CELESTICA INC
Form F-4/A
January 28, 2004

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As filed with the Securities and Exchange Commission on January 27, 2004

Registration No. 333-110362

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**PRE-EFFECTIVE AMENDMENT NO. 2
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 January 27, 2004

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

PROXY STATEMENT **PROSPECTUS**

February , 2004

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.

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". The holders of shares of MSL Series A and Series B preferred stock will be entitled to receive, at the stockholder's election, either cash or Celestica subordinate voting shares, in accordance with the terms of the preferred stock and the merger agreement.

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. 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 February , 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 recommends that you vote "FOR" adoption of the merger agreement at the special meeting. Whether or not you plan to attend the special meeting, please take the time to vote by completing, signing, dating and mailing the enclosed proxy card to MSL.

The proxy statement/prospectus 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 14 of this proxy statement/prospectus for a discussion of the description of risks related to the merger.**

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 February , 2004 and is first being mailed to MSL stockholders on or about February , 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, February 2, 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 as a vote against the adoption of the merger agreement.

By order of the Board of Directors,

Alan R. Cormier
Secretary

Concord, Massachusetts
February , 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 74 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 121 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 78 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:
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 80 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:

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:

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

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 121 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 78 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 44 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 52 of this proxy statement/prospectus, " *Celestica's Reasons for the Merger*" on page 63 of this proxy statement/prospectus and "*Risk Factors Risks Related to the Merger*" beginning on page 14 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 February 2, 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 February , 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.

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 13, 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 possible adjournment of the special meeting or 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 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 41.4% 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 96 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. MSL has made payments to executive officers totalling $1.8 million for amounts due under these change-in-control provisions. Celestica is obligated to reimburse MSL for these payments if the merger agreement is terminated under certain circumstances. 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. Celestica has entered into an employment agreement with John Boucher and continues its discussions with Robert C. Bradshaw regarding employment with Celestica following completion of the merger. For more information, please see "*The Merger Interests of MSL's Directors and Executive Officers in the Merger*" beginning on page 64 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 90 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 14 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 $21.15 over the past six months. Please see "*Comparative Per Share Market Price Data Prices of Celestica Shares*" on page 40 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
$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
$21.15	0.3428	$ 7.25	11,791,644

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 78 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 87 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 80 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 80 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 69 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 69 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 and the ownership of Celestica subordinate voting shares. 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 77, "*Comparison of Celestica and MSL Stockholders' Rights Appraisal and Dissent Rights MSL*" beginning on page 108 and "*Appraisal Rights for MSL Preferred Stock*"

beginning on page 117 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 85 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 90 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 77 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 76 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 have received all foreign antitrust approvals required to complete 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 95 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 February , 2004.

	Subordinate Voting Share Price	MSL Share Price	Equivalent MSL Per Share Price
October 14, 2003	$ 17.69	$ 5.60	$ 6.63
February , 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 14 and " *Risks Related to Receiving Celestica Subordinate Voting Shares*" beginning on page 17 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.

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 27 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.