL receives an unsolicited superior proposal from a third party, then MSL may provide non-public information to and negotiate with that third party, provided that MSL meets specified conditions. The superior proposal must consist of an offer to acquire all of the outstanding MSL common stock on terms that the MSL board determines in good faith, after consultation with an independent financial advisor of nationally recognized reputation, to be more favorable to the MSL stockholders than the merger and that is reasonably capable of being completed.

For more information on the prohibition on MSL from soliciting other offers, please see "*The Merger Agreement MSL Prohibited from Soliciting Other Offers*" beginning on page 84 of this proxy statement/prospectus.

Conditions to the Merger

Celestica will complete the merger only if a number of conditions are either satisfied or waived by Celestica, some of which include:

- MSL performs certain covenants and obligations contained in the merger agreement in all material respects;
- the MSL stockholders adopt the merger agreement;
- there is no material adverse change with respect to MSL;
- there are no laws, restraining orders, injunctions or other orders preventing the completion of the merger;
- there are no proceedings by a governmental body challenging the merger or that would materially and adversely affect Celestica's ownership and control of MSL's operations; and
- MSL does not receive any notice from which it can reasonably conclude that it is reasonably likely that MSL will not achieve certain sales or profit margin targets in fiscal year 2004.

MSL will complete the merger only if a number of conditions are satisfied or waived by MSL, some of which include:

- Celestica performs certain covenants and obligations contained in the merger agreement in all material respects;
- the Celestica subordinate voting shares to be issued in the merger are approved for listing on The New York Stock Exchange;
- there are no laws, restraining orders, injunctions or other orders preventing the completion of the merger; and
- there are no proceedings by a governmental body seeking a remedy against an MSL officer or director and relating to the merger.

For more information on the conditions to the Merger, please see "*The Merger Agreement Conditions to Completion of the Merger*" on page 89 of this proxy statement/prospectus.

Affiliate Agreements

MSL has agreed to use its reasonable efforts to cause certain persons who might be considered affiliates of MSL under applicable securities laws to enter into affiliate agreements. These agreements restrict such persons' ability to dispose of Celestica subordinate voting shares they may receive in the merger. The purpose of these agreements is to comply with the requirements of certain U.S. federal securities laws. A form of these affiliate agreements is included as Exhibit D to the merger agreement. For more information on these agreements, please see "*The Merger Restrictions on Sale of Celestica Subordinate Voting Shares Received in the Merger;*" beginning on page 75 of this proxy statement/prospectus.

Accounting Treatment

The merger will be accounted for as a purchase. For more information, please see "*The Merger Accounting Treatment of the Merger*" on page 74 of this proxy statement/prospectus.

Regulatory Approvals

The merger must comply with the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, or the HSR Act. We have made the notifications required under the HSR Act and the waiting period under the HSR Act has expired. The merger must also comply with federal and state securities laws and applicable foreign antitrust laws. Celestica and MSL do not believe that compliance with these laws will delay the merger.

Termination of the Merger Agreement

Either Celestica or MSL may terminate the merger agreement at any time prior to the effective time, whether before or after MSL obtains the requisite stockholder approval, if:

- Celestica and MSL mutually consent;
- we do not complete the merger by May 31, 2004;
- a governmental entity issues an order, decree or ruling or takes any other action which permanently prevents us from completing the merger;
- MSL stockholders do not adopt the merger agreement;
- the MSL board approves another acquisition proposal; or
- the other party's representations and warranties are inaccurate or it has breached a covenant, and the closing conditions cannot be met.

Celestica may terminate the merger agreement at any time prior to the effective time, whether before or after MSL stockholders approve the merger, if the MSL board withdraws or adversely modifies its recommendation to the MSL stockholders regarding the merger agreement.

Expenses and Termination Fee

MSL and Celestica will each pay their own fees and expenses in connection with the merger, whether or not the merger is completed, except that MSL and Celestica will share equally fees and expenses in connection with the filing and printing of this proxy statement/prospectus and the filing of pre-merger notifications under the HSR Act and applicable foreign antitrust laws. MSL has agreed to reimburse Celestica for its expenses in connection with the merger, up to a maximum of $2.0 million, if the merger agreement is terminated because:

we do not complete the merger by May 31, 2004;

MSL stockholders do not approve the merger; and

at or prior to the termination, another acquisition proposal has been publicly announced and not withdrawn.

In addition, MSL has agreed to pay to Celestica a termination fee of $10.0 million (less expenses previously reimbursed) if:

Celestica terminates the merger agreement because the MSL board withdraws or adversely modifies its recommendation to the MSL stockholders regarding the merger agreement; or

MSL terminates the merger agreement because the MSL board has approved another acquisition proposal; or

either MSL or Celestica terminates the merger agreement because we do not complete the merger by May 31, 2004 (unless Celestica declines to extend this date under certain circumstances),

and

another acquisition proposal for MSL is announced and not withdrawn before the merger agreement is terminated, and

MSL enters into another acquisition agreement and consummates another acquisition within specified time periods.

For more information, please see "*The Merger Agreement Payment of Expenses and Termination Fee*" beginning on page 94 of this proxy statement/prospectus.

Ownership of Celestica Following the Merger

Based upon the number of shares of MSL common stock issued and outstanding on the record date and a 0.375 share exchange ratio, and if no MSL preferred stockholder elects to receive subordinate voting shares, Celestica would issue an aggregate of approximately 12,900,000 Celestica subordinate voting shares in connection with the merger (excluding shares that may be issued in the future upon exercise of MSL stock options and warrants). Based on the number of issued and outstanding subordinate voting shares and multiple voting shares of Celestica as of the record date (not including outstanding stock options or warrants), and if no MSL preferred stockholder elects to receive Celestica subordinate voting shares, the former holders of MSL common stock would hold approximately 7.0% of the total number of subordinate voting shares of Celestica issued and outstanding after completion of the merger, representing approximately a 1.1% voting interest. If all of the holders of Series A and Series B preferred stock elect to receive Celestica subordinate voting shares rather than cash, and if Celestica subordinate voting shares are issued to pay the "optional make whole payment" for the Series B preferred stock, approximately 4,100,000 additional subordinate voting shares will be issued in the merger.

Based on the number of outstanding stock options and warrants to purchase MSL common stock as of the record date and a 0.375 share exchange ratio, the total number of outstanding MSL stock options and warrants will become stock options and warrants to purchase an aggregate of approximately 3,600,000 Celestica subordinate voting shares in connection with the merger.

Onex Corporation owns or has the right to vote shares that represent approximately 85% of the voting interest in Celestica (approximately 84% of the voting interest if 12,900,000 subordinate voting shares are issued in the merger). Celestica's directors, executive officers and their affiliates, including Onex, own or have the right to vote shares that represent approximately 86% of the voting interest in Celestica.

Markets and Market Prices

Celestica subordinate voting shares are listed on The New York Stock Exchange and the Toronto Stock Exchange under the symbol "CLS." MSL common stock is listed on The New York Stock Exchange under the symbol "MSV." Following the completion of the merger, MSL common stock will cease to be listed on The New York Stock Exchange.

The following table sets forth the closing sale price per subordinate voting share as reported on The New York Stock Exchange, the closing sale price per share of MSL common stock as reported on The New York Stock Exchange and the equivalent per share price of MSL common stock (representing 0.375 of the price of one subordinate voting share) on October 14, 2003, the last trading day before Celestica and MSL announced that they signed the merger agreement, and January , 2004.

	Subordinate Voting Share Price	MSL Share Price	Equivalent MSL Per Share Price
October 14, 2003	$ 17.69	$ 5.60	$ 6.63
January , 2004	$	$	$

We cannot guarantee or predict the actual share prices of Celestica subordinate voting shares and MSL common stock prior to or at the time Celestica and MSL complete the merger. For more information on this risk, please see "*Risk Factors Risks Related to the Merger*" beginning on page 15 and " *Risks Related to Receiving Celestica Subordinate Voting Shares*" beginning on page 18 of this proxy statement/prospectus.

RISK FACTORS

You should carefully consider the following risk factors relating to the merger and ownership of Celestica subordinate voting shares before deciding how to vote your shares and, if you hold MSL Series A or Series B preferred stock, whether you should elect to receive Celestica subordinate voting shares in the merger. You should also consider the other information contained in, or incorporated by reference into, this proxy statement/prospectus. Please see the section entitled "*Where You Can Find More Information*" beginning on page 120 of this proxy statement/prospectus for directions on how to obtain additional information.

This proxy statement/prospectus contains forward-looking statements that involve known and unknown risks and uncertainties. Please see "*Cautionary Statement Concerning Forward-Looking Statements*" on page 28 of this proxy statement/prospectus.

Risks Related to the Merger

Celestica may not realize the anticipated benefits of the merger because of integration and other challenges.

The merger will not achieve its anticipated benefits unless Celestica can successfully integrate MSL's operations into its business in a timely manner. Realizing the benefits of the merger will depend in part on the integration of technology, operations and personnel. The integration of the companies is a complex, time-consuming and expensive process that, without proper planning and implementation, could significantly disrupt Celestica's and MSL's businesses. The challenges involved in this integration include the following:

- combining and integrating MSL's geographically dispersed operations and facilities with Celestica's existing operations;
- integrating the operations of the two companies in a timely and efficient manner to maintain uninterrupted service to key customers of both MSL and Celestica;
- optimizing the systems network and total supply chain of the two companies;
- addressing differences in the business cultures of Celestica and MSL, maintaining employee morale and retaining key employees;

minimizing the strain on Celestica's technical, financial and other resources;

minimizing the diversion of management's attention from on-going business concerns; and

maintaining MSL's current customer relationships.

Celestica may not successfully integrate the operations of Celestica and MSL in a timely manner, or at all, and the costs of such integration may be greater than anticipated. Additionally, Celestica may not realize the anticipated benefits or synergies of the merger to the extent, or in the timeframe, anticipated. The anticipated benefits and synergies are based on projections and assumptions, not actual experience, and assume a successful integration.

MSL stockholders may not know the number and value of the Celestica subordinate voting shares they will receive as merger consideration before they vote at the special meeting.

At the closing of the merger, each share of MSL common stock will be exchanged for 0.375 of a subordinate voting share unless the market price of Celestica subordinate voting shares (for the 20

consecutive trading days ending on the third business day prior to the day on which the merger is completed) is:

$19.33 or more (in which event MSL stockholders will receive a fraction of a Celestica subordinate voting share with a market price of $7.25, and will therefore receive fewer Celestica subordinate voting shares in exchange for MSL common stock), or

$16.00 or less (in which event MSL stockholders will receive a fraction of a Celestica subordinate voting share with a market price of $6.00, and will therefore receive more subordinate voting shares in exchange for MSL common stock).

The "market price" for purposes of determining the share exchange ratio will be based on the weighted average closing price of Celestica subordinate voting shares for the 20 consecutive trading days ending on the third business day prior to the day on which the merger is completed.

Accordingly, the number and specific dollar value of Celestica subordinate voting shares that MSL stockholders will receive upon completion of the merger will depend to a large extent upon the market value of Celestica subordinate voting shares leading up to the time the merger is completed. This value may be as low as $6.00. While Celestica and MSL anticipate completing the merger immediately following the special meeting, completion of the merger may not occur until some time after MSL stockholder approval has been obtained. The number and dollar value of Celestica subordinate voting shares that MSL stockholders will receive upon completion of the merger may substantially fluctuate from the date of the special meeting of MSL stockholders. In addition, MSL may not terminate the merger agreement or refuse to complete the merger solely because of changes in the market price of Celestica subordinate voting shares or MSL common stock.

We urge you to obtain recent market quotations for Celestica subordinate voting shares and MSL common stock. Neither Celestica nor MSL can predict or give any assurances as to the respective market prices of its common equity at any time before or after the completion of the merger.

Some of the directors and executive officers of MSL have interests and arrangements that could affect their decision to support or approve the merger.

The directors and executive officers of MSL will receive continuing indemnification against liabilities and some of the directors and executive officers have MSL stock options that provide them with interests in the merger, such as accelerated vesting upon completion of the merger in certain cases, that may be different from, or are in addition to, your interests in the merger. MSL's executive officers are entitled to receive severance benefits pursuant to change of control agreements with MSL if their employment is terminated following the merger under certain circumstances. In addition, Celestica is in discussions with several of MSL's executive officers concerning their employment opportunities with Celestica after the merger. As a result, these directors and officers could be viewed as more likely to vote to approve the merger agreement and the merger and recommend that you adopt the merger agreement than if they did not have these interests. Some of the executives of MSL and the institutional stockholders, which are affiliates of one of MSL's directors, have already agreed to vote their shares of MSL capital stock, representing approximately 41.5% of all votes entitled to be cast on the merger, in favor of the proposal to adopt the merger agreement. For a description of some of these interests, please see the section entitled "*The Merger Interests of MSL Directors and Executive Officers in the Merger*" beginning on page 62 of this proxy statement/prospectus. In addition, the institutional stockholders have each also granted to Celestica an option to purchase a portion of their shares of MSL common stock, totaling 13,525,328 shares of MSL common stock. The options are exercisable by Celestica only if the merger agreement is terminated because the MSL board has authorized another acquisition proposal. For a description of these options, please see the section entitled "*The Stockholder Agreements*" beginning on page 95 of this proxy statement/prospectus.

MSL may lose an opportunity to enter into a merger or business combination with another party on more favorable terms because of the "no solicitation" provisions in the merger agreement.

While the merger agreement is in effect, MSL is, with limited exceptions, prohibited from entering into or soliciting, initiating or encouraging any inquiries or proposals that may lead to a proposal or offer for a merger or business combination with a party other than Celestica. As a result of this prohibition, MSL may lose an opportunity to enter into a transaction with another potential partner on more favorable terms for MSL stockholders.

The termination fee may discourage other parties from trying to acquire MSL.

In the merger agreement, MSL has agreed to reimburse Celestica for up to $2.0 million of expenses incurred in connection with the merger, and to pay Celestica a termination fee of up to $10.0 million (less any expense reimbursement) if the merger agreement is terminated in specified circumstances. The termination fee and reimbursement of expenses could discourage other companies from trying to acquire MSL even though other companies might be willing to offer greater value to MSL stockholders than Celestica has offered in the merger agreement. In addition, payment of the termination fee may harm MSL's financial condition and results of operations.

MSL has not obtained an opinion of any financial advisor addressing the consideration payable to MSL preferred stockholders and, therefore, the holders of MSL preferred stock will have to make a decision on whether to vote in favor of adoption of the merger agreement and whether to make a stock election without reference to the opinions of MSL's financial advisors.

Since the terms of the MSL preferred stock provide that a holder is entitled to a specified cash payment in the event of a merger or other change-in-control event or, at the option of the holder, may elect to receive the same consideration the holder would have received if the holder had converted the preferred stock into MSL common stock immediately prior to the merger, MSL's board of directors did not consult with or obtain an opinion of any financial advisor that the cash or Celestica subordinate voting shares to be received in exchange for the MSL preferred stock are fair, from a financial point of view, to holders of the MSL preferred stock. The opinions of Credit Suisse First Boston and Sonenshine Pastor described in this proxy statement/prospectus relate only to the fairness, from a financial point of view, of the consideration to be received by the holders of MSL common stock and do not address the fairness, from a financial point of view, of the consideration to be received by the holders of MSL preferred stock. Therefore, the holders of MSL preferred stock will have to make a decision on whether to vote in favor of adoption of the merger agreement and whether to make a stock election without reference to the opinions of MSL's financial advisors.

The stock price and business of MSL may be adversely affected if the merger is not completed.

Completion of the merger is subject to several closing conditions, including obtaining MSL stockholder approval, requisite regulatory approvals and certain consents. Celestica and MSL may be unable to obtain such approvals on a timely basis or at all. If the merger is not completed, the price of MSL common stock may decline to the extent that the current market prices of MSL common stock reflects a market assumption that the merger will be completed. In addition, MSL's operations may be harmed to the extent that customers believe that MSL cannot effectively compete in the marketplace without the merger, or there is uncertainty surrounding the future direction of the product and service offerings and strategy of MSL on a stand-alone basis. MSL will also be required to pay significant costs incurred in connection with the merger, including legal, accounting and a portion of the financial advisory fees, whether or not the merger is completed. Moreover, under certain circumstances described in the section entitled "*The Merger Agreement Payment of Expenses and Termination Fee*" beginning on page 94 of this proxy statement/prospectus, MSL may be required to reimburse Celestica's expenses in connection with the merger agreement, up to a maximum of $2.0 million, and pay Celestica a termination fee of $10.0 million (less any expense reimbursement) in connection with the termination of the merger agreement. Payment of these costs, fees and expenses in the event the merger is not completed may adversely affect MSL's financial condition and results of operations.

Risks Related to Receiving Celestica Subordinate Voting Shares

The interest of Celestica's controlling shareholder may conflict with the interest of the remaining holders of Celestica subordinate voting shares.

Onex Corporation owns, directly or indirectly, all of the multiple voting shares and less than 1.0% of the outstanding subordinate voting shares of Celestica. The number of shares owned by Onex, together with those shares Onex has the right to vote, represents approximately 85.0% of the voting interest in Celestica and includes approximately 2.0% of the outstanding subordinate voting shares. Following completion of the merger, based on the number of shares of MSL common stock issued and outstanding on the record date and assuming that no MSL preferred stockholder elects to receive Celestica subordinate voting shares in the merger, the shares Onex owns and the shares Onex has the right to vote will represent, in the aggregate, approximately 84.0% of the voting interest in Celestica and approximately 1.9% of the outstanding subordinate voting shares. Accordingly, Onex exercises a controlling influence over the business and affairs of Celestica and has power to determine all matters submitted to a vote of Celestica's shareholders where the capital stock of Celestica votes together as a single class. Onex has the power to elect the directors and approve significant corporate transactions such as amendments to Celestica's articles, mergers, amalgamations and the sale of all or substantially all of Celestica's assets. Onex's voting power could have the effect of deterring or preventing a change in control of Celestica that might otherwise be beneficial to Celestica shareholders. Under Celestica's revolving credit facilities, if Onex ceases to control Celestica and if no one person owns more than 20.0% of the subordinate voting shares, Celestica's lenders could demand repayment. Gerald W. Schwartz, the Chairman, President and Chief Executive Officer of Onex and a director of Celestica, owns shares with a majority of the voting rights of the shares of Onex. Mr. Schwartz, therefore, effectively controls the affairs of Celestica. The interests of Onex and Mr. Schwartz may differ from the interests of the remaining holders of subordinate voting shares.

Shareholders' ability to bring legal action against Celestica under United States securities laws may be limited.

Celestica is incorporated under the laws of the Province of Ontario, Canada. Substantially all of Celestica's directors, controlling persons and officers are residents of Canada and all or a substantial portion of the assets of Celestica and such persons are located outside of the United States. As a result, it may be difficult for Celestica shareholders to effect service within the United States upon those directors, controlling persons and officers who are not residents of the United States or to realize in the United States upon judgments of courts of the United States predicated upon the civil liability provisions of the U.S. federal securities laws.

The Celestica subordinate voting shares you receive as merger consideration may not maintain their value.

The share price of Celestica subordinate voting shares, like that of MSL common stock, is subject to the general price fluctuations in the market for publicly-traded equity securities and may decline in value after the merger. The price of Celestica subordinate voting shares has been and may continue to be highly volatile. During 2003, the market price of Celestica subordinate voting shares on The New York Stock Exchange has ranged from $9.78 to $19.90 per share. The trading prices of Celestica subordinate voting shares could fluctuate widely in response to:

- quarterly variations in operations and financial results of Celestica;
- announcements of technological innovations or new products by Celestica or its competitors;
- changes in prices of Celestica's or its competitors' products and services;

- changes in growth rates for Celestica as a whole or for particular segments of Celestica's business;
- general conditions in the EMS industry; and
- systemic fluctuations in the stock market.

For a summary of the historical trading prices of Celestica subordinate voting shares, please see the section entitled "*Comparative Per Share Market Price Data Prices of Celestica Shares*" on page 41 of this proxy statement/prospectus.

Shares eligible for public sale after the merger could adversely affect Celestica's share price.

As of November 30, 2003, Celestica had 169,865,891 subordinate voting shares outstanding. As of November 30, 2003, there were approximately 33,301,195 Celestica subordinate voting shares reserved for issuance under Celestica's employee share purchase and option plans and for director compensation, including outstanding options to purchase approximately 22,903,319 Celestica subordinate voting shares. Additionally, as of November 30, 2003, MSL had options to purchase 6,437,871 shares of MSL common stock outstanding under its stock option plans and 3,047,533 shares of MSL common stock issuable upon the exercise of outstanding warrants. Upon completion of the merger, Celestica will assume these stock options and warrants and they will be exercisable for Celestica subordinate voting shares. Moreover, Celestica, pursuant to its articles, may issue an unlimited number of additional subordinate voting shares without further shareholder approval. As a result, a substantial number of subordinate voting shares of Celestica will be eligible for sale in the public market at various times in the future. Sales of substantial amounts of such shares would dilute the holdings of Celestica shareholders and could adversely affect the market price of Celestica subordinate voting shares.

Risks Related to the Business of Celestica

The following risk factors relate to the business of Celestica. Celestica believes that these risk factors will also be the risk factors applicable to the business of the combined companies immediately following completion of the merger.

Celestica's operating results fluctuate, which could have an adverse effect on the market price of its subordinate voting shares.

Celestica's annual and quarterly results have fluctuated in the past. The causes of these fluctuations may similarly affect Celestica in the future. These fluctuations may have an adverse effect on the market price of Celestica subordinate voting shares. Celestica's operating results may fluctuate in the future as a result of many factors, including:

- the volume of orders received relative to Celestica's manufacturing capacity;
- fluctuations in material costs and the mix in material costs versus labor and manufacturing overhead costs; and
- variations in the level and timing of orders placed by a customer due to the customer's attempts to balance its inventory, changes in the customer's manufacturing strategy, and variation in demand for the customer's products. These changes can result from life cycles of customer products, competitive conditions, and general economic conditions.

Any one of the following factors or combinations of these factors could also affect Celestica's results of operations for a financial period:

- the level of price competition as a result of the highly competitive nature of Celestica's business;
- Celestica's past experience in manufacturing a particular product;

the degree of automation Celestica uses in the assembly process;

whether Celestica is managing its inventories and fixed assets effectively;

Celestica's customer and end-market concentrations;

the timing of Celestica's expenditures in anticipation of increased sales;

increased or unexpected expenses associated with the shifting of products between manufacturing locations, including transfer delays from higher cost locations;

customer product delivery requirements and shortages of components or labor;

the shifting of production by Celestica's customers from its operations, to one of its competitor's operations, and;

the timing of, and the price Celestica pays for, its acquisitions and related integration costs.

In addition, most of Celestica's customers typically do not commit to firm production schedules for more than 30 to 90 days in advance. Accordingly, Celestica cannot forecast the level of customer orders with certainty. This makes it difficult to order appropriate levels of materials and to schedule production and maximize utilization of Celestica's manufacturing capacity. In the past, Celestica has been required to increase staffing, purchase materials, and incur other expenses to meet the anticipated demand of its customers. Sometimes these anticipated orders from certain customers have failed to materialize, and sometimes delivery schedules have been deferred as a result of changes in the customer's business needs. On other occasions, customers have required rapid and sudden increases in production which have placed an excessive burden on Celestica's manufacturing capacity. Deferred delivery schedules result in a delay, and may result in a reduction in Celestica's revenue from these customers, and also may lead to excess capacity at affected facilities. Also, certain customers may be unable to pay Celestica or otherwise meet their commitments under their agreements or purchase orders with Celestica.

Any of these factors or a combination of these factors could have a material adverse effect on Celestica's results of operations.

Prospective investors should not rely on results of operations in any past period to indicate what Celestica's results will be for any future period.

Celestica has had recent operating losses and may experience losses in future periods.

Celestica generated net earnings in each of the years from 1993 through 1996, and in 1999 and 2000. Celestica recorded net losses of $6.9 million in 1997, $48.5 million in 1998, $39.8 million in 2001, $445.2 million in 2002 and $101.0 million in the nine months ended September 30, 2003. In 1997, Celestica incurred $13.3 million of integration costs related to acquisitions and a $13.9 million credit loss, with these charges totaling $27.2 million ($17.0 million after income taxes). In 1998, Celestica incurred $8.1 million of integration costs related to acquisitions, a $41.8 million write-down of intellectual property and goodwill, a write-off of deferred financing fees and debt redemption fees of $17.8 million, and $5.1 million of charges related to the acquisition of IMS with these charges totaling $72.8 million ($56.5 million after income taxes). In 2001, Celestica incurred $22.8 million of integration costs related to acquisitions, $237.0 million of restructuring charges, and a $36.1 million write-down of certain assets, primarily goodwill and intangible assets, with these charges totaling $295.9 million ($245.2 million after income taxes). In 2002, Celestica incurred $21.1 million of integration costs related to acquisitions, $385.4 million of restructuring charges, a $285.4 million write-down of certain assets, primarily goodwill and intangible assets, and $9.6 million in deferred financing costs and debt redemption fees, with these charges totaling $701.5 million ($582.2 million after income taxes). In the nine months ended September 30, 2003, Celestica incurred $69.1 million of restructuring charges ($63.9 million after income taxes). Celestica estimates total pre-tax restructuring charge of between

$90.0 million and $95.0 million, to be recorded during 2003. If end-market conditions were to weaken significantly from current levels, Celestica may undertake additional restructuring activities, thereby reducing profitability in future periods. Celestica may not be profitable in future periods.

Celestica is exposed to changes in general economic conditions that can adversely impact its business, operating results, and financial condition.

As a result of unfavorable general economic conditions and reduced demand for technology capital goods, Celestica's sales have been particularly volatile in recent quarters. Specifically, since the first fiscal quarter of 2001, Celestica has seen declines in the demand for products in the end markets that it serves. If global economic conditions in the markets it serves do not improve, Celestica may experience a continued material adverse impact on its business, operating results and financial condition.

Acts of terrorism and other political and economic developments could adversely affect Celestica's business.

Increased international political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, sustained military presence in Iraq, other conflicts in the Middle East and Asia, strained international relations arising from these conflicts, and the related decline in consumer confidence and continued economic weakness, may hinder Celestica's ability to do business and may adversely affect its stock price. Any escalation in these events or similar future events may disrupt Celestica's operations or those of its customers and suppliers and may affect the availability of materials needed to manufacture its products or the means to transport those materials to manufacturing facilities and finished products to customers. These events have had and may continue to have an adverse impact on the U.S. and world economy in general and customer confidence and spending in particular, which in turn adversely affects Celestica's revenues and results of operations. The impact of these events on the volatility of the U.S. and world financial markets could increase the volatility in Celestica's stock price and may limit the capital resources available to Celestica and its customers or suppliers.

Celestica's results can be adversely affected by limited availability of components.

A significant portion of Celestica's costs reflects component purchases. All of the products Celestica manufactures requires one or more components that it orders from sole-source suppliers of these particular components. Supply shortages for a particular component can delay production and thus delay revenue of all products using that component or cause price increases in the services Celestica provides. In the past, Celestica has secured sufficient allocations of constrained components so that revenue was not materially impacted. In addition, at various times there have been industry-wide shortages of electronic components. Such shortages, or future fluctuations in material costs, may have a material adverse effect on Celestica's business or cause its results of operations to fluctuate from period to period. Also, Celestica relies on a variety of common carriers for materials transportation and to route materials through various world ports. A work stoppage, strike or shutdown of a major port or airport could result in manufacturing and shipping delays or expediting charges, which could have a material adverse effect on Celestica's results of operations.

Celestica's dependence on the information technology and communication industries makes it vulnerable to downturns affecting these industries.

Celestica's financial performance depends on its customers' viability, financial stability, and the demand for its customers' end-market products. Celestica's customers, in turn, depend substantially on the growth of the information technology and communications industries. These industries are characterized by rapidly changing technologies and shortening product life cycles. These industries have been experiencing severe revenue erosion, pricing and margin pressures, excess inventories and increased difficulty in attracting capital. These factors affecting the information technology and communications industries in general, and the impact these factors might have from time to time on

Celestica's customers in particular, could continue to have a material adverse effect on Celestica's business.

Failure of Celestica's customers to timely pay amounts owed to Celestica may adversely affect Celestica's results of operations.

Celestica generally provides payment terms ranging from 30 to 45 days. As a result, Celestica generates significant accounts receivable from sales to its customers and purchases significant amounts of inventory in anticipation of providing future manufacturing services to its customers. If any of Celestica's customers have insufficient liquidity, Celestica may encounter significant delays or defaults in payments owed to it by customers which may have an adverse effect on its financial condition and results of operations. Celestica regularly reviews its accounts receivable and inventory valuations and makes adjustments when necessary. The accounts receivable and inventory valuation adjustments have not been significant to its results of operations.

Celestica depends on a limited number of customers.

Celestica's three largest customers for the nine months ended September 30, 2003 were IBM Corporation, Sun Microsystems Inc. and Lucent Technologies Inc., each of which represented more than 10% of Celestica's revenue for that period. Celestica's top ten customers collectively represented 76% of its revenue for the nine months ended September 30, 2003.

Celestica's three largest customers in 2002 were IBM Corporation, Sun Microsystems Inc. and Lucent Technologies Inc., each of which represented more than 10% of Celestica's total 2002 revenue and collectively represented 48% of Celestica's total 2002 revenue. Celestica's next seven largest customers collectively represented 37% of its total revenue in 2002. IBM Corporation, Sun Microsystems Inc. and Lucent Technologies Inc., Celestica's three largest customers in 2001, each represented more than 10% of Celestica's total 2001 revenue and collectively represented 55% of Celestica's total 2001 revenue. Celestica's next seven largest customers represented 29% of total 2001 revenue. Celestica expects to continue to depend upon a relatively small number of customers for a significant percentage of its revenue.

Celestica's mix of business with customers in higher complexity communications and information technology products had a major impact on its results in 2002 as spending in these areas was adversely affected. Celestica saw the biggest declines in revenues from its top 10 customers, which represent over 80% of its business.

Other than in the case of asset acquisitions, which we refer to as "OEM divestitures," Celestica generally does not enter into long-term supply commitments with its customers. Instead, it bids on a project basis and has supply contracts or purchase orders in place for each project. Celestica is dependent on customers to fulfill the terms associated with these order and/or contracts. Significant reductions in, or the loss of, sales to any of its largest customers would have a material adverse effect on Celestica. OEM divestitures often entail long-term supply agreements between Celestica and the OEM customer, and Celestica is similarly dependent on customers to fulfill their obligations under these contracts.

Celestica's customers may cancel their orders, change production quantities or delay production which could have an adverse effect on its results of operations.

Celestica's customers are increasingly dependent on EMS providers for new product introductions and rapid response times to volume requirements. Celestica generally does not obtain firm, long-term purchase commitments from its customers and it often experiences reduced lead-times in customers' orders. Customers may cancel their orders, change production quantities, or delay production for a number of reasons. The uncertain economic condition of Celestica's customers' end markets and general order volume volatility has resulted, and may continue to result, in some of its customers

delaying or canceling the delivery of some of the products Celestica manufactures for them, and placing purchase orders for lower volumes of products than previously anticipated. Cancellation, reduction or delays by a significant customer, or by a group of customers, would seriously harm Celestica's results of operations by reducing the volumes of products manufactured and delivered by it for the customers in that period. Such order changes could also cause a delay in the repayment to Celestica for inventory expenditures it incurs in preparation for the customer orders. Order cancellations and delays could also lower asset utilization, resulting in higher productive assets and lower margins.

If Celestica fails to succesefully restructure its operations its financial condition and results of operations would be adversely affected.

Celestica has undertaken numerous initiatives to restructure and reduce its capacity in response to the difficult economic climate, with the intention of improving utilization and realizing cost savings in the future. These initiatives have included changing the number and location of Celestica's production facilities, largely to align its capacity and infrastructure with anticipated customer demand, and to rationalize its footprint worldwide. This alignment includes transferring programs from higher cost geographies to lower cost geographies. The process of restructuring entails, among other activities, moving product production between facilities, reducing staff levels, realigning Celestica's business processes and reorganizing its management. Any failure to successfully execute these initiatives can have a material adverse impact on Celestica's results. If, in the future, Celestica's customer demand falls, or Celestica is required to reduce prices, at a rate exceeding the rate at which it is able to reduce its costs by restructuring its operations, this could have a material adverse impact on its operating results.

Celestica may not be able to restructure quickly enough in some of its key manufacturing regions, such as Europe.

Celestica has operations in multiple regions around the world. As a result, it is subject to different regulatory requirements governing how quickly it is able to reduce manufacturing capacity and terminate related employees, and these requirements are particularly stringent in Europe. Restrictions on Celestica's ability to close under-performing facilities will result in higher expenses associated with carrying excess capacity and infrastructure during its restructuring activities.

Celestica may need to move an increased portion of its manufacturing base to lower cost regions and failure to successfully do so could have a material adverse effect on its financial condition and results of operations.

With the significant and severe weakness in technology end markets over the past few years, Celestica's customers require significant cost reductions in order to maintain sales and improve their financial performance. This environment has resulted in an accelerated movement of Celestica's production from higher cost regions such as North America and western Europe to lower cost regions such as Asia, Latin America and Central Europe. This accelerated move could impact current and future results by such factors as increasing the risks associated with transferring production to new regions where skills or experience may be more limited than in higher cost regions, higher operating expenses during the transition, and additional restructuring costs associated with the decrease in production levels in higher cost geographies.

Any failure of Celestica to successfully manage its international operations would have a material adverse effect on its financial condition and results of operations.

During 2002 and the first nine months of 2003, approximately 40% and 50%, respectively, of Celestica's revenue was produced from locations outside of North America. In addition, Celestica purchased material from international suppliers for much of its business, including its North American business. Celestica believes that its future growth depends in large part on its ability to increase its

business in international markets and, as described above, the shift of much of its production to lower cost geographies. Celestica will continue to expand its operations outside of North America.

This expansion will require significant management attention and financial resources. International operations are subject to inherent risks, which may adversely affect Celestica, including:

- labor unrest;
- unexpected changes in regulatory requirements;
- tariffs, import and export duties, value-added taxes and other barriers;
- less favorable intellectual property laws;
- difficulties in staffing and managing foreign sales and support operations;
- longer accounts receivable payment cycles and difficulties in collecting payments;
- changes in local tax rates and other potentially adverse tax consequences, including the cost of repatriation of earnings;
- lack of acceptance of locally manufactured products in foreign countries;
- burdens of complying with a wide variety of foreign laws, including changing import and export regulations which could erode Celestica's profit margins or restrict exports;
- adverse changes in Canadian and U.S. trade policies with the other countries in which Celestica maintains operations;

political instability;

potential restrictions on the transfer of funds;

inflexible employee contracts that restrict Celestica's flexibility in responding to business downturns; and

foreign exchange risks.

Celestica has either purchased or built manufacturing facilities in numerous Asian countries, including Thailand, Malaysia, China, Indonesia and Singapore, and is subject to the significant political, economic and legal risks associated with doing business in these countries. For instance, under its current leadership, the Chinese government has instituted a policy of economic reform which has included encouraging foreign trade and investment, and greater economic decentralization. However, the Chinese government may discontinue or change these policies, and these policies may not be successful. Moreover, despite progress in developing its legal system, China does not have a comprehensive and highly developed system of laws, particularly as it relates to foreign investment activities and foreign trade. Enforcement of existing and future laws and contracts is uncertain, and implementation and interpretation of such laws may be inconsistent. As the Chinese legal system develops, new laws and changes to existing laws may adversely affect foreign operations in China. While Hong Kong has had a long history of promoting foreign investment, its incorporation into China means that the uncertainty related to China and its policies may now also affect Hong Kong. Thailand and Indonesia have also had a long history of promoting foreign investment but have experienced economic and political turmoil and a significant devaluation of their currencies in the recent past. There is a risk that economic and political turmoil may result in the reversal of the current policies encouraging foreign investment and trade, restrictions on the transfer of funds overseas, employee turnover, labor unrest, or other domestic problems that could adversely affect Celestica.

Celestica's recent capacity reduction activities and manufacturing restructuring programs may impact its ability to meet the growth needs of its customers.

With the significant and severe weakness in technology end markets over the past two years, Celestica has experienced poor asset utilization and responded by significantly reducing its manufacturing infrastructure. If Celestica's customers were to experience sharp and unforecasted improvements in demand, the removal of this infrastructure could potentially impact customer satisfaction and limit Celestica's ability to grow if it is not able to respond to higher volumes required by its customers.

Celestica faces financial risks due to foreign currency fluctuations.

The principal currency in which Celestica conducts its operations is U.S. dollars. However, some of Celestica's subsidiaries transact business in foreign currencies, such as Canadian dollars, Mexican pesos, British pounds sterling, Euros, Singapore dollars, Japanese yen, Brazilian reais and the Thai baht. Celestica may sometimes enter into hedging transactions to minimize its exposure to foreign currency and interest rate risks. Celestica's current hedging activity is designed to reduce the variability of its foreign currency costs and consists of contracts to purchase or sell these foreign currencies at future dates. In general, these contracts extend for periods of less than 19 months. Celestica's hedging transactions may not successfully minimize foreign currency risk.

If Celestica is unable to recruit or retain highly skilled personnel its business could be adversely affected.

The recruitment of personnel for the EMS industry is highly competitive. Celestica believes that its future success will depend, in part, on its ability to continue to attract and retain highly skilled executive, technical and management personnel. Celestica generally does not have employment or non-competition agreements with its employees. To date Celestica has been successful in recruiting and retaining executive, managerial and technical personnel. However, the loss of services of certain of these employees could have a material adverse effect on Celestica.

Celestica is in a highly competitive industry which has resulted in lower prices, reduced gross margin and loss of revenue.

Celestica is in a highly competitive industry. It competes against numerous domestic and foreign companies. Two of its competitors, Flextronics International and Solectron Corporation, each had revenue in excess of $12.0 billion for fiscal 2002 and one of its competitors, Sanmina-SCI Corporation, had revenue in excess of $8.0 billion for fiscal 2002. Celestica also faces indirect competition from the manufacturing operations of its current and prospective customers, which continually evaluate the merits of manufacturing products internally rather than using electronic manufacturing services providers. Some of Celestica's competitors have more geographically diversified international operations, a greater production presence in lower cost geographies as well as substantially greater manufacturing, financial, procurement, research and development, and marketing resources than Celestica has. These competitors may create alliances and rapidly acquire significant market share. Accordingly, Celestica's current or potential competitors may develop or acquire services comparable or superior to those Celestica develops, combine or merge to form significant competitors, or adapt more quickly than Celestica will to new technologies, evolving industry trends and changing customer requirements. Competition has caused and may continue to cause price reductions, reduced profits, or loss of market share, any of which could materially and adversely affect Celestica. Celestica may not be able to compete successfully against current and future competitors, and the competitive pressures that it faces may materially adversely affect it. The EMS industry has been experiencing an increase in excess manufacturing capacity. This has and will continue to exert additional pressures on pricing for components and services, thereby increasing the competitive pressures in the EMS industry. Excess capacity will limit the industry's ability to attain economics of scale and other synergies.

Celestica may not be able to increase revenue if the trend of outsourcing by OEMs slows.

Future growth in Celestica's revenue depends on new outsourcing opportunities in which it assumes additional manufacturing and supply chain management responsibilities from OEMs. To the extent that these opportunities are not available, either because OEMs decide to perform these functions internally or because they use other EMS providers, Celestica's future growth will be limited.

Celestica may be unable to keep pace with technology changes.

Celestica continues to evaluate the advantages and feasibility of new manufacturing processes. Celestica's future success will depend in part upon its ability to develop and to market manufacturing services which meet changing customer needs, to maintain technological leadership, and to successfully anticipate or respond to technological changes in production and manufacturing processes in cost-effective and timely ways. Celestica's manufacturing processes, test development efforts and design capabilities may not be successful.

Celestica's customers may be adversely affected by rapid technological change which can adversely impact Celestica's business.

Celestica's customers compete in markets that are characterized by rapidly changing technology, evolving industry standards, and continuous improvements in products and services. These conditions frequently result in short product life cycles. Celestica's success will depend largely on the success achieved by its customers in developing and marketing their products. If technologies or standards supported by Celestica's customers' products become obsolete or fail to gain widespread commercial acceptance, its business could be materially adversely affected.

Celestica may be unable to protect its intellectual property.

Celestica believes that certain of its proprietary intellectual property rights and information gives it a competitive advantage. Accordingly, Celestica has taken, and intend to continue to take, appropriate steps to protect this proprietary information. These steps include signing non-disclosure agreements with customers, suppliers, employees and other parties, and implementing strict security measures. Celestica's protection measures may not be sufficient to prevent the misappropriation or unauthorized disclosure of its property or information.

There is also a risk that infringement claims may be brought against Celestica or its customers in the future. If someone does successfully assert an infringement claim, Celestica may be required to spend significant time and money to develop a manufacturing process that does not infringe upon the rights of such other person or to obtain licenses for the technology, process or information from the owner. Celestica may not be successful in such development or any such licenses may not be available on commercially acceptable terms, if at all. In addition, any litigation could be lengthy and costly and could adversely affect Celestica even if it is successful in such litigation.

Celestica is subject to the risk of increased income taxes which would adversely affect its results of operations.

Celestica's business operations are carried on in a number of countries, including countries where:

- tax incentives have been extended to encourage foreign investment; or income tax rates are low.

Celestica develops its tax position based upon the anticipated nature and conduct of its business and the tax laws, administrative practices and judicial decisions now in effect in the countries in which it has assets or conduct business. All of these are subject to change or differing interpretations, possibly with retroactive effect. Any such change could increase Celestica's income taxes.

Celestica's compliance with environmental laws could be costly.

Like others in similar businesses, Celestica is subject to extensive environmental laws and regulations in numerous jurisdictions. Celestica's environmental policies and practices have been designed to ensure compliance with these laws and regulations consistent with local practice. Future developments and increasingly stringent regulation could require Celestica to incur additional expenditures relating to environmental matters at any of the facilities. Achieving and maintaining compliance with present, changing and future environmental laws could restrict Celestica's ability to modify or expand its facilities or continue production. This compliance could also require Celestica to acquire costly equipment or to incur other significant expenses.

Certain environmental laws impose liability for the costs of removal or remediation of hazardous or toxic substances on an owner, occupier or operator of real estate, even if such person or company was not aware of or responsible for the presence of such substances. In addition, in some countries in which Celestica has operations, any person or company who arranges for the disposal or treatment of hazardous or toxic substances at a disposal or treatment facility may be liable for the costs of removal or remediation of such substances at such facility, whether or not the person or company owns or operates the facility.

Some of Celestica's operating sites have a history of industrial use. Soil and groundwater contamination have occurred at some of Celestica's facilities. From time to time Celestica investigates, remediates and monitors soil and groundwater contamination at certain of its operating sites. In certain instances where soil or groundwater contamination existed prior to Celestica's ownership or occupation of a site, landlords or former owners have contractually retained responsibility and liability for the contamination and its remediation. However, failure of such former owners or landlords to perform, as the result of financial inability or otherwise, could result in Celestica being required to remediate such contamination.

Celestica generally obtains environmental assessments, or reviewed recent assessments initiated by others, for most of the manufacturing facilities that it owns or leases at the time it acquires or leases such facilities. Celestica's assessments may not reveal all environmental liabilities and current assessments are not available for all facilities. Consequently, there may be material environmental liabilities of which Celestica is not aware. In addition, ongoing clean up and containment operations may not be adequate for purposes of future laws. The conditions of Celestica's properties could be affected in the future by the condition of the land or operations in the vicinity of the properties, such as the presence of underground storage tanks. These developments and others, such as increasingly stringent environmental laws, increasingly strict enforcement of environmental laws by governmental authorities, or claims for damage to property or injury to persons resulting from the environmental, health, or safety impact of its operations, may cause Celestica to incur significant costs and liabilities that could have a material adverse effect on it.

Celestica's loan agreements contain restrictive covenants that may impair its ability to conduct its business.

Certain of Celestica's outstanding loan agreements contain financial and operating covenants that limit its management's discretion with respect to certain business matters. Among other things, these covenants restrict Celestica's ability and its subsidiaries' ability to incur additional debt, create liens or other encumbrances, change the nature of its business, sell or otherwise dispose of assets, and merge or consolidate with other entities. At September 30, 2003, Celestica was in compliance with these covenants.

ENFORCEABILITY OF CIVIL LIABILITIES

Celestica is incorporated under the laws of the Province of Ontario, Canada. Substantially all of Celestica's directors, controlling persons and officers and certain of the experts named in this proxy statement/prospectus are residents of Canada, and all or a substantial portion of the assets of Celestica and such persons are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon Celestica or such other persons, or to enforce against Celestica or them in the United States, judgments of courts of the United States predicated upon the civil liability provisions of the U.S. federal securities laws or other laws of the United States. Celestica has been advised that there is doubt as to the enforceability in Canada against Celestica, its directors, controlling persons and officers and the experts named in this proxy statement/prospectus who are not residents of the United States, in original actions or in actions for enforcements of judgment of U.S. courts, of liabilities predicated solely upon U.S. federal securities laws.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, as well as assumptions, that, if they never materialize or prove incorrect, could cause the results of Celestica or MSL to differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including:

- any projections of earnings, revenues, synergies, cost savings or other financial items;
- any statements of the plans, strategies and objectives of management for future operations, including the execution of integration plans and the anticipated timing of filings and approvals relating to the merger;
- any statements regarding future economic conditions or performance;
- any statements of belief; and
- any statements of assumptions underlying any of the foregoing.

The risks, uncertainties and assumptions referred to above include:

- the possibility that the merger may not close or that Celestica or MSL may be required to modify some aspects of the merger in order to obtain regulatory approvals;
- the challenges of integration associated with the merger and the challenges of achieving anticipated synergies; and
- other risks that are described in the section entitled "Risk Factors," beginning on page 18 of this proxy statement/prospectus, and in the documents that are incorporated by reference into this proxy statement/prospectus.

If any of these risks or uncertainties materialize or any of these assumptions prove incorrect, results of Celestica and MSL could differ materially from the expectations in these statements. Celestica and MSL are not under any obligation and do not intend to update their respective forward-looking statements.

SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF CELESTICA

The table below presents a summary of selected historical consolidated financial data with respect to Celestica as of the dates and for the periods indicated. The historical consolidated statement of earnings (loss) data presented below for the fiscal years ended December 31, 2002, 2001 and 2000 and the historical balance sheet data as of December 31, 2002 and 2001 have been derived from Celestica's audited historical consolidated financial statements which are incorporated by reference into this proxy statement/prospectus and which have been audited by

KPMG LLP, independent accountants. The historical consolidated statement of earnings (loss) data for the nine months ended September 30, 2003 and 2002 and the historical balance sheet data as of September 30, 2003 and 2002 have been derived from Celestica's unaudited historical interim consolidated financial statements which are incorporated by reference into this proxy statement/prospectus. Operating results of the nine months ended September 30, 2003 and 2002 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2003 or any other period. In the opinion of Celestica's management, the accompanying unaudited financial data include all adjustments necessary for their fair presentation. The historical consolidated statement of earnings (loss) data presented below for the fiscal years ended December 31, 1999 and 1998 and the historical balance sheet data as of December 31, 2000, 1999 and 1998 are derived from Celestica's audited historical consolidated financial statements which are not incorporated by reference into this proxy statement/prospectus, and which were also audited by KPMG LLP. The historical results are not necessarily indicative of results to be expected for any future period.

You should read the summary consolidated financial data set forth below in conjunction with Celestica's annual report on Form 20-F for the fiscal year ended December 31, 2002 and its report on Form 6-K furnished to the Securities and Exchange Commission on November 3, 2003 and the financial statements and management's discussion and analysis of such financial statements included therein, all of which are incorporated by reference into this proxy statement/prospectus.

Celestica's consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, or GAAP. These principles conform in all material respects with U.S. GAAP except as described in note 22 to the consolidated financial statements included in Celestica's annual report on Form 20-F. Celestica's report on Form 6-K furnished to the Securities and Exchange Commission on December 24, 2003 describes the reconciliation of Celestica's financial information for the nine months ended September 30, 2003 and 2002 to U.S. GAAP. For all the years

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presented, the selected financial data is prepared in accordance with Canadian GAAP unless otherwise indicated.

	Year ended December 31,					Nine months ended September 30,	
	1998(1)	1999(1)	2000(1)	2001(1)	2002(1)	2002(1)	2003(1)
						(unaudited)	
	(in millions, except per share amounts)						
Consolidated Statements of Earnings (Loss) Data (Canadian GAAP):							
Revenue	$ 3,249.2	$ 5,297.2	$ 9,752.1	$ 10,004.4	$ 8,271.6	$ 6,359.6	$ 4,820.5
Cost of sales	3,018.7	4,914.7	9,064.1	9,291.9	7,715.8	5,914.1	4,631.7
Gross profit	230.5	382.5	688.0	712.5	555.8	445.5	188.8
Selling, general and administrative expenses(2)	130.5	202.2	326.1	341.4	298.5	230.0	197.5
Amortization of goodwill and intangible assets(3)	45.4	55.6	88.9	125.0	95.9	72.7	36.5
Integration costs related to acquisitions(4)	8.1	9.6	16.1	22.8	21.1	17.1	
Other charges(5)	64.7			273.1	677.8	136.4	69.1
Operating income (loss)	(18.2)	115.1	256.9	(49.8)	(537.5)	(10.7)	(114.3)
Interest expense (income), net(6)	32.3	10.7	(19.0)	(7.9)	(1.1)	2.0	(5.1)
Earnings (loss) before income taxes	(50.5)	104.4	275.9	(41.9)	(536.4)	(12.7)	(109.2)
Income tax expense (recovery)	(2.0)	36.0	69.2	(2.1)	(91.2)	(2.2)	(8.2)
Net earnings (loss)	$ (48.5)	$ 68.4	$ 206.7	$ (39.8)	$ (445.2)	$ (10.5)	$ (101.0)
Basic earnings (loss) per share(7)	$ (0.47)	$ 0.41	$ 1.01	$ (0.26)	$ (1.98)	$ (0.09)	$ (0.45)
Diluted earnings (loss) per share(7)	$ (0.47)	$ 0.40	$ 0.98	$ (0.26)	$ (1.98)	$ (0.09)	$ (0.45)

	Year ended December 31,					Nine months ended September 30,	
Consolidated Statements of Earnings (Loss) Data (US GAAP)(8):							
Operating income (loss)	$ (24.4)	$ 113.2	$ 254.4	$ (40.0)	$ (569.8)	$ (13.5)	$ (106.4)
Net earnings (loss)	$ (54.7)	$ 66.5	$ 197.4	$ (51.3)	$ (494.9)	$ (30.5)	$ (107.4)
Other Data:							
Capital expenditures	$ 65.8	$ 211.8	$ 282.8	$ 199.3	$ 151.4	$ 119.3	$ 87.1

	As at December 31,					As at September 30,	
	1998	**1999**	**2000**	**2001**	**2002**	**2002**	**2003**
						(unaudited)	
				(in millions)			
Consolidated Balance Sheet Data (Canadian GAAP):							
Cash and short-term investments	$ 31.7	$ 371.5	$ 883.8	$ 1,342.8	$ 1,851.0	$ 1,848.3	$ 1,209.5
Working capital(9)	$ 356.2	$ 1,000.2	$ 2,262.6	$ 2,339.8	$ 2,093.2	$ 2,265.4	$ 1,581.0
Capital assets	$ 214.9	$ 365.4	$ 633.4	$ 915.1	$ 727.8	$ 831.4	$ 688.1
Total assets	$ 1,636.4	$ 2,655.6	$ 5,938.0	$ 6,632.9	$ 5,806.8	$ 6,491.7	$ 5,168.9
Total long-term debt, including current portion(10)	$ 135.8	$ 134.2	$ 132.0	$ 147.4	$ 6.9	$ 7.9	$ 4.4
Shareholders' equity	$ 859.3	$ 1,658.1	$ 3,469.3	$ 4,745.6	$ 4,203.6	$ 4,701.2	$ 3,646.2
Consolidated Balance Sheet Data (US GAAP)(8):							
Total assets	$ 1,634.4	$ 2,653.6	$ 5,936.0	$ 6,640.3	$ 5,805.4		$ 5,198.5
Total long-term debt, including current portion	$ 135.8	$ 134.2	$ 1,005.1	$ 1,046.8	$ 831.7		$ 637.3
Shareholders' equity	$ 853.0	$ 1,650.0	$ 2,605.4	$ 3,841.1	$ 3,344.4		$ 3,004.0

1. The consolidated statements of earnings (loss) data for:

1998, 1999, 2000, 2001 and 2002 and the nine months ended September 30, 2002 and 2003 include the results of operations of the manufacturing operation acquired from Madge Networks N.V. in February 1998, the manufacturing operation

acquired from Lucent Technologies Inc. in April 1998, Analytic Design, Inc. acquired in May 1998, the manufacturing operation acquired from Silicon Graphics Inc. in June 1998, and AccuTronics, Inc. acquired in September 1998;

1999, 2000, 2001 and 2002 and the nine months ended September 30, 2002 and 2003 include the results of operations of International Manufacturing Services, Inc., or IMS, acquired December 1998, Signar SRO acquired in April 1999, greenfield operations established in Brazil and Malaysia in June 1999, VXI Electronics, Inc. acquired in September 1999, the assets acquired from Hewlett-Packard's Healthcare Group in October 1999, EPS Wireless, Inc. acquired in December 1999, and certain assets acquired from Fujitsu-ICL Systems Inc. in December 1999;

2000, 2001 and 2002 and the nine months ended September 30, 2002 and 2003 include the results of operations of the assets of the Enterprise System Group and the Microelectronics Division of IBM in Minnesota and in Italy acquired in February and May 2000, respectively, NDB Industrial Ltda. acquired in June 2000, Bull Electronics Inc. acquired in August 2000, and NEC Technologies (UK) Ltd. acquired in November 2000;

2001 and 2002 and the nine months ended September 30, 2002 and 2003 include the results of operations of Excel Electronics, Inc. acquired in January 2001, certain assets of Motorola Inc. in Ireland and Iowa acquired in February 2001, certain assets of a repair facility of N.K. Techno Co., Ltd. in Japan acquired in March 2001, certain assets of Avaya Inc. in Arkansas and Colorado acquired in May 2001, Sagem CR s.r.o. acquired in June 2001, certain assets of Avaya Inc. in France acquired in August 2001, certain assets of Lucent Technologies Inc. in Ohio and Oklahoma acquired in August 2001, Primetech Electronics Inc. acquired in August 2001, and Omni Industries Limited acquired in October 2001; and

2002 and the nine months ended September 30, 2002 and 2003 include the results of operations of certain assets of NEC Corporation in Miyagi and Yamanashi, Japan acquired in March 2002, and certain assets of Corvis Corporation in the United States acquired in August 2002.

2.

Selling, general and administrative expenses include research and development costs.

3.

Effective January 1, 1998, Celestica revised the estimated useful life of its goodwill and intellectual property for accounting purposes from 20 years each to 10 years and 5 years, respectively.

In 2001, the Canadian Institute of Chartered Accountants (CICA) approved 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 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. The new standards are substantially consistent with U.S. GAAP.

Effective July 1, 2001, goodwill acquired in business combinations completed after June 30, 2001 has not been amortized. Celestica has fully adopted these new standards as of January 1, 2002, and discontinued amortization of all existing goodwill. Celestica also evaluated existing intangible assets, including estimates of remaining useful lives, and has reclassed $9.1 million from intellectual property to goodwill, as of January 1, 2002, to conform with the new criteria.

Section 3062 required the completion of a transitional goodwill impairment evaluation within six months of adoption. Any transitional impairment would have been recognized as an effect of a change in accounting principle and would have been charged to opening retained earnings as of January 1, 2002. Celestica completed the transitional goodwill impairment assessment during the second quarter of 2002, and determined that no impairment existed as of the date of adoption. Under U.S. GAAP, any transitional impairment charge would have been recognized in earnings as a cumulative effect of a change in accounting principle.

Effective January 1, 2002, Celestica had unamortized goodwill of $1,137.9