CELESTICA INC
Form F-4
November 10, 2003

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As filed with the Securities and Exchange Commission on November 7, 2003

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Subordinate voting shares, without par value	20,551,647	$337,321,033	$27,289.27

(1) Based upon the maximum number of Celestica subordinate voting shares that may be issued in connection with the merger described herein.

(2) Pursuant to paragraphs (c) and (f)(1) of Rule 457, and estimated solely for purposes of calculating the registration fee, the proposed maximum aggregate offering price is $337,321,033, which equals (i) the product of (A) the average of the high and low sales prices of MSL common stock, of $6.155, as reported on The New York Stock Exchange on November 4, 2003, multiplied by (B) 54,804,392, representing the maximum number of shares of MSL common stock outstanding on November 4, 2003 (including 9,499,797 shares of MSL common stock issuable upon exercise of options and warrants outstanding and 10,897,816 shares issuable upon conversion of outstanding preferred stock outstanding).

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 November 7, 2003

[MSL LOGO]

300 Baker Avenue
Suite 106
Concord, Massachusetts 01742
(978) 287-5630

, 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 , , 2003, 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 (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 completion of the transaction) will be not less than $6.00 and not more than $7.25.

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

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beginning on page 18 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

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 , 2003 and is first being mailed to MSL stockholders on or about , 2003.

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 , 2003 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 , , 2003, 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 , , 2003, 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
, 2003

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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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.

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 62 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 109 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 , 2003.

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.

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 66 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

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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:

Why does the MSL board recommend the merger?

A:

The MSL board considered many factors in determining to recommend the merger, including:

- the strategic advantages they believe are available to larger EMS companies resulting from their larger scale, and that these advantages could be made available to MSL stockholders through their equity participation in Celestica;
- the opportunity for MSL stockholders to attain greater liquidity through their ownership of Celestica subordinate voting shares than they have in their MSL capital stock; and
- the treatment of the merger as a reorganization for tax purposes.

Please see the sections entitled "*The Merger MSL's Reasons for the Merger*" beginning on page 39 of this proxy statement/prospectus and " *Recommendation of the Merger by the MSL Board at Directors*" beginning on page 41 of this proxy statement/prospectus for the numerous factors considered by the board of directors of MSL in recommending that MSL stockholders vote "FOR" the proposal to adopt the merger agreement. Please see the section entitled "*The Merger Celestica's Reasons for the Merger*" beginning on page 51 of this proxy statement/prospectus for Celestica's reasons for the merger.

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, you will be entitled to receive:

- for each share of MSL common stock you own, 0.375 of a Celestica subordinate voting share, subject to adjustment as described below;

for each share of Series A or Series B preferred stock you own, for which you do not seek appraisal rights and do not make a valid stock election, a cash payment equal to $52.50 plus any accrued and unpaid dividends through the date of the closing of the merger;

for each share of Series A preferred stock for which you do not seek appraisal rights and make a valid stock election, a number of Celestica subordinate voting shares equal to the product of:

0.375, subject to adjustment as described below, and

the number of shares of MSL common stock into which a share of Series A preferred stock is convertible immediately prior to the closing of the merger; and

for each share of Series B preferred stock for which you do not seek appraisal rights and make a valid stock election, the sum of:

an amount in cash equal to $2.25 or, at the election of MSL (as directed by Celestica), a number of Celestica subordinate voting shares equal to the product of:

0.375, subject to adjustment as described below, and

the number of shares of MSL common stock issuable in satisfaction of the "optional make whole payment" under the provisions of MSL's certificate of incorporation governing the Series B preferred stock; and

a number of Celestica subordinate voting shares equal to the product of:

0.375, subject to adjustment as described below, and

the number of shares of MSL common stock into which a share of Series B preferred stock is convertible immediately prior to the closing of the merger.

As we describe in response to the next question, the 0.375 of a Celestica subordinate voting share you will be entitled to receive for each share of MSL common stock will be adjusted to ensure that the value of the consideration will be not more than $7.25 and not less than $6.00. We refer to the ratio of subordinate voting shares for MSL common stock as the "share exchange ratio". Similarly, the number of Celestica subordinate voting shares you will be entitled to receive if you make a valid stock election for MSL preferred stock will be determined by the share exchange ratio.

You will not be entitled to receive fractional subordinate voting shares. Instead, you will receive the cash value, without interest, of any fractional subordinate voting shares that you might otherwise have been entitled to receive.

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 (which we describe below) 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. Accordingly, the share exchange ratio will be:

- 0.375 of a subordinate voting share, if the Celestica subordinate voting share market price is less than $19.33 and more than $16.00;
- that fraction of a subordinate voting share with a market price of $7.25, if the Celestica subordinate voting share market price is $19.33 or more; and
- that fraction of a subordinate voting share with a market price of $6.00, if the Celestica subordinate voting share market price is $16.00 or less.

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 the 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 the merger is completed. This market price is not likely to be the trading price of the subordinate voting shares on the day the merger is completed.

Based on the closing sale price of Celestica subordinate voting shares on The New York Stock Exchange on October 14, 2003, the last full trading day in New York prior to the announcement of the merger, the implied value per share of MSL common stock was $6.63. Based on the closing sale price of Celestica subordinate voting shares on The New York Stock Exchange on November

, 2003, the last full trading day in New York before printing this proxy statement/prospectus, the implied value per share of MSL common stock was $.

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 68 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:

What vote is required to adopt the merger agreement?

A:

The proposal to adopt the merger agreement requires the affirmative vote of holders of the outstanding shares of MSL common stock, Series A preferred stock and 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 of stockholders.

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 84 of this proxy statement/prospectus.

Q:

When do you expect to complete the merger?

A:

Celestica and MSL are working toward completing the merger as quickly as possible. The merger is expected to close in late 2003 or early 2004. However, because completion of the merger is subject to governmental and regulatory approvals and other conditions, we cannot predict the exact timing of the merger or whether the merger will occur at all.

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:

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. Celestica also files various other reports with the Securities and Exchange Commission.

Q:

Am I entitled to appraisal rights with respect to my shares of MSL common stock?

A:

No. Because the MSL common stock is listed on The New York Stock Exchange and the Celestica subordinate voting shares you will receive in exchange for your MSL common stock will be listed on The New York Stock Exchange, you are not entitled to appraisal rights under Delaware law.

Q:

Am I entitled to appraisal rights with respect to my shares of MSL Series A and Series B preferred stock?

A:

Yes. Holders of the Series A and Series B preferred stock may exercise appraisal rights in connection with the merger. The provisions of Delaware law governing appraisal rights are complex, and you should study them carefully if you wish to exercise appraisal rights. A stockholder may take actions that prevent that stockholder from successfully asserting these rights, and multiple steps must be taken to properly exercise and perfect the rights. A copy of Section 262 of the Delaware General Corporation Law is attached to this proxy statement/prospectus as Annex E. Please see the section entitled "*Appraisal Rights for MSL Preferred Stock*" beginning on page 105 of this proxy statement/prospectus for information regarding the actions that you must take in order to exercise appraisal rights.

Q:

What will happen to MSL's outstanding stock options and warrants in the merger?

A:

MSL's outstanding stock options and warrants will be assumed by Celestica in the merger. Each stock option and warrant will thereafter represent a stock option or warrant to purchase a number of Celestica subordinate voting shares equal to the number of shares of MSL common stock subject to the stock option or warrant immediately prior to the merger (whether or not vested) multiplied by 0.375 or, if applicable, the adjusted share exchange ratio, rounded up or down to the nearest whole share.

The exercise price per Celestica subordinate voting shares of the assumed stock option and warrant will be adjusted to an amount determined by dividing the exercise price per share of MSL common stock subject to the stock option or warrant immediately prior to the merger by 0.375 or, if applicable, the adjusted share exchange ratio, rounded up or down to the nearest whole cent. Other than with respect to the number of shares subject to the stock option and the exercise price, each of which will be subject to adjustment as described above, the assumed stock options and warrants will continue to have the same terms and conditions as they had prior to their assumption, except that substantially all employee and director stock options will vest as a result of the merger.

Q:

How will the merger affect my participation in the MSL employee stock purchase plan?

A:

MSL will terminate the MSL employee stock purchase plan before the merger is completed, and any purchase period then in effect will be shortened. MSL will make adjustments under the MSL employee stock purchase plan to reflect the shortened purchase period. Each outstanding share of MSL common stock purchased during the shortened offering period will be converted into the right to receive 0.375 of a Celestica subordinate voting share or, if applicable, the adjusted share exchange ratio.

Q:

What are the tax consequences of the merger to me?

A:

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 you receive 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 57 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 57 of this proxy statement/prospectus.

Q:

Are there any risks related to the proposed transaction or any risks related to owning Celestica subordinate voting shares?

A:

Yes. You should carefully review the section entitled "Risk Factors" beginning on page 18 of this proxy statement/prospectus.

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 , 2003, 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 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 selected information found in greater detail elsewhere in this proxy statement/ prospectus. This summary does not contain all of the information that is important to you. To understand the merger fully and 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 109 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 66 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 35 of this proxy statement/prospectus, "*MSL's Reasons for the Merger*" beginning on page 39 of this proxy statement/prospectus, "*Recommendation of the Merger by the MSL Board of Directors*" beginning on page 41 of this proxy statement/prospectus, "*Celestica's Reasons for the Merger*" beginning on page 51 of this proxy statement/prospectus and "*Risk Factors Risks Related to the Merger*" beginning on page 18 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 , 2003 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 November , 2003, 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 , 2003, 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", below, 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 84 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 41 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. 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 52 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 in late 2003 or early 2004. For more information on regulatory matters and conditions to the merger, please see "*The Merger Agreement Conditions to the Merger*" beginning on page 78 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.

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 18 of this proxy statement/prospectus.

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. 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 66 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 75 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 68 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 68 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 57 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 57 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 65 and "*Comparison of Celestica and MSL Stockholders' Rights Appraisal and Dissent Rights MSL*" beginning on page 87 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 65 "*Comparison of Celestica and MSL Stockholders' Rights Appraisal and Dissent Rights MSL*" beginning on page 87 and "*Appraisal Rights for MSL Preferred Stock*" beginning on page 65 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 the Merger*" beginning on page 78 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 65 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*" beginning on page 63 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 have furnished certain information to the Federal Trade Commission and the Antitrust Division of the Department of Justice, [and the waiting period under the HSR Act has been terminated]. The merger must also comply with federal and state securities laws and applicable foreign antitrust laws, including the laws of the European Union, Brazil, the Czech Republic and Mexico.

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 81 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.

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

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 18 and " *Risks Related to Receiving Celestica Subordinate Voting Shares*" beginning on page 20 of this proxy statement/prospectus.

RISK FACTORS

In addition to the other information contained in, or incorporated by reference into, this proxy statement/prospectus, you should carefully consider the risks described below 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. Additional risks and uncertainties not presently known to Celestica and MSL or that currently are not believed to be important to you, if they materialize, also may adversely affect the merger and Celestica after 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 1 of this proxy statement/prospectus. In addition to the factors we describe below, please also refer to the risk factors identified in the periodic reports of Celestica and MSL incorporated by reference into this document and listed in the section entitled "*Where You Can Find More Information*" beginning on page 109 of this proxy statement/prospectus.

Risks Related to the Merger

Although Celestica and MSL expect that the merger will result in benefits to Celestica, Celestica may not realize those benefits 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:

preserving customer, supplier and other important relationships of both Celestica and MSL and resolving potential conflicts that may arise;

minimizing the diversion of management's attention from ongoing business concerns;

combining product and service offerings;

addressing differences in the business cultures of Celestica and MSL, maintaining employee morale and retaining key employees; and

coordinating and combining overseas operations, relationships and facilities, which may be subject to additional constraints imposed by geographic distance, local laws and regulations.

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.

The Celestica subordinate voting shares that MSL stockholders will receive as part of the merger consideration may not maintain their value.

At the closing of the merger, each share of MSL common stock will be exchanged for 0.375 of a subordinate voting share. There will be no adjustment in the number of Celestica subordinate voting shares issued as merger consideration because of changes in the market price of either Celestica subordinate voting shares or MSL common stock 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 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. Moreover, completion of the merger may occur some time after MSL stockholder approval has been obtained, so that the dollar value of Celestica subordinate voting shares that MSL stockholders will receive upon completion of the merger may substantially decrease 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.

The share prices of Celestica subordinate voting shares and MSL common stock are by nature subject to the general price fluctuations in the market for publicly-traded equity securities, and the prices of both companies' common equity have experienced volatility in the past. 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.

For historical and current market prices of Celestica subordinate voting shares and MSL common stock, please see the section entitled "*Comparative Historical and Pro Forma Per Share Data*" and "*Comparative Per Share Market Price Data*" beginning on page 28 and on page 31, respectively, of this proxy statement/prospectus.

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 52 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 84 of this proxy statement/prospectus.

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 83 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.

Risks Related to Receiving Celestica Subordinate Voting Shares

The rights of Celestica shareholders differ substantially from the rights of MSL stockholders

Upon completion of the merger, MSL stockholders will become Celestica shareholders. There are important differences between the rights of stockholders of MSL and shareholders of Celestica. For a description of these differences, please see the section entitled "*Comparison of Celestica and MSL Stockholders' Rights*" beginning on page 87 of this proxy statement/prospectus.

Control of Celestica by Onex Corporation

Onex Corporation owns, directly or indirectly, all of the multiple voting shares and less than 1% 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% 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% 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. 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. 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. Please see the section entitled

"*Comparison of Celestica and MSL Stockholders' Rights*" beginning on page 87 of this proxy statement/prospectus.

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 price of Celestica subordinate voting shares has been volatile and may continue to be volatile in the future

The markets for Celestica subordinate voting shares and MSL common stock are highly volatile. The trading price 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.

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

As of October 14, 2003, Celestica had 170,327,693 subordinate voting shares outstanding. Celestica and MSL also have a substantial number of stock options outstanding and shares issuable to employees under their respective employee stock option or stock grant plans, as well as other securities that are exercisable or exchangeable for common stock. 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.

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. For all the years presented, the selected financial data is prepared in accordance with Canadian GAAP. The differences between the line items under Canadian GAAP and those as determined under U.S. GAAP are not significant except that, under U.S. GAAP:

Celestica's net loss for the year ended December 31, 1998 would be $6.2 million greater due to non-cash charges for compensation expense;

Celestica's net earnings for the year ended December 31, 1999 would be $1.9 million less due to non-cash charges for compensation expense;

Celestica's net earnings for the year ended December 31, 2000 would be $2.5 million less due to non-cash charges for compensation expense and $6.8 million less due to interest on the convertible debt Celestica issued in August 2000, in the principal amount of $1,813.6 million, that would be classified as a long-term liability rather than as an equity instrument;

Celestica's net loss for the year ended December 31, 2001 would be $3.2 million greater due to non-cash charges for compensation expense, $17.7 million greater due to interest on convertible debt classified as a long-term liability rather than as an equity instrument, $2.7 million greater due to other charges, and $12.1 million less due to the gain on a foreign exchange contract;

Celestica's net loss for the year ended December 31, 2002 would be $3.8 million greater due to non-cash charges for compensation expense, $27.8 million greater due to interest on convertible debt classified as a long-term liability rather than as an equity instrument, $26.5 million greater

due to impairment charges to write-down certain assets, and $8.4 million less due to gain on repurchase of convertible debt;

Celestica's net loss for the nine months ended September 30, 2002 would be ; and

Celestica's net loss for the nine months ended September 30, 2003 would be .

Celestica's report on Form 6-K furnished to the Securities and Exchange Commission on November , 2003 describes the reconciliation of Celestica's financial information for the nine months ended September 30, 2003 and 2002 to U.S. GAAP.

	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) (Canadian GAAP)						
Consolidated Statements of Earnings (Loss) Data:							
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)
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) (Canadian GAAP)						
Consolidated Balance Sheet Data:							
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(8)	$ 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(9)	$ 135.8	$ 134.2	$ 132.0	$ 147.4	$ 6.9	$ 7.9	$ 4.4

	As at December 31,					As at September 30,	
Shareholders' equity	$ 859.3	$ 1,658.1	$ 3,469.3	$ 4,745.6	$ 4,203.6	$ 4,701.2	$ 3,646.2

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 includes 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 million which is no longer being amortized. This change in accounting policy is not applied retroactively and the amounts presented for prior periods have not been restated for this change. The following table shows the impact of this change as if the policy had been applied retroactively to 2001:

	Year ended December 31,	
	2001	2002
	(in millions, except per share amounts)	
Net loss as reported	$ (39.8)	$ (445.2)
Add back: goodwill amortization	39.2	
Net loss before goodwill amortization	$ (0.6)	$ (445.2)
Basic loss per share:		
As reported	$ (0.26)	$ (1.98)
Before goodwill amortization	$ (0.07)	$ (1.98)
Diluted loss per share:		
As reported	$ (0.26)	$ (1.98)
Before goodwill amortization	$ (0.07)	$ (1.98)

4.

These costs include costs to implement new information systems and processes, including salary and other costs directly related to the integration activities in newly acquired facilities.

5.

In 1998, other charges totaled $64.7 million comprised of non-cash charges of $35.0 million relating to the write-down of intellectual property, $6.8 million of goodwill which became impaired as a result of the merger with IMS, a write-off of deferred financing fees and debt redemption fees of $17.8 million relating to the prepayment of debt with the net proceeds of Celestica's initial public offering, and other charges of $5.1 million.

In 2001, other charges totaled $273.1 million comprised of (a) a $237.0 million restructuring charge, and (b) a non-cash charge of $36.1 million relating to the annual impairment assessment of long-lived assets, comprised primarily of a write-down of goodwill and intangible assets.

In 2002, other charges totaled $677.8 million comprised primarily of (a) a $385.4 million restructuring charge, (b) a non-cash write-down of $203.7 million relating to the annual goodwill impairment assessment, (c) a non-cash write-down of $81.7 million relating to the annual impairment assessment of long-lived assets, primarily a write-down of intangible assets, and (d) a $9.6 million charge for the premium paid and related deferred financing costs on the redemption of Celestica's Senior Subordinated Notes.

In the nine months ended September 30, 2002, other charges totaled $136.4 million comprised primarily of (a) a $126.8 million restructuring charge and (b) a $9.6 million charge for the premium paid and related deferred financing costs on the redemption of Celestica's Senior Subordinated Notes.

In the nine months ended September 30, 2003, other charges totaled $69.1 million comprised primarily of a $70.7 million restructuring charge.

Effective January 1, 2003, Celestica adopted the new CICA Handbook Section 3063, "Impairment or Disposal of Long-Lived Assets" and the revised Section 3475, "Disposal of Long-Lived Assets and Discontinued Operations," which are consistent with U.S. GAAP. These sections establish standards for recognizing, measuring and disclosing impairment for long-lived assets held-for-use, and for measuring and separately classifying assets available-for-sale. Previously, long-lived assets were written down to net recoverable value if the undiscounted future cash flows were less than net book value. Under the new standard, assets must be classified as either held-for-use or available-for-sale. Impairment losses for assets held-for-use are measured based on fair value which is measured by discounted cash flows. Available-for-sale assets are measured based on expected proceeds less direct costs to sell.

Effective January 1, 2003, Celestica adopted the new CICA Emerging Issues Committee Abstracts EIC-134, "Accounting for Severance and Termination Benefits," and EIC-135, "Accounting for Costs Associated with Exit and Disposal Activities," which establishes standards for recognizing, measuring and disclosing costs relating to an exit or disposal activity. These standards are similar to U.S. GAAP. The Company has applied the new standards to restructuring plans initiated after January 1, 2003. These EICs allow recognition of a liability for an exit or disposal activity only when the costs are incurred and can be measured at fair value. Previously, a commitment to an exit or disposal plan was sufficient to record the majority of costs.

6. Interest expense (income) is comprised primarily of interest expense incurred on indebtedness less interest income earned on cash and short-term investments.

7. In 2001, Celestica retroactively adopted the new CICA Handbook Section 3500, "Earnings per share," which requires the retroactive use of the treasury stock method for calculating diluted earnings per share. This change results in an earnings (loss) per share calculation which is consistent with U.S. GAAP.

For purposes of the basic and diluted earnings (loss) per share calculations, the weighted average number of shares outstanding were:

	Year ended December 31,					Nine months ended September 30,	
	1998	1999	2000	2001	2002	2002	2003
						(unaudited)	
	(in millions)						
Basic	103.0	167.2	199.8	213.9	229.8	230.0	218.9
Diluted	103.0	171.2	211.8	213.9	229.8	230.0	218.9

8. Calculated as current assets less current liabilities.

9. Long-term debt includes capital lease obligations.

SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF MSL

The table below presents a summary of selected historical consolidated financial data with respect to MSL as of the dates and for the periods indicated. The historical consolidated statement of operations 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 MSL's audited historical consolidated financial statements which are incorporated by reference into this proxy statement/prospectus and which have been audited by PricewaterhouseCoopers LLP, independent accountants. The historical consolidated statement of operations data for the nine months ended September 28, 2003 and September 29, 2002 and the historical balance sheet data as of September 28, 2003 and September 29, 2002 have been derived from MSL'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 28, 2003 and September 29, 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 MSL's management, the accompanying unaudited financial data included all adjustments (consisting only of normal recurring adjustments) necessary for their fair presentation. The historical consolidated statement of operations 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 MSL's audited historical consolidated financial statements which are not incorporated by reference into this proxy statement/prospectus, and which were also audited by PricewaterhouseCoopers LLP. The historical results are not necessarily indicative of results to be expected for any future period.

MSL adopted Statement of Financial Accounting Standards, or FAS, No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment to FASB Statement No. 13, and Technical Corrections" as of January 1, 2003. The adoption of FAS No. 145 retroactively changes guidance related to the reporting of gains and losses from extinguishment of debt as extraordinary items. The effect of FAS No. 145 on MSL's statement of operations data for the five years ended December 31, 2002, and for the nine months ended September 29, 2002 is for amounts previously recorded as "Extraordinary loss on extinguishment of debt" to instead be recorded as "Loss from extinguishment of debt" in deriving "Income (loss) from operations before provision for income taxes". MSL has reclassified extraordinary losses of $2.2 million, $3.1 million and $4.0 million for the years ended December 31, 1998, 2000 and 2002, respectively. There were no extraordinary items in the years ended December 31, 1999 and 2001.

You should read the summary consolidated financial data set forth below in conjunction with MSL's annual report on Form 10-K for the fiscal year ended December 31, 2002 and its report on Form 10-Q filed with 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.

	Year ended December 31,					Nine months ended	
	1998	1999	2000	2001	2002	September 29, 2002	September 28, 2003
						(unaudited)	
	(in thousands, except per share amounts)						
Statement of Operations Data:							
Net sales (a)	$ 837,993	$ 920,722	$ 1,758,101	$ 1,522,000	$ 853,745	$ 644,790	$ 532,531
Gross profit	45,259	55,233	97,790	110,023	75,612	58,232	43,085
Operating income (loss) (b)	8,695	16,411	21,449	(86,094)	(8,219)	(5,860)	(2,005)
Net income (loss)	$ (6,241)	$ 2,010	$ (4,035)	$ (95,140)	$ (20,728)	$ (15,380)	$ (5,085)
Net income (loss) applicable to common stockholders	$ (6,241)	$ 1,201	$ (25,959)	$ (95,140)	$ (23,390)	$ (17,107)	$ (8,103)
Basic income (loss) per share:							
Net income (loss)	$ (0.33)	$ 0.06	$ (0.98)	$ (2.86)	$ (0.72)	$ (0.53)	$ (0.24)
Weighted average shares outstanding	18,746	19,384	26,411	33,304	32,622	32,474	33,607
Diluted income (loss) per share:							
Net income (loss)	$ (0.33)	$ 0.06	$ (0.98)	$ (2.86)	$ (0.72)	$ (0.53)	$ (0.24)
Weighted average shares outstanding	18,746	$ 19,608	26,411	33,304	32,622	32,474	33,607
Balance Sheet Data:							
Working capital	$ 54,340	$ 98,273	$ 234,425	$ 151,999	$ 106,914	$ 105,922	$ 127,212
Total assets	$ 277,608	$ 411,783	$ 933,517	$ 436,820	$ 331,407	$ 333,121	$ 358,280
Total long-term debt and capital lease obligations, including current portion	$ 62,127	$ 127,343	$ 189,081	$ 120,560	$ 23,657	$ 23,243	$ 24,206
Preferred stock	$	$ 39,204	$	$	$ 35,551	$ 36,258	$ 58,484
Total stockholders' equity	$ 39,174	$ 48,621	$ 215,448	$ 113,706	$ 100,697	$ 102,065	$ 102,265

(a)

Increase in revenues from 1999 to 2000 mainly resulted from the purchase of certain assets from 3Com in November 1999 and September 2000, which included its Salt Lake City manufacturing facility in November 1999. Revenues related to these acquisitions contributed to $546 million of revenue in 2000.

(b)

During 2001, MSL recorded restructuring charges totaling $91.9 million, mainly related to the closure of its Salt Lake City facility.

COMPARATIVE HISTORICAL AND PRO FORMA DATA

The following table presents certain unaudited historical per share data of MSL and Celestica and unaudited combined pro forma per share and other selected financial data of MSL and Celestica after giving effect to the acquisition of MSL by Celestica using the purchase method of accounting. The unaudited combined pro forma data includes the effects of the proposed acquisition of MSL by Celestica. The unaudited combined pro forma data does not purport to be indicative of the results of future operations or the results that would have occurred had the acquisition been consummated at the beginning of the periods presented. The information set forth below should be read in conjunction with the historical consolidated financial statements and notes thereto of Celestica and MSL, both of which are incorporated by reference in this proxy statement/prospectus. The unaudited combined pro forma and unaudited pro forma per equivalent MSL share data and unaudited combined pro forma selected financial data combine the results of operations of Celestica and MSL for the year ended December 31, 2002, the results of operations of Celestica and MSL for the nine months ended September 30, 2003 and September 28, 2003, respectively, and Celestica's financial position at September 30, 2003 with MSL's financial position at September 28, 2003. The historical and unaudited combined pro forma data for Celestica and MSL is prepared in accordance with U.S. GAAP. To date, no cash dividends have been declared or paid on Celestica subordinate voting shares or MSL common stock.

Celestica
(U.S. GAAP)

	Year ended December 31, 2002	Nine months ended September 30, 2003
		(unaudited)
Historical per share data:		
Net loss per basic share	$ (2.15)	$
Net loss per diluted share	$ (2.15)	$
Net book value per share (1)	$ 14.63	$

MSL
(U.S. GAAP)

	Year ended December 31, 2002	Nine months ended September 28, 2003
		(unaudited)
Historical per common share data:		
Net income (loss) per basic share	$ (0.72)	$ (0.24)
Net income (loss) per diluted share	$ (0.72)	$ (0.24)
Net book value per share (1)	$ 3.04	$ 3.01

Celestica and MSL
(U.S. GAAP)

	Year ended December 31, 2002	Nine months ended September 30, 2003
	(unaudited)	
	(in millions, except per share amounts)	
Pro forma combined selected financial data		
Revenue	$ 9,125.3	$
Operating loss (4)	$ (579.9)	$
Net loss (4)	$ (517.2)	$
Total assets (5)		$
Shareholders' equity (6)		$
Capital stock (6)		$
Pro forma combined per share data		
Net loss per combined company's basic share (2)	$ (2.13)	$
Net loss per combined company's diluted share (2)	$ (2.13)	$
Net loss per equivalent MSL basic share (3)	$ (0.80)	$
Net loss per equivalent MSL diluted share (3)	$ (0.80)	$
Net book value per combined company's share (1)	$ 14.90	$
Net book value per equivalent MSL share (3)	$ 5.59	$

1. The historical net book value per Celestica share is computed by dividing shareholders' equity by the number of subordinate voting shares and multiple voting shares outstanding at the specified dates. The historical net book value per MSL share is computed by dividing stockholders' equity by the number of shares of common stock outstanding at the specified dates. The pro forma net book value per combined company's share is computed by dividing the pro forma shareholders' equity by the pro forma number of Celestica subordinate voting shares and multiple voting shares outstanding as of the specified dates, assuming the merger had occurred as of that date.

2. Shares used to calculate unaudited combined pro forma net loss per basic share were computed by adding 12,900,000 subordinate voting shares assumed to be issued in the merger in exchange for the outstanding MSL common stock (assuming no subordinate voting shares are issued in respect of Series A or Series B preferred stock) to Celestica's weighted average shares outstanding. Shares used to calculate unaudited combined pro forma net loss per diluted share were computed by adding 12,900,000 subordinate voting shares to Celestica's weighted average shares outstanding. The weighted average shares outstanding excludes the effects of all options and convertible securities, as they are anti-dilutive. The number of Celestica subordinate voting shares issued in the merger is subject to change based on the finalization of the share exchange ratio and any stock elections made by holders of Series A or Series B preferred stock.

3. The unaudited combined pro forma per equivalent MSL share is calculated by multiplying the pro forma combined amounts by the exchange ratio of 0.375 of a Celestica subordinate voting share for each share of MSL common stock.

4. The unaudited combined pro forma operating loss and net loss include estimated amortization expense of $1.9 million for intangible assets acquired in the merger, amortized over a five year useful life. Celestica will be obtaining third party valuations of intangible assets and, therefore, the purchase price allocation and estimated amortization expense are subject to change.

5. Assuming 12,900,000 subordinate voting shares are issued in exchange for all the outstanding common stock of MSL and no subordinate voting shares are issued in respect of Series A or

Series B preferred stock, the preliminary purchase price is estimated at $327.1 million, primarily comprised of the issuance of $253.8 million of Celestica subordinate voting shares, options and warrants and cash of $69.8 million paid to holders of Series A and Series B preferred stock. The pro forma total assets reflects a preliminary allocation of the purchase price to total assets, including goodwill and amortizable intangible assets of $173.5 million. The valuation of the purchase consideration is subject to change if the share exchange ratio is adjusted and if any Celestica subordinate voting shares are issued to holders of Series A or Series B preferred stock. The allocation of the purchase price to net assets and liabilities is subject to change when fair value information and any restructuring plans are finalized.

6. The unaudited pro forma combined shareholders' equity and capital stock reflect the issuance of $253.8 million of Celestica subordinate voting shares, options and warrants as purchase consideration.

COMPARATIVE PER SHARE MARKET PRICE DATA

Celestica subordinate voting shares trade on The New York Stock Exchange and the Toronto Stock Exchange under the symbol "CLS." MSL common stock trades on The New York Stock Exchange under the symbol "MSV."

The following table shows the closing sales prices per Celestica subordinate voting share and per share of MSL common stock, each as reported on The New York Stock Exchange on (1) October 14, 2003, the last full trading day preceding the public announcement that Celestica and MSL had entered into the merger agreement, and (2) , 2003, the last full trading day for which closing sales prices were available before the printing of this proxy statement/prospectus.

The table also includes the equivalent closing sales prices per share of MSL common stock on those dates. These equivalent closing sales prices per share reflect the value of the 0.375 of a Celestica subordinate voting share that MSL stockholders would receive in exchange for each share of MSL common stock if the merger was completed on either of these dates.

	Celestica Subordinate Voting Shares	MSL Common Stock	Equivalent MSL Price Per Share
October 14, 2003	$ 17.69	$ 5.60	$ 6.63
, 2003	$	$	$

The above table shows only historical comparisons. These comparisons may not provide meaningful information to MSL stockholders in determining whether to adopt the merger agreement, or whether a holder of Series A or Series B preferred stock should elect to receive Celestica subordinate voting shares in the merger. MSL stockholders are urged to obtain current market quotations for Celestica subordinate voting shares and MSL common stock and to review carefully the other information contained in this proxy statement/prospectus or incorporated by reference into this proxy statement/prospectus in considering whether to adopt the merger agreement and, in the case of holders of MSL preferred stock, whether to elect to receive Celestica subordinate voting shares. For a description of the adjustment in the share exchange ratio under certain circumstances, please see "*The Merger Agreement Conversion of MSL Common Stock and Series A and Series B Preferred Stock in the Merger*" beginning on page 66 of this proxy statement/prospectus. Please also see the section entitled "*Where You Can Find More Information*" beginning on page 109 of this proxy statement/prospectus.

THE SPECIAL MEETING OF MSL STOCKHOLDERS

This proxy statement/prospectus is being sent to you as an MSL stockholder in order to provide you with important information regarding the proposed merger in connection with the solicitation of proxies by MSL's board for use at the special meeting of MSL stockholders and at any adjournment or postponement of the special meeting.

Date, Time and Place of the Special Meeting

MSL will hold a special meeting of its stockholders on , 2003, at 10:00 a.m., local time, at the offices of Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109.

Matter for Consideration

At the MSL special meeting, MSL stockholders will be asked to consider and vote upon a proposal to adopt the merger agreement. MSL does not currently contemplate that any other matters will be presented at the special meeting. MSL's by-laws provide that no matter may be brought before a special meeting which is not related to the purpose or purposes stated in the notice of the special meeting.

Board of Directors' Recommendation

After careful consideration, the MSL board has unanimously approved the merger agreement and the merger. The MSL board has unanimously declared 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 consummate the merger on the terms and conditions set forth in the merger agreement. The MSL board unanimously recommends that the MSL stockholders vote "FOR" the adoption of the merger agreement.

Record Date; Shares Held by Directors and Executive Officers

The record date for determining the MSL stockholders entitled to vote at the special meeting is , 2003. Only holders of record of MSL common stock and Series A and Series B preferred stock as of the close of business on that date are entitled to vote at the special meeting. As of the record date, there were shares of MSL common stock issued and outstanding, held of record by approximately holders, 830,000 shares of Series A preferred stock issued and outstanding, held of record by approximately holders, and 500,000 shares of Series B preferred stock issued and outstanding, held of record by approximately holders. Each share of MSL common stock is entitled to one vote, the 830,000 shares of Series A preferred stock are entitled to a total of 6,449,100 votes in the aggregate (7.77 votes per share) and the 500,000 shares of Series B preferred stock are entitled to a total of 4,237,250 votes (8.4745 votes per share), on all matters that may properly come before the special meeting.

As of the record date, the directors and executive officers of MSL and their affiliates held 16,379,363 outstanding shares of MSL common stock and 300,000 shares of Series A preferred stock, or approximately 48.6% of the outstanding MSL common stock on an as-converted basis. Some executives of MSL and the institutional stockholders, which are affiliates of one of MSL's directors, have entered into stockholder agreements with respect to MSL capital stock representing approximately 41.5% of the votes entitled to be cast on the merger proposal. Under the stockholder agreements, these stockholders have granted to Merger Sub a proxy to vote their shares in favor of adoption of the merger agreement. For more information regarding the stockholder agreements, please see the section entitled "*The Stockholder Agreements*" beginning on page 84 of this proxy statement/prospectus.

Quorum and Vote Required

In order to conduct business at the special meeting, a quorum must be present. The holders of a majority of the common stock and the Series A and Series B preferred stock, on an as-converted basis, issued and outstanding on the record date for the special meeting, present in person or represented by proxy at the special meeting, constitute a quorum under MSL's by-laws. MSL will treat shares of capital stock represented by a properly signed and returned proxy, including abstentions and broker non-votes, as present at the meeting for purposes of determining the existence of a quorum.

The affirmative vote of the holders of shares of MSL's common stock and Series A and Series B preferred stock, voting together as a single class, representing a majority of the votes entitled to be cast at the special meeting, is required to adopt the merger agreement. The inspector of elections appointed for the special meeting will tabulate the votes.

Adjournment and Postponement

If a quorum is not present or represented at a meeting, MSL's by-laws permit a majority of the stockholders entitled to vote at the special meeting, present in person or represented by proxy, to adjourn the meeting, without notice other than announcement at the meeting, until a quorum is present or represented. If sufficient votes to constitute a quorum or to adopt the merger agreement are not received by the date of the special meeting, MSL anticipates that the persons named as proxies may propose one or more adjournments of the meeting to permit further solicitation of proxies and would generally exercise their authority to vote in favor of adjournment.

Voting of Proxies

The MSL proxy accompanying this proxy statement/prospectus is solicited on behalf of the MSL board for use at the MSL special meeting. Albert A. Notini and Alan R. Cormier, officers of MSL, are named as the proxy holders in the accompanying proxy.

General

Shares represented by a properly signed and dated proxy will be voted at the special meeting in accordance with the instructions indicated on the proxy. Proxies that are properly signed and dated but which do not contain voting instructions will be voted "FOR" the adoption of the merger agreement. The proxy holder may vote the proxy in its discretion as to any other matter that may properly come before the MSL special meeting.

Abstentions

MSL will count a properly executed proxy marked "ABSTAIN" as present for purposes of determining whether a quorum is present, but the shares represented by that proxy will not be voted at the special meeting. Because the affirmative vote of the holders of shares of MSL common stock and Series A and Series B preferred stock, voting together as a single class, representing a majority of the votes entitled to be cast is required to adopt the merger agreement, if you mark your proxy "ABSTAIN," it will have the effect of a vote against the adoption of the merger agreement.

Broker Non-Votes

If your shares are held in street name, your broker will vote your shares for you only if you provide instructions to your broker on how to vote your shares. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Your broker cannot vote your shares of MSL capital stock without specific instructions from you. Because the affirmative vote of the holders of shares of MSL common stock and Series A and Series B preferred stock, voting

together as a single class, representing a majority of the votes entitled to be cast is required to adopt the merger agreement, if you do not instruct your broker how to vote, it will have the effect of a vote against the adoption of the merger agreement. Please review the voting instruction card provided with this proxy statement/prospectus or contact your bank or brokerage firm for information.

Voting Shares in Person that Are Held in Street Name

If your shares are held in street name and you wish to vote those shares in person at the special meeting, you must obtain from your broker holding your MSL capital stock a properly executed legal proxy identifying you as an MSL stockholder, authorizing you to act on behalf of the nominee at the special meeting and identifying the number of shares with respect to which the authorization is granted.

How to Revoke a Proxy

If you submit a proxy, you may revoke it at any time before it is voted by:

- delivering to the Corporate Secretary of MSL a written notice, dated later than the proxy you wish to revoke, stating that the proxy is revoked;
- submitting to the Corporate Secretary of MSL a new, signed proxy with a date later than the proxy you wish to revoke; or
- attending the special meeting and voting in person.

Notices to the Corporate Secretary of MSL should be addressed to Corporate Secretary, Manufacturers' Services Limited, 300 Baker Avenue, Concord, Massachusetts 01742.

If you hold your shares in street name, you must give new instructions to your broker prior to the special meeting or obtain a signed "legal proxy" from the broker to revoke your prior instructions and vote in person at the meeting.

Solicitation of Proxies and Expenses

MSL has retained a proxy solicitation firm, Georgeson Shareholder Communications, to assist in the solicitations of proxies from MSL stockholders. MSL will pay that firm an estimated fee of $12,000, plus reimbursement of expenses. Certain directors, officers and employees of MSL may solicit proxies, without additional remuneration, by telephone, facsimile, electronic mail, telegraph and in person. Following the mailing of this proxy statement/prospectus, MSL will request brokers, custodians, nominees and other record holders to forward copies of this proxy statement/prospectus to persons for whom they hold shares of MSL capital stock and to request authority for the exercise of proxies. In such cases, MSL, upon the request of the record holder, will reimburse such holder for their reasonable expenses.

THE MERGER

Background of the Merger

Since its incorporation in 1994, MSL has pursued a strategy of growth through acquisitions and combinations. MSL management believes that the electronic manufacturing services industry has undergone, and will continue to experience consolidation. In connection with this strategy, MSL has had discussions concerning potential transactions, both as a buyer and seller, with other industry participants in connection with possible industry consolidation scenarios and the role that MSL might play in this consolidation.

In September 2001, members of MSL's senior management, including Kevin Melia, the then chief executive officer, Robert Donahue, the then chief operating officer, and Albert Notini, chief financial officer, met with senior management of Celestica, including Eugene Polistuk, chief executive officer, and Anthony Puppi, chief financial officer. They discussed, generally, the electronics manufacturing services industry and trends, as well as the potential benefits of a possible strategic combination between MSL and Celestica. No specific proposals were made by either MSL or Celestica and it was mutually determined not to pursue further discussions at that time.

On May 27, 2003, Robert Bradshaw, chief executive officer of MSL, and Mr. Polistuk spoke by telephone and determined that it would be appropriate to meet and discuss trends in the industry and prospects for a possible combination. On May 29, 2003, MSL and Celestica executed a mutual non-disclosure agreement.

On June 16, 2003, Messrs. Bradshaw, Notini and Santosh Rao, the executive vice president and chief operating officer of MSL, met in Toronto with Messrs. Polistuk, Puppi and Rahul Suri, senior vice president of corporate development, marketing and integration for Celestica. The MSL representatives provided publicly available information regarding MSL and discussed with the Celestica representatives the industry generally, and their respective product and service offerings. The participants at the meeting also discussed the potential benefits of a possible strategic combination of the two entities. Later that month, Mr. Suri reported to Mr. Notini that Celestica had an interest in receiving additional information regarding MSL to further consider a possible transaction.

A special telephonic meeting of the board of directors of MSL was held on July 2, 2003 at which management reported on the discussions with, and the feedback from, Celestica. The MSL board authorized management to provide non-public information to Celestica under the terms of the previously executed non-disclosure agreement. The MSL board also authorized management to retain one or more financial advisors to advise MSL specifically in connection with a possible transaction should discussions progress to a point where the need for external financial advisory services might arise. At the meeting representatives of Credit Suisse First Boston LLC presented a general overview of the electronic manufacturing services industry.

For several days beginning on July 7, 2003, management representatives of MSL and Celestica met in Boston to review certain MSL financial information.

On July 10, 2003, Messrs. Bradshaw and Notini spoke by telephone with Messrs. Polistuk and Suri to discuss the potential strategic merits of a business combination based upon the information previously disclosed. Messrs. Polistuk and Suri communicated Celestica's preliminary determination not to proceed with a transaction unless there were significant benefits to be derived from an acquisition. The Celestica representatives outlined additional information they would need in order to determine the potential benefits of an acquisition. During the week of July 13, 2003 representatives of MSL and Celestica met at Celestica's offices in Toronto and continued to discuss financial information, the potential benefits of a combination and other industry information relating to MSL.

On July 23, 2003, Messrs. Notini, Rao and Michael Rossi, director of corporate development for MSL, met with Mr. Suri and Darren Myers, director of corporate development for Celestica, in

Toronto to discuss MSL's capabilities and position in the industry, as well as the potential benefits to the respective customers of each entity that might flow from a business combination. On July 28, Mr. Suri telephoned Mr. Notini and indicated that Celestica would like to commence a review of certain operations of MSL. From the date of that call and continuing through September 8, 2003, representatives of MSL and Celestica had numerous telephone conversations regarding preliminary financial and operational due diligence to be performed by Celestica and its legal and accounting advisors, and MSL provided financial, industry and operating data to Celestica. During the weeks of August 11 and 18, representatives of Celestica toured operating facilities of MSL in Charlotte, North Carolina, Reynosa, Mexico, Arden Hills, Minnesota and Valencia, Spain. On August 18, representatives of MSL and Celestica met to discuss MSL's financial performance and to review customer and program management information.

On August 20, 2003, at a regularly scheduled meeting of the MSL board, management provided an update on the status of discussions with representatives of Celestica and were authorized to continue such discussions.

On a September 3, 2003 conference call between Messrs. Notini and Rossi for MSL and Messrs. Suri and Myers for Celestica, Mr. Suri indicated that Celestica would like to perform additional financial due diligence, including the inspection of various financial records, and to commence legal due diligence. It was agreed that MSL would establish a data room for such a purpose. Mr. Suri also indicated that Celestica would provide MSL with a preliminary transaction proposal on or before September 11, 2003, subject to completing the required due diligence.

During the week of September 8, 2003, representatives of Celestica, as well as representatives of its legal counsel and its independent auditors, commenced due diligence at the MSL data room. This financial and legal due diligence continued at various points at the data room, through in person meetings, and by exchange of documents through October 14, 2003.

On September 11, 2003, Celestica delivered a preliminary expression of interest for a proposed acquisition of MSL. This expression of interest contained a preliminary indication of valuation, and indicated the material terms Celestica would require in a merger agreement and a voting and option agreement with certain stockholders. On that day Messrs. Notini and Rossi of MSL spoke by telephone with Messrs. Suri, Myers and Robert Kowalik, manager of corporate development for Celestica, regarding Celestica's expression of interest.

On September 12, 2003, a special telephonic meeting of the MSL board was held to review the expression of interest received from Celestica. At that meeting, representatives of Credit Suisse First Boston reviewed with the MSL board the terms of Celestica's proposal, as well as electronic manufacturing services industry trends.

During the week of September 15, 2003, representatives of Credit Suisse First Boston, on behalf of MSL, had telephone conversations with representatives of Celestica, seeking clarifications of and potential improvements to Celestica's September 11 proposal.

On September 18, 2003, a special meeting of the MSL board was held in Boston at which representatives of Credit Suisse First Boston, Sonenshine Pastor and Hale and Dorr LLP, counsel to MSL, were present. Hale and Dorr made a presentation to the MSL board regarding its legal duties and responsibilities in connection with considering a potential acquisition. MSL management reviewed the status of discussions with representatives of Celestica, as well as the history of prior negotiations with other industry participants, the historical and expected future consolidation of the industry and other potential alternatives for MSL, including remaining an independent, stand-alone entity. Representatives of Credit Suisse First Boston and Sonenshine Pastor again reviewed with the MSL board the Celestica proposal and certain clarifications that had been made by Celestica, financial information of MSL provided to the financial advisors by MSL management, and trends and prospects

for the electronic manufacturing services industry. The MSL board authorized management and its advisors to continue negotiations with representatives of Celestica.

On September 22, 2003, Messrs. Notini and Rossi of MSL and representatives of Credit Suisse First Boston and Sonenshine Pastor attended a meeting in Boston with Messrs. Suri, Myers and Kowalik to discuss Celestica's September 11 proposal and the basis for any possible modifications to the proposal, including the prospects for an increase in the valuation contained in the proposal. Through the remainder of that

week, representatives of MSL and Celestica further discussed financial information, including potential benefits of a business combination. On September 25, Kaye Scholer provided an initial draft of the merger agreement. From September 25 through October 14, 2003, Kaye Scholer LLP, legal counsel to Celestica, and MSL negotiated the terms of the definitive merger agreement and related documents.

On September 24, 2003, Messrs. Bradshaw and Polistuk had a telephone conference call during which they discussed their respective rationales for the proposed transaction and trends in the electronic manufacturing services industry.

On September 29, 2003, Messrs. Notini and Rossi of MSL met with Messrs. Suri, Myers and Kowalik of Celestica at Celestica's offices in Toronto. At this meeting there was a further review of the financial information for MSL, as well as continued discussion of potential benefits that might result from the combination.

On September 30, 2003, Celestica provided a revised expression of interest. This expression of interest indicated that it would expire on October 4, 2003 at 5:00 p.m. unless agreed to in principle and, if agreed to in principle, Celestica would expect MSL to deal with Celestica exclusively to finalize due diligence and the negotiation of definitive documentation.

On October 2, 2003, a special telephonic meeting of the MSL board was held to discuss the revised expression of interest from Celestica. At the meeting, management updated the directors on the status of negotiations and representatives of Credit Suisse First Boston and Sonenshine Pastor reviewed with the board the terms of Celestica's revised proposal and potential alternatives to a transaction with Celestica, and responded to questions regarding Celestica and the electronic manufacturing services industry as a whole.

After this meeting and through October 4, 2003, representatives of Credit Suisse First Boston, at the direction of MSL, had several telephone conversations with representatives of Celestica relating to Celestica's revised proposal.

On October 3, 2003, a special meeting of the MSL board was held by telephone conference call to further discuss Celestica's revised proposal. Representatives of Credit Suisse First Boston reported on their discussions with Celestica. The MSL board also discussed potential alternatives to the proposed transaction, including the prospect of remaining an independent entity. The MSL board authorized management and its financial advisors to continue negotiations and to seek an improvement in the financial terms of Celestica's revised proposal.

On October 3, 2003, in a conversation between a representative of Credit Suisse First Boston and Mr. Suri, Mr. Suri indicated that Celestica would be willing to further modify its proposal and explained the proposed modification.

On October 4, 2003, a special telephonic meeting of the MSL board was held. Representatives of Credit Suisse First Boston reported that Celestica had modified its revised proposal. Representatives of Credit Suisse First Boston and Sonenshine Pastor reviewed the modified proposal and potential strategic alternatives with the MSL board. The MSL directors discussed the modified proposal, as well as the possibility of remaining an independent entity or seeking a business combination with other industry participants. The MSL board authorized management to indicate to Celestica its conceptual

approval of the modified Celestica proposal, subject to the negotiation of appropriate documentation, including resolution of issues relating to the requested merger and stockholder agreements.

On October 6, 2003, Messrs. Bradshaw and Polistuk discussed the proposed transaction, including employment arrangements that Celestica would seek to put into place in connection with the transaction.

On October 6, 2003, a special meeting of the MSL board was held by telephone conference call. MSL management reported on discussions with representatives of Celestica regarding the proposed transaction. Representatives of Credit Suisse First Boston and Sonenshine Pastor reported on Celestica's modified proposal and other potential alternatives that might be available to MSL. The MSL board authorized management and its financial and legal advisors to continue negotiations with Celestica. Later that day, representatives of Celestica requested that MSL execute an exclusivity agreement as a precondition to further negotiations. On October 7, a special meeting of the MSL board was held by telephone conference call. After discussion, the MSL board authorized MSL to execute an exclusivity agreement with Celestica through October 15, 2003. The exclusivity agreement was executed on October 8, 2003.

On October 9, 10 and 11, 2003, legal counsel to and representatives of Celestica and MSL met in Boston to negotiate the definitive acquisition agreements, including the merger agreement. During this period, legal counsel to and representatives of Celestica also negotiated the terms of the stockholder agreements with the relevant parties and their counsel. Such negotiations continued by telephone through October 14, 2003. On October 10, 2003, a special meeting of the MSL board was held by telephone conference call to review the current status of those

negotiations. At this meeting, representatives of Credit Suisse First Boston and Sonenshine Pastor reported on certain financial due diligence they had performed with respect to Celestica, including two telephone conferences with senior Celestica management, including Messrs. Polistuk and Puppi.

At a meeting held on October 10, 2003, Mr. Polistuk and other members of senior management of Celestica reviewed with the board of directors of Celestica MSL's business and results of operations, the strategic rationale for the acquisition and the principal proposed terms of the merger and stockholder agreements. The merger was unanimously approved by the directors present at the meeting and Celestica senior management was authorized to proceed to finalize the terms of the merger agreement and the merger and related matters.

On October 12, 2003, a special telephonic meeting of the MSL board was held at which representatives of Hale and Dorr reviewed the terms of the proposed merger agreement and the related agreements with certain stockholders and executive officers. The MSL board authorized management and legal counsel to continue negotiations of the definitive documentation.

On October 14, 2003, a special meeting of the MSL board was held in Boston. Representatives of Hale and Dorr reported on the definitive merger agreement and the related stockholder agreements, identifying the differences from the documents presented at the October 12 board meeting. Management of MSL again reviewed the strategic rationale for the proposed transaction and representatives of Credit Suisse First Boston and Sonenshine Pastor delivered oral opinions, confirmed by delivery of written opinions, each to the effect that, based upon and subject to the matters stated in their opinions, the share exchange ratio in the merger was fair, 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, certain private equity funds affiliated or associated with Credit Suisse First Boston and those holders who had entered into stockholder agreements in connection with the merger). Following these presentations, the MSL board further discussed the potential merger. Thereafter, by unanimous vote of all directors, the MSL board determined that the merger was advisable and in the best interests of MSL and its stockholders, approved the merger agreement and related matters, and recommended that the MSL stockholders adopt the merger agreement.

At a meeting held on October 14, 2003, the board of directors of Merger Sub determined that the merger was advisable and in the best interests of Celestica, its sole stockholder, and unanimously approved the merger agreement and the merger and related matters.

During the early morning of October 15, 2003, Celestica, MSL and the other parties thereto executed the merger agreement and the related stockholder agreements. Prior to the opening of trading on October 15, 2003, Celestica and MSL issued a joint press release announcing the merger.

MSL's Reasons for the Merger

The MSL board of directors has unanimously approved the merger agreement and recommends that the holders of shares of MSL common and preferred stock vote "FOR" the adoption of the merger agreement.

In the course of reaching its decision to approve the merger agreement and the merger, the MSL board of directors consulted with senior management, as well as MSL's financial advisors and outside legal counsel, and considered the following material factors.

The MSL board reviewed the current electronic manufacturing services industry and believed it to be highly competitive from both a price and service perspective, with relatively low operating and profit margins. They observed a distinction between many significantly larger companies and several other smaller industry participants, including MSL, that had annual revenues of $3 billion or less. The MSL board identified a number of strategic advantages they believed are available to the larger companies in the electronic manufacturing services industry resulting from their greater scale, including:

- the operation of manufacturing facilities in many more low cost geographic locations throughout the world, in particular in China and elsewhere in Asia, resulting in better overall manufacturing cost efficiencies;
- the ability to negotiate greater savings as a result of higher volume purchases of components and other materials;
- lower general and administrative expense levels, as a percentage of revenues, resulting from an ability to spread fixed costs over larger sales volumes;

a trend among certain customers for electronic manufacturing services to view size and financial stability of the service provider as factors to consider when making their purchasing decisions;

increased customer diversification resulting from higher revenue levels and an increased number of customers; and

the ability to offer a broader array of services to customers who are increasingly looking to outsource design and post-sale services such as warranty repair, returns and replacements.

The MSL board believed these strategic advantages were reflected in the trading multiples of companies in the industry, with higher multiples generally being afforded to the larger participants.

The MSL board believed that these benefits could be made available to MSL stockholders, employees and customers through a continuing equity participation in Celestica as a significantly larger participant in the industry following the merger. The MSL board believes that MSL, as an independent entity, would face significant challenges in achieving and sustaining profitable growth in light of these competitive advantages enjoyed by the many other significantly larger players in the industry.

The MSL board considered the following additional factors weighing in favor of the merger:

the historical market prices and recent trading activity and trading range of MSL's and Celestica's common stock, including the fact that the 0.375 exchange ratio offered to MSL's common stockholders in the merger represented a premium of approximately 18.5% and 17.8%

over MSL's common stock price one day and 30 days, respectively, prior to the public announcement of the merger by MSL and Celestica;

the financial condition, results of operations and cash flows of MSL, as well as the current and likely future economic and market conditions affecting MSL as a stand-alone entity, including its limited ability to access the capital markets and the need for significant working capital levels in the electronic manufacturing services industry;

increased competition from original design manufacturing companies that are beginning to successfully target services previously offered by electronic manufacturing services companies;

the opinions of Credit Suisse First Boston and Sonenshine Pastor delivered on October 14, 2003, to the effect that, as of such date and based upon and subject to the matters stated in the opinions, the exchange ratio is fair, from a financial point of view, to holders of MSL common stock (other than, in the case of Credit Suisse First Boston's opinion, certain private equity funds affiliated or associated with Credit Suisse First Boston and those holders party to stockholder agreements);

presentations by, and discussions with, senior management of MSL and representatives of MSL's financial and legal advisors regarding the merger and the merger agreement;

the fact that the MSL board could, under certain circumstances, terminate the merger agreement to enter into an agreement with respect to a superior proposal (as defined in the merger agreement);

the opportunity for MSL stockholders to receive stock in an entity with a significantly larger capitalization and greater liquidity than the MSL common stock;

the treatment of the merger as a reorganization for tax purposes; and

the economic effects on the employees, customers, suppliers and other constituents of MSL and its subsidiaries and other communities in which MSL and its subsidiaries operate or are located.

The MSL board also considered the following material factors potentially adverse to the merger:

the possibility that the merger would not be consummated and the effect of the public announcement of the merger on MSL sales and operating results and MSL's ability to attract and retain customers, as well as key management, sales and marketing personnel;

the risk that the potential benefits sought in the merger might not be realized fully or within the timeframe contemplated, if at all, and the potential restructuring costs that may be associated with integrating the combined operations;

the fact that, pursuant to the merger agreement, MSL and its representatives may not participate in discussions or negotiations with any third party who might submit an unsolicited acquisition proposal (as defined in the merger agreement) unless the board of directors (1) determines that the offer specifies a valuation that, if entered into, would be on terms the board determines in good faith would be more favorable to the MSL stockholders than the merger and is reasonably likely to result in a superior proposal (as defined by the merger agreement) and (2) concludes in good faith, after consultation with its outside legal counsel, that such action is required to comply with the board's fiduciary obligations to the MSL stockholders; and

the fact that the termination fee and expense reimbursement required by the terms of the merger agreement to be paid by MSL under certain circumstances would make it more costly for another potential purchaser to acquire MSL.

The MSL board believes that the potential benefits of the merger outweigh the potential negative factors.

The above discussion addresses the material information and factors considered by MSL's board of directors and their consideration of the merger, including factors that support the merger, as well as those that may weigh against it.

In evaluating the merger, the members of the MSL board considered their knowledge of the business, financial condition and prospects of MSL, and the views of its senior management, financial and legal advisors. In view of the variety of factors considered in connection with this evaluation of the merger, the MSL board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determinations and recommendations. In addition, individual members of the MSL board may have given different weights to different factors.

Other than in their capacity as members of the MSL board, no director or executive officer of MSL has made a recommendation either in support of or in opposition to the transaction.

Recommendation of the Merger by the MSL Board of Directors

For the reasons discussed above, the MSL board of directors has approved the merger agreement and recommends that holders of shares of MSL common stock and preferred stock vote "FOR" the adoption of the merger agreement.

In considering the recommendation of the MSL board of directors with respect to the merger agreement, you should be aware that some of the directors and officers of MSL have interests in the merger that may be different from, or are in addition to, the interests of holders of MSL common stock and preferred stock generally. Please see the section entitled " *Interests of MSL's Directors and Executive Officers in the Merger*" beginning on page 52 of this proxy statement/prospectus.

Opinion of MSL's Financial Advisors

Credit Suisse First Boston

Credit Suisse First Boston has acted as MSL's financial advisor in connection with the merger. MSL selected Credit Suisse First Boston based on Credit Suisse First Boston's experience and reputation, and its familiarity with MSL and its business. Credit Suisse First Boston is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

In connection with Credit Suisse First Boston's engagement, MSL requested that Credit Suisse First Boston evaluate the fairness, from a financial point of view, to the holders of MSL common stock of the share exchange ratio provided for in the merger agreement. On October 14, 2003, at a meeting of the MSL board held to evaluate the merger, Credit Suisse First Boston rendered to the MSL board an oral opinion, which opinion was confirmed by delivery of a written opinion dated October 14, 2003, to the effect that, as of that date and based on and subject to the matters described in its opinion, the share exchange ratio was fair, from a financial point of view, to the holders of MSL common stock (other than certain 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).

The full text of Credit Suisse First Boston's written opinion, dated October 14, 2003, to the MSL board which sets forth the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is attached as Annex C and is incorporated by reference into this proxy statement/prospectus. Holders of MSL common stock are encouraged to read this opinion carefully in its entirety. Credit Suisse First Boston's opinion is addressed to the MSL board and relates only to the fairness, from a financial point of view, of the share exchange ratio, does not address any other aspect

of the merger or any related transaction and does not constitute a recommendation to any MSL stockholder as to any matters relating to the merger. The summary of Credit Suisse First Boston's opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion, Credit Suisse First Boston reviewed the merger agreement and related documents, as well as publicly available business and financial information relating to MSL and Celestica. Credit Suisse First Boston also reviewed other information relating to MSL and Celestica, including internal financial forecasts in the case of MSL and publicly available financial forecasts in the case of Celestica, provided to or discussed with Credit Suisse First Boston by MSL and Celestica. Credit Suisse First Boston also met with the managements of MSL and Celestica to discuss the businesses and prospects of MSL and Celestica. Credit Suisse First Boston also considered financial and stock market data of MSL and Celestica, and compared such data with similar data for publicly held companies in businesses that Credit Suisse First Boston deemed similar to MSL and Celestica and considered, to the extent publicly available, the financial terms of other business combinations and transactions which have been announced or effected. Credit Suisse First Boston also considered other information, financial studies, analyses and investigations and financial, economic and market criteria that it deemed relevant.

In connection with its review, Credit Suisse First Boston did not assume any responsibility for independent verification of any of the information that was provided to or otherwise reviewed by it and relied on that information being complete and accurate in all material respects. With respect to the financial forecasts relating to MSL, Credit Suisse First Boston was advised, and assumed, that the forecasts were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of MSL as to the future financial performance of MSL. With respect to the publicly available financial forecasts relating to Celestica referred to above, Credit Suisse First Boston reviewed and discussed such forecasts with Celestica management and has been advised with respect to the forecasts for 2003 generally, and based on such discussions has assumed, with MSL's consent, with respect to all such forecasts that such forecasts represented reasonable estimates as to the future financial performance of Celestica. Credit Suisse First Boston also assumed, with MSL's consent, that the merger would be treated as a tax-free reorganization for federal income tax purposes. Credit Suisse First Boston further assumed, with MSL's consent, that the merger would be consummated in accordance with the terms of the merger agreement, without amendment, modification or waiver of any material term, condition or agreement contained in the merger agreement, and that, in the course of obtaining any necessary regulatory and third party approvals and consents relating to the merger, no modification, condition, restriction, limitation or delay would be imposed that would have an adverse effect on MSL, Celestica or the contemplated benefits of the merger.

Credit Suisse First Boston was not requested to make, and has not made, an independent evaluation or appraisal of the assets or liabilities, contingent or otherwise, of MSL or Celestica, and Credit Suisse First Boston was not furnished with any such evaluations or appraisals. Credit Suisse First Boston's opinion was necessarily based on information available to it as of the date of the opinion, and financial, economic, market

and other conditions as they existed and could be evaluated as of the date of the opinion. Credit Suisse First Boston did not express any opinion as to the actual value of Celestica subordinate voting shares when issued in the merger or the prices at which Celestica subordinate voting shares would trade at any time. In connection with its engagement, Credit Suisse First Boston was not requested to, and it did not, solicit third party indications of interest in acquiring all or a part of MSL. Credit Suisse First Boston's opinion did not address the relative merits of the merger as compared to other business strategies that may be available to MSL, and it did not address the underlying business decision of MSL to engage in the merger. Although Credit Suisse First Boston evaluated the fairness of the share exchange ratio from a financial point of view, Credit Suisse First Boston was not requested to, and it did not, recommend the specific consideration payable in the merger, which consideration was determined between MSL and Celestica. Except as described above,

MSL imposed no other limitations on Credit Suisse First Boston with respect to the investigations made or procedures followed in rendering its opinion.

In preparing its opinion to the MSL board, Credit Suisse First Boston performed a variety of financial and comparative analyses, including those described below. The summary of Credit Suisse First Boston's analyses described below is not a complete description of the analyses underlying Credit Suisse First Boston's opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Credit Suisse First Boston made qualitative judgments as to the significance and relevance of each analysis and factor that it considered. Accordingly, Credit Suisse First Boston believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Credit Suisse First Boston considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of MSL and Celestica. No company, transaction or business used in Credit Suisse First Boston's analyses as a comparison is identical to MSL or Celestica or the merger, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed. The estimates contained in Credit Suisse First Boston's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Credit Suisse First Boston's analyses and estimates are inherently subject to substantial uncertainty.

Credit Suisse First Boston's opinion and financial analyses were only one of many factors considered by the MSL board in its evaluation of the proposed merger and should not be viewed as determinative of the views of the MSL board or management with respect to the merger or the share exchange ratio.

The following is a summary of the material financial analyses underlying Credit Suisse First Boston's opinion dated October 14, 2003 delivered to the MSL board in connection with the merger. **The financial analyses summarized below include information presented in tabular format. In order to fully understand Credit Suisse First Boston's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Credit Suisse First Boston's financial analyses.**

Selected Companies Analysis. Credit Suisse First Boston compared financial, operating and stock market data of MSL to the following eight publicly traded companies in the electronics manufacturing

services industry, referred to as the EMS companies, five of which had revenues of $3 billion or more in fiscal year 2002 and three of which had revenues of less than $3 billion in fiscal year 2002:

EMS Companies with $3 billion or more in Revenue	EMS Companies with less than $3 billion in Revenue
Celestica Inc.	Benchmark Electronics, Inc.
Flextronics International Ltd.	Pemstar Inc.
Jabil Circuit, Inc.	Plexus Corp.
Sanmina-SCI Corporation	
Solectron Corporation	

Credit Suisse First Boston reviewed, among other things, enterprise values, calculated as equity value, plus net debt, as multiples of estimated calendar years 2003 and 2004 revenue and earnings before interest, taxes, depreciation and amortization, commonly referred to as EBITDA. Credit Suisse First Boston also reviewed equity values per share of the selected companies as a multiple of estimated calendar years 2003 and 2004 earnings per share, commonly referred to as EPS. Estimated financial data for the selected companies were based on publicly available research analysts' estimates. All multiples were based on closing stock prices on October 13, 2003. Credit Suisse First Boston then applied ranges of selected multiples derived from publicly available financial data described above for the selected EMS companies to corresponding financial data of MSL based on two scenarios for MSL the Management Base Case and the Adjusted Case. The Management Base Case was based on MSL management's internal estimates for fiscal years 2003 through 2008. The Adjusted Case was based on adjustments by MSL's management to the estimates for fiscal years 2004 through 2008 in the Management Base Case to reflect, among other things, generally flat revenues in fiscal year 2004 and lower growth in revenues and lower profitability in future periods from those estimated in the Management Base Case. Credit Suisse First Boston then derived the following implied exchange ratio reference ranges based on Celestica's closing stock price on October 13, 2003 of $18.10, as compared to the share exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Range		
Management Base Case	Adjusted Case	Share Exchange Ratio in the Merger
0.271x to 0.411x	0.041x to 0.234x	0.375x

Selected Transactions Analysis. Credit Suisse First Boston reviewed the enterprise values of the following 12 selected transactions involving EMS companies:

Acquiror	Target
Flextronics International Ltd.	Microcell Group
Plexus Corp.	MCMS, Inc.
Solectron Corporation	C-MAC Industries Inc.
Sanmina Corporation	SCI Systems, Inc.
Celestica Inc.	Omni Industries Limited
Sanmina Corporation	AB Segerstrom & Svensson
Solectron Corporation	Centennial Technologies, Inc.
Solectron Corporation	NatSteel Electronics Ltd.
Flextronics International Ltd.	JIT Holdings Ltd.
Sanmina Corporation	Hadco Corporation
Flextronics International Ltd.	The Dii Group, Inc.
Solectron Corporation	SMART Modular Technologies, Inc.

Credit Suisse First Boston compared enterprise values in the selected transactions as multiples of latest 12 months revenue and EBITDA. Credit Suisse First Boston also reviewed equity values per share in the selected transactions as a multiple of latest 12 months EPS. All multiples for the selected transactions were based on information available at the time of the relevant transaction. Credit Suisse First Boston then applied a range of selected multiples derived from the selected transactions to the corresponding estimated fiscal year 2003 financial data for MSL. Credit Suisse First Boston then derived the following implied exchange ratio reference range based on Celestica's closing stock price on October 13, 2003 of $18.10, as compared to the share exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Range	Share Exchange Ratio in the Merger
0.242x to 0.411x	0.375x

Premiums Paid Analysis. Credit Suisse First Boston analyzed the premiums paid in stock-for-stock acquisitions since January 1, 2001. The median premiums based on the target's stock price one day and four weeks prior to the merger announcement were applied to MSL's closing stock prices one day prior and four weeks prior to October 14, 2003. Credit Suisse First Boston then derived the following implied exchange ratio reference range based on Celestica's closing stock price on October 13, 2003 of $18.10, as compared to the share exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Range	Share Exchange Ratio in the Merger
0.372x to 0.457x	0.375x

Discounted Cash Flow Analysis. Credit Suisse First Boston calculated the estimated present value of the stand-alone, unlevered, after-tax free cash flows that MSL could generate for fiscal years 2004 through 2008 under the Management Base Case and the Adjusted Case. Credit Suisse First Boston calculated ranges of estimated terminal values for MSL by multiplying the estimated fiscal year 2008 EBITDA of MSL by selected multiples ranging from 6.0x to 8.0x. The estimated after-tax free cash flows and terminal values were then discounted to present value using discount rates of 15% to 19%. Credit Suisse First Boston then derived the following implied exchange ratio reference ranges based on Celestica's closing stock price on October 13, 2003 of $18.10, as compared to the share exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Range		
Management Base Case	Adjusted Case	Share Exchange Ratio in the Merger
0.270x to 0.400x	0.136x to 0.235x	0.375x

Stock Trading Analysis. Credit Suisse First Boston reviewed the high and low closing stock price for MSL over the 52-week period ending on October 13, 2003. Credit Suisse First Boston then derived the following implied exchange ratio range based on Celestica's closing stock price on October 13, 2003 of $18.10, as compared to the share exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Range	Share Exchange Ratio in the Merger
0.174x to 0.334x	0.375x

Other Factors. In the course of preparing its opinion, Credit Suisse First Boston also reviewed and considered other information and data, including:

historical price performance and trading volumes of MSL common stock and Celestica subordinate voting shares during the 12-month period from October 10, 2002 to October 13, 2003;

the relationship between movements in MSL common stock, movements in Celestica subordinate voting shares, movements in the common stock of selected EMS companies and movements in the Standard & Poor's index from December 31, 2002 to October 13, 2003;

selected publicly available research analysts' reports for MSL and Celestica, including EPS, revenue and share price targets of those analysts for MSL and Celestica;

potential cost savings and other synergies anticipated by the management of MSL to result from the merger; and

the potential pro forma effect of the merger on Celestica's estimated EPS for calendar years 2003 and 2004 under both the Management Base Case and the Adjusted Case.

Miscellaneous. MSL has agreed to pay Credit Suisse First Boston customary fees for its financial advisory services in connection with the merger. MSL also has agreed to reimburse Credit Suisse First Boston for its expenses arising out of its engagement, including reasonable fees

and expenses of legal counsel and any other advisor retained by Credit Suisse First Boston, and to indemnify Credit Suisse First Boston and related parties against liabilities, including liabilities under the federal securities laws, arising out of its engagement.

Credit Suisse First Boston and its affiliates in the past have provided, currently are providing and may in the future provide, financial and investment banking services to MSL and Celestica unrelated to the merger, for which services they have received, and expect to receive, compensation. Certain private equity funds affiliated or associated with Credit Suisse First Boston own approximately 47.5% of the outstanding shares of MSL common stock, as well as shares of Series A preferred stock and have entered into a stockholder agreement with Celestica. Please see the section entitled "*The Stockholder Agreement*" beginning on page 84 of the proxy statement/prospectus. In the ordinary course of business, Credit Suisse First Boston and its affiliates may actively trade the securities of MSL and Celestica for their own accounts and for the accounts of customers and, accordingly, may at any time hold long or short positions in those securities.

Sonenshine Pastor

Sonenshine Pastor has acted as MSL's financial advisor in connection with the merger. MSL selected Sonenshine Pastor based on Sonenshine Pastor's experience and reputation, and its familiarity with MSL and its business. Sonenshine Pastor is an investment banking firm that advises companies on mergers, acquisitions, restructurings and other corporate finance transactions. The firm is regularly engaged in the valuation of businesses and securities in connection with these activities.

In connection with Sonenshine Pastor's engagement, MSL requested that Sonenshine Pastor evaluate the fairness, from a financial point of view, to the holders of MSL common stock of the share exchange ratio provided for in the merger. On October 14, 2003, at a meeting of the MSL board held to evaluate the merger, Sonenshine Pastor rendered to the MSL board an oral opinion, which opinion was subsequently confirmed by delivery of a written opinion dated October 14, 2003, to the effect that, as of that date and based on and subject to the matters described in its opinion, the share exchange ratio was fair, from a financial point of view, to the holders of MSL common stock.

The full text of Sonenshine Pastor's written opinion, dated October 14, 2003, to the MSL board, which sets forth the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is attached as Annex D and is incorporated into this document by reference. Holders of MSL common stock are encouraged to read this opinion carefully in its entirety. Sonenshine Pastor's opinion is addressed to the MSL board and relates only to the fairness, from a financial point of view, of the share exchange ratio, does not address any other aspect of the proposed merger or any related transaction and does not constitute a recommendation to any stockholder as to

any matters relating to the merger. The summary of Sonenshine Pastor's opinion in this document is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion, Sonenshine Pastor:

- reviewed the merger agreement and related documents, as well as publicly available business and financial information relating to MSL and Celestica;
- reviewed other information relating to MSL and Celestica, including internal financial forecasts in the case of MSL and publicly available financial information, including certain publicly available forward-looking information in the case of Celestica, provided to or discussed with Sonenshine Pastor by MSL and Celestica;
- conducted discussions with members of the management of each of MSL and Celestica concerning the businesses and prospects of MSL and Celestica on a stand-alone basis and in the context of the merger;
- considered financial and stock market data of MSL and Celestica, and compared those data with similar data for publicly held companies in businesses similar to MSL and Celestica;

considered, to the extent publicly available, the financial terms of other business combinations and transactions which have been announced or effected; and

considered such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sonenshine Pastor deemed relevant.

In connection with its review, Sonenshine Pastor did not assume any responsibility for independent verification of any of the information that was provided to or otherwise reviewed by it and relied on that information being complete and accurate in all material respects. With respect to the financial forecasts relating to MSL, Sonenshine Pastor was advised, and assumed, that the forecasts were reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of MSL as to the future financial performance of MSL. In addition, in the case of information concerning Celestica, Sonenshine Pastor has been asked to rely and has relied solely on certain publicly available information and certain additional information provided orally by MSL or certain representatives of senior management of Celestica, all without independent verification by Sonenshine Pastor or any other party. Sonenshine Pastor also assumed, with MSL's consent, that the merger would be treated as a tax-free reorganization for federal income tax purposes, that the merger would be consummated in accordance with the terms of the merger agreement, without amendment, modification or waiver of any material term, condition or agreement contained in the merger agreement, and that, in the course of obtaining any necessary regulatory and third party approvals and consents relating to the merger, no modification, condition, restriction, limitation or delay would be imposed that would have an adverse effect on MSL, Celestica or the contemplated benefits of the merger.

Sonenshine Pastor was not requested to make, and has not made, an independent evaluation or appraisal of the assets or liabilities, contingent or otherwise, of MSL or Celestica, and Sonenshine Pastor was not furnished with any such evaluations or appraisals. Sonenshine Pastor's opinion was necessarily based on information available to it as of the date of the opinion, and financial, economic, market and other conditions as they existed and could be evaluated as of the date of the opinion. Sonenshine Pastor did not express any opinion as to the actual value of Celestica subordinate voting shares when issued in the merger or the prices at which Celestica subordinate voting shares would trade at any time. In connection with its engagement, Sonenshine Pastor was not requested to, and it did not, solicit third party indications of interest in acquiring all or a part of MSL. Sonenshine Pastor's opinion did not address the relative merits of the merger as compared to other business strategies that may be available to MSL, and it did not address the underlying business decision of MSL to engage in the merger. Although Sonenshine Pastor evaluated the share exchange ratio from a financial point of

view, Sonenshine Pastor was not requested to, and it did not, recommend the specific consideration payable in the merger, which consideration was determined between MSL and Celestica. Except as described above, MSL imposed no other limitations on Sonenshine Pastor with respect to the investigations made or procedures followed in rendering its opinion.

In preparing its opinion to the MSL board, Sonenshine Pastor performed a variety of financial and comparative analyses, including those described below. The summary of Sonenshine Pastor's analyses described below is not a complete description of the analyses underlying Sonenshine Pastor's opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Sonenshine Pastor made qualitative judgments as to the significance and relevance of each analysis and factor that it considered. Accordingly, Sonenshine Pastor believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Sonenshine Pastor considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of MSL and Celestica. No company, transaction or business used in Sonenshine Pastor's analyses as a comparison is identical to MSL or Celestica or the merger, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed. The estimates contained in Sonenshine Pastor's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Sonenshine Pastor's analyses and estimates are inherently subject to substantial uncertainty.

Sonenshine Pastor's opinion and financial analyses were only one of many factors considered by the MSL board in its evaluation of the merger and should not be viewed as determinative of the views of the MSL board or management with respect to the merger or the share

exchange ratio.

The following is a summary of the material financial analyses underlying Sonenshine Pastor's opinion dated October 14, 2003 delivered to the MSL board connection with the merger. **The financial analyses summarized below include information presented in tabular format. In order to fully understand Sonenshine Pastor's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Sonenshine Pastor's financial analyses.**

Selected Companies Analysis. Sonenshine Pastor compared financial, operating and stock market data of MSL to the following twelve publicly traded companies in the electronics manufacturing services industry, referred to as the EMS companies, five of which had revenues of $3 billion or more

in fiscal year 2002, two of which had revenues $700 million $3 billion in fiscal year 2002, and five of which had revenues below $700 million in fiscal year 2002:

EMS Companies with $3 billion or more in Revenue	EMS Companies with $700 million-$3 billion in Revenue	EMS Companies with Below $700 million in Revenue
Celestica Inc.	Benchmark Electronics	IEC Electronics
Flextronics International Ltd.	Plexus Corp.	Merix
Jabil Circuit, Inc.		Pemstar
Sanmina-SCI Corporation		SMTC
Solectron Corporation		TTM Technologies

Sonenshine Pastor reviewed, among other things, enterprise values, calculated as equity value, plus net debt, as a multiple of revenues, earnings before interest and taxes, also referred to as EBIT, and earnings before interest, taxes, depreciation and amortization, also referred to as EBITDA, all on an actual latest twelve month basis, as well as enterprise values as a multiple of estimated calendar year 2003 revenues. Sonenshine Pastor also reviewed equity values per share of the selected EMS companies as a multiple of estimated calendar years 2003 and 2004 earnings per share, commonly referred to as EPS, as well as book equity per share. Estimated financial data for the selected EMS companies were based on publicly available research analysts' estimates. All multiples were based on closing stock prices on October 13, 2003. Sonenshine Pastor then applied ranges of selected multiples derived from publicly available financial data described above for the selected companies to corresponding financial data of MSL based on MSL's Management Base Case. Management Base Case was based on MSL management's internal estimates for fiscal years 2003 through 2008. Sonenshine Pastor then derived the following implied consideration reference ranges, as compared to the implicit consideration provided for in the merger. "Floor" represents the implicit value assuming that Celestica's closing stock price upon closing of the merger is $16.00 or below, "Current" represents the implicit value based on Celestica's closing stock price as of October 13, 2003, and "Ceiling" represents the implicit value assuming that Celestica's closing stock price upon closing of the merger is $19.33 or above.

Implied Consideration		Merger Consideration		
Reference Range		Floor	Current	Ceiling
$4.87	$7.77	$ 6.00	$ 6.79	$ 7.25

Selected Transactions Analysis. Sonenshine Pastor reviewed the enterprise values of the following six selected transactions involving EMS companies:

Acquiror	Target
Solectron Corporation	C-MAC Industries Inc.
Sanmina Corporation	SCI Systems, Inc.
Celestica Inc.	Omni Industries Limited
Celestica Inc.	Primetech Electronics Inc.
Solectron Corporation	Centennial Technologies, Inc.

Acquiror	Target
Avnet, Inc.	Savoir Technology Group Inc

Sonenshine Pastor compared enterprise values in the selected transactions as multiples of latest 12 months earnings before interest and taxes, where available. All multiples for the selected transactions were based on information available at the time of the relevant transaction. Sonenshine Pastor then applied a range of selected multiples derived from the selected transactions to the corresponding estimated fiscal year 2003 financial data for MSL. Sonenshine Pastor then derived the

following implied consideration reference range, as compared to the consideration provided for in the merger:

Implied Consideration		Merger Consideration		
Reference Range		Floor	Current	Ceiling
NM	$3.16	$ 6.00	$ 6.79	$ 7.25

Premiums Paid Analysis. Sonenshine Pastor analyzed the premiums paid in the same transactions shown above as well as in the following additional transactions involving EMS companies:

Acquiror	Target
Andrew Corp	Allen Telecom Inc
Teradyne Inc.	GenRad, Inc.
Sanmina Corporation	Segerstrom & Svensson AB
Flextronics International Ltd.	Li Xin Industries Ltd.

Sonenshine Pastor also reviewed selected recent transactions in the range of $250 million $500 million of total enterprise value across all industries and recent low-premium transactions across all industries. The selected premium ranges derived from the transactions reviewed were applied to MSL's closing stock price one day prior to October 14, 2003 and to MSL's average closing stock price for the thirty days prior to October 14, 2003. Sonenshine Pastor then derived the following implied consideration reference range, as compared to the price provided for in the merger:

Implied Consideration		Merger Consideration		
Reference Range		Floor	Current	Ceiling
$5.38	$7.29	$ 6.00	$ 6.79	$ 7.25

Discounted Cash Flow Analysis. Sonenshine Pastor calculated the estimated present value of the stand- alone, unlevered, after-tax free cash flows that MSL could generate for fiscal years 2004 through 2008 based on three scenarios for MSL: Management Base Case, Adjusted Case and Adjusted Case 2. Management Base Case was based on MSL management's internal estimates for fiscal years 2003 through 2008. Adjusted Case was based on adjustments by MSL's management to the estimates for fiscal years 2004 through 2008 in Management Base Case to reflect, among other things, generally flat revenue in 2004 and lower growth in revenues and lower profitability in future periods from those estimated in Management Base Case. Adjusted Case 2 was also based on further adjustments by MSL's management to the estimates for fiscal years 2004 through 2008 in Management Base Case to reflect, among other things, the potential for future decreases in revenue and profitability associated with the loss of certain large, global customers due to a preference for the services of larger electronic manufacturing services companies, generally with greater than $3 billion of annual revenues, combined with a significant and prolonged downturn in industry spending. Adjusted Case 2 takes into consideration attributes of larger electronic manufacturing services companies such as more complete global networks of manufacturing facilities (including an established presence in low-cost manufacturing locales, particularly China) and a more robust suite of manufacturing service offerings, including advanced design services, as compared to smaller companies in the industry. Sonenshine Pastor calculated ranges of estimated terminal values for MSL by multiplying the estimated fiscal year 2008 EBITDA of MSL by selected multiples ranging from 6.0x to 8.0x. The estimated after-tax free cash flows and terminal values were then discounted to present value using discount rates of 12% to 16%.

Sonenshine Pastor then derived the following implied consideration reference ranges, as compared to the consideration provided for in the merger:

Implied Consideration Reference Range						Merger Consideration		
Management Base Case		Adjusted Case		Adjusted Case 2		Floor	Current	Ceiling
$5.67	$8.07	$2.96	$5.02	$0.92	$1.78	$ 6.00	$ 6.79	$ 7.25

Stock Trading Analysis. Sonenshine Pastor reviewed the high and low closing stock price for MSL over the 52-week period ending on October 13, 2003. Sonenshine Pastor then derived the following implied consideration reference range, as compared to the implied consideration provided for in the merger:

Implied Consideration		Merger Consideration		
Reference Range		Floor	Current	Ceiling
$3.00	$6.20	$ 6.00	$ 6.79	$ 7.25

Other Factors. In the course of preparing its opinion, Sonenshine Pastor also reviewed and considered other information and data, consisting of:

- the relative historical stock prices, expressed as a percentage, and trading volumes, of MSL common stock and Celestica subordinate voting shares since MSL's initial public offering on June 23, 2000, and for various periods of time since then. Sonenshine Pastor then compared these exchange ratios to the share exchange ratio in the merger of 0.375, subject to adjustments pursuant to the merger agreement;

- the relationship between movements in MSL common stock, movements in Celestica subordinate voting shares, movements in the common stock of selected EMS companies and movements in the Standard & Poor index from June 23, 2000 to October 13, 2003;

- selected publicly available research analysts' reports for MSL and Celestica, including EPS, revenue and share price targets of those analysts for MSL and Celestica;

- recent general mergers and acquisitions transactions between $250 million and $500 million of enterprise value and recent trends concerning premiums paid in certain merger and acquisition transactions; and

- potential cost savings and other synergies anticipated by the management of MSL to result from the merger, and the potential effects of such synergies, to the extent realized, on the future value of the pro forma combined business.

Miscellaneous. MSL has agreed to pay Sonenshine Pastor customary fees for its financial advisory services in connection with the merger, a portion of which was payable upon the delivery of its opinion and a portion of which will be payable upon the consummation of the merger. MSL also has agreed to reimburse Sonenshine Pastor for its expenses, including reasonable fees and expenses of legal counsel and any other advisor retained by Sonenshine Pastor, and to indemnify Sonenshine Pastor and related parties against liabilities, including liabilities under the federal securities laws, arising out of its engagement.

Celestica's Reasons for the Merger

Customer and end-market diversification are important components of Celestica's growth strategy. The acquisition of MSL will provide Celestica with additional access to a broad customer base in diversified end markets, including industrial and avionics. The acquisition also supports Celestica's strategy to continue to expand and deepen its suite of integrated services and solutions. Celestica

believes that MSL's strengths in order fulfillment, build-to-order assembly and high-speed automated manufacturing will complement Celestica's existing offerings.

Interests of MSL's Directors and Executive Officers in the Merger

In considering the recommendation of MSL's board of directors that you, as an MSL stockholder, adopt the merger agreement, you should be aware that some of MSL's executive officers and directors have interests in the transaction that may be different from, or in addition to, your interests as an MSL stockholder. The MSL board of directors was aware of these interests and took these interests into account in approving the merger agreement and the merger. These interests are summarized below.

Change of Control Agreements

MSL has an employment contract with Robert C. Bradshaw, MSL's chief executive officer and president. The contract provides that in the event of termination, other than for Cause, after a change of control, Mr. Bradshaw will be entitled to:

his base salary and his target annual bonus in monthly increments until January 7, 2005;

acceleration of any stock options to purchase shares in MSL which will become exercisable for up to four years after the event of termination;

continue to participate, during the period commencing on the Termination Date and ending on the earlier of January 7, 2005 and the date Mr. Bradshaw becomes eligible for comparable benefits from a subsequent employer, in MSL's or the successor to its business' plans, programs or arrangements for its senior executives and their family members in the same manner as provided before the Termination Date; and

be paid any accrued but unpaid benefits in accordance with MSL's or the successor to its business' plans programs or arrangements in effect for its senior executives on the Termination Date.

Additionally, under the employment contract, Mr. Bradshaw has agreed that, until January 7, 2005 or such longer period as Mr. Bradshaw is employed by MSL, he will not (1) own, manage, control or otherwise participate in any business competing with the business of MSL or (2) induce any employee of MSL to leave the employ of MSL or any of its subsidiaries.

The employment contract generally defines the terms used as follows:

Cause means that the executive:

(i) is convicted of or pleads guilty or *nolo contendere* to a felony or to a crime which has a materially detrimental effect to the property of MSL or the successor to its business,

(ii) commits any act involving dishonesty, fraud or disloyalty, or breach of his fiduciary duty to MSL or the successor to its business which is materially detrimental to MSL or the successor to its business,

(iii) continually fails in any material respect or refuses to perform his duties as directed by the board or continually does not direct his attention and give his best effort to the affairs of MSL or the successor to its business,

(iv)

engages in gross negligence or willful misconduct with respect to his duties, or

(v) engages in any breach of the employment contract.

Termination Date means the date the executive's employment is terminated.

MSL also has entered into change of control severance agreements with John Boucher, Gerald Campenella, Alan R. Cormier, Richard Gaynor, Sean Lannan, Bruce Leasure, Albert A. Notini,

Santosh Rao and Dewayne Rideout, who are executives of MSL. The merger constitutes a change of control for purposes of these agreements.

These change in control agreements provide for the following in the event of a change of control:

If the executive fails to perform his duties to the company as a result of incapacity due to physical or mental illness, MSL or the successor to its business shall pay the executive's base salary plus all compensation and benefits payable under the terms of any compensation or benefit plan, program or arrangement until the executive is terminated for disability.

In addition, if the executive is terminated for any reason, he will be entitled to:

his base salary and all compensation and benefits payable to him through the Date of Termination under the terms of MSL's or the successor to its business' compensation and benefits plans as in effect immediately prior to the Date of Termination, and

his normal post-termination compensation and benefits as they become due.

In addition, if an executive's employment is terminated within 36 months of a change in control of MSL (1) other than for Cause, (2) by reason of death or Disability or (3) by the executive for Good Reason, MSL or the successor to its business will provide the following to the executive:

a lump sum in cash equal to 2.5 times the sum of (a) the executive's base salary, and (b) the target annual bonus available to the executive pursuant to any annual bonus or incentive plan of the company during the fiscal year in which the Date of Termination occurs;

a pro-rated portion of the executive's bonus compensation for the fiscal year in which the Date of Termination occurs calculated by multiplying (a) the maximum amount of such bonus by (b) a fraction with the numerator being the number of days in the fiscal year through termination and the denominator being 365;

a lump sum amount in cash equal to the sum of (a) any unpaid incentive compensation awarded or allocated to the executive for a completed fiscal year preceding the Date of Termination which is contingent on the continued employment of the executive until a particular date, and (b) a pro rata portion to the Date of Termination of the aggregate value of all contingent incentive compensation awards to the executive for all uncompleted periods under the plan calculated as to each award by multiplying the (i) award amount to be received on the last day of such period (assuming achievement of the performance goals established for such award) by (ii) a fraction in which the numerator is the number of full months and any fractional month during the performance award period until the Date of Termination and the denominator is the number of months contained in such period;

for 18 months following the Date of Termination, MSL or the successor to its business shall arrange for the executive and his dependents to receive life, disability and accident health insurance benefits substantially similar to the benefits received prior to the Date of Termination; and

if any payment received by the executive is subject to excise tax, the executive shall receive any amount such that the net amount retained by the executive, after deduction of such excise tax amount and any tax on this additional receipt, shall be equal to the payments received or to be received in connection with the change in control.

In addition, MSL or the successor to its business will be liable for all legal fees and expenses incurred by the executive in disputing in good faith any issues relating to the termination of his employment, in seeking in good faith to obtain or enforce any benefit or right provided for in the change in control agreement or in connection with any tax audit to the extent attributable to the application of section 4999 of the Code to any payment or benefit provided under the change in control agreement.

The change in control agreements generally define the terms used as follows:

Cause means:

willful and continued failure of the executive to substantially perform his duties with the company not cured within 30 days of written demand for substantial performance, or

willful engagement in conduct resulting in demonstrable and material monetary harm to the MSL or the successor to its business.

Date of Termination means:

if the employment is terminated for Disability, 30 days after Notice of Termination is given if the executive has not returned to his full-time duties during those thirty days, and

if the employment is terminated for any other reason, the date specified in the Notice of Termination.

Good Reason means:

assignment of duties inconsistent with the executive's position or diminution or alteration of such position;

reduction of or failure to pay the executive's base salary or reduction in the executive's total cash and stock compensation opportunity to less than 100% of the opportunity made available the previous year;

relocation of the executive's principal place of employment by more than 40 miles;

failure by MSL or the successor to its business to pay the executive any compensation within seven days of the date such compensation is due;

failure of MSL or the successor to its business to continue any material compensation plans, unless an equitable arrangement has been made on terms no less favorable than the existing plan in which the executive participates;

failure by MSL or the successor to its business, directly or indirectly, to continue benefits substantially similar to those enjoyed by the executive prior to any change in control;

any purported termination of the executive's employment which is not effected pursuant to the terms of the applicable agreement.

Disability means an executive's absence from full-time performance of his duties with MSL or the successor to its business for a period of six consecutive months, plus 30 days after a Notice of Termination has been sent as a result of the executive's incapacity due to physical or mental illness.

Notice of Termination means a notice indicating the specific termination provision of the change of control agreement relied on and setting forth the facts and circumstances claimed to provide a basis for termination under such provision.

Messrs. Boucher, Campenella, Cormier, Gaynor, Lannan, Leasure, Rao and Rideout is each also party to a non-competition, invention and non-disclosure agreement with MSL. Under these agreements, each executive agrees generally that:

all inventions, developments and other discoveries devised or made by him during his employment with MSL are the exclusive property of MSL;

during his employment with MSL and thereafter he will not disclose or otherwise publish, other than in the ordinary course of MSL business, any proprietary or confidential information of MSL; and

for one year following the termination of his employment with MSL, he will not

(1) engage or have any financial interest in any business that competes with MSL,

(2) induce employees of MSL to join in any business that competes with MSL or

(3) solicit any customers or suppliers of MSL in competition with MSL.

Non-Employee Directors' Stock Options

In the event that a non-employee director's membership on the MSL board terminates, any stock options previously granted by MSL and held by such director will vest in full and be immediately exercisable. None of the current directors of MSL is expected to remain a director of MSL following the merger and, accordingly, all stock options held by the non-employee directors will vest and become immediately exercisable, and will remain exercisable for one year. As of the record date, the non-employee directors of MSL held, in the aggregate, stock options to purchase a total of 224,200 shares of MSL common stock at a weighted average price of $5.74 per share.

Effect of the Merger on MSL Stock Options

When the merger is completed, Celestica will assume outstanding stock options to purchase shares of MSL common stock, except for stock options outstanding under MSL's employee stock purchase plan, and will convert these stock options into stock options to purchase Celestica subordinate voting shares. Each assumed stock option will have the same terms and conditions they have just prior to their assumption, adjusted as necessary to reflect the substitution of Celestica shares for MSL common stock, except that substantially all options granted prior to the date of the merger agreement will vest as a result of the merger. Prior to the effective time of the merger, the MSL employee stock purchase plan will

be terminated. Any offering period then underway under the MSL employee stock purchase plan will be shortened by setting a new exercise date that is prior to the effective time of the merger, and each participant's option to purchase MSL common stock under the employee stock purchase plan will be exercised automatically on the new exercise date. For more information, please see the sections entitled "*The Merger Agreement Treatment of MSL Stock Options and Warrants*" beginning on page 75 of this proxy statement/prospectus and "*The Merger Agreement Treatment of Rights under the MSL Employee Stock Purchase Plan*" beginning on page 76 of this proxy statement/prospectus.

With respect to grants to each non-employee director under MSL's director compensation programs, stock options will become exercisable and vested when the non-employee director ceases to be a member of MSL's board of directors. None of the current directors of MSL is expected to remain a director of MSL following the merger. Accordingly, all stock options owned by the non-employee directors are expected to vest and be immediately exercisable upon completion of the merger, and remain exercisable for one year. For more information, please see the section entitled " *Interests of MSL Directors and Executive Officers in the Merger Non-Employee Directors' Stock Options*", above.

Celestica intends to file a registration statement on Form S-8 with the Securities and Exchange Commission as soon as practicable following the completion of the merger, but not later than five

business days following the completion of the merger, in connection with the subordinate voting shares issuable on the exercise of the assumed MSL stock options.

Celestica Discussions Concerning Employment

In connection with the merger, Celestica is in discussions with several of MSL's executive officers concerning their employment opportunities with Celestica after the merger. Although no definitive arrangements have been reached with any officer, Celestica expects that anyone who joins Celestica will join within Celestica's current compensation structure.

Indemnification; Directors' and Officers' Insurance

For the period from the effective time of the merger through the sixth anniversary of the effective time, Celestica and the company surviving the merger will indemnify and hold harmless each person who is now, has been at any time, or becomes prior to the effective time of the merger, a director or officer of MSL or any of its subsidiaries against all claims, losses, liabilities, damages, judgments, fines and reasonable fees, costs and expenses, including attorneys' fees and disbursements incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to the fact that such person is or was an officer or director of MSL or any of its subsidiaries, whether asserted or claimed prior to, at or after the effective time of the merger. Each of these persons is also entitled to advancement of any expenses incurred in defense of any such claim, action, suit, proceeding or investigation. In addition, Celestica has agreed to cause the certificate of incorporation and by-laws of the company surviving the merger to contain provisions no less favorable than those contained in the current charter documents of MSL with respect to indemnification, advancement of expenses and exculpation of present and former directors and officers of MSL and its subsidiaries. The certificate of incorporation and by-laws of MSL generally provide its current and former directors and officers indemnification to the fullest extent permitted by applicable law.

For a period of six years after the effective time of the merger, Celestica also will cause the company surviving the merger to use all reasonable efforts to maintain directors' and officers' liability insurance covering those directors and officers of MSL who are currently covered by MSL's directors' and officers' liability insurance on terms comparable to those applicable to the current directors and officers with respect to matters existing or occurring at or prior to the effective time of the merger. However, the company surviving the merger will not be required to pay, in total, an annual premium for the insurance described in this paragraph in excess of 200% of the current annual premium paid by MSL for its existing insurance coverage. If the annual premiums of such insurance coverage exceed that amount, or if such insurance coverage expires, is terminated or cancelled within such six-year period, the company surviving the merger will use all reasonable efforts to cause to be maintained the maximum amount of coverage as is available for 200% of MSL's current annual premium.

As a result of the interests described above, certain executive officers and directors of MSL could be viewed as being more likely to vote "FOR", and recommend a vote "FOR", the adoption of the merger agreement, than MSL's stockholders generally or than they would if they did not hold these interests.

Stockholder Agreements

In connection with the merger agreement, Celestica has entered into stockholder agreements with each of John Boucher, Robert C. Bradshaw, Gerald Campenella, Alan R. Cormier, Richard Gaynor, Sean Lannan, Bruce Leasure, Albert A. Notini, Santosh Rao and Dewayne

Rideout, and certain institutional stockholders. Each of the named individuals is an executive officer of MSL and Mr. Bradshaw and Mr. Notini are also directors. For a discussion of these stockholder agreements,

please see the section entitled "*The Stockholder Agreements*" beginning on page 84 of this proxy statement/prospectus.

Material United States Federal Income Tax Consequences

The following is a summary of the material U.S. federal income tax consequences of the merger to U.S. Holders (as defined below) and the material U.S. federal income tax considerations applicable to the ownership of Celestica subordinate voting shares by U.S. Holders following the merger. For purposes of this discussion, the term "U.S. Holder" means a beneficial owner of MSL common stock, MSL preferred stock or Celestica subordinate voting shares that is:

- an individual who is a citizen or resident of the United States;
- a corporation, other entity taxable as a corporation, partnership or limited liability company, created or organized under the laws of the United States or any state or political subdivision thereof;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (i) is subject to the primary supervision of a U.S. court and which has one or more U.S. fiduciaries who have the authority to control all substantial decisions of the trust, or (ii) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

This summary is based on the Internal Revenue Code of 1986, as amended, or the Code, and final, proposed and temporary U.S. Treasury Regulations, and administrative and judicial interpretations thereof (all as of the date of this proxy statement/prospectus). Legislative, administrative or judicial changes or interpretations may be forthcoming that could alter or modify the statements and conclusions set forth in this proxy statement/prospectus. Any such changes or interpretations may or may not be retroactive and could affect the tax consequences discussed below. We cannot assure you that the U.S. Internal Revenue Service, or the IRS, will not take a contrary view to such statements and conclusions, and no ruling from the IRS has been, or will be, sought on the issues discussed in this proxy statement/prospectus.

This summary is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described in this proxy statement/prospectus will have on, special classes of taxpayers, some which may be subject to special tax rules, such as S corporations, mutual funds, insurance companies, banks and other financial institutions, small business investment companies, foreign companies, nonresident alien individuals and other taxpayers that are not U.S. Holders, regulated investment companies, real estate investment trusts, dealers in securities or currencies, broker-dealers and tax-exempt organizations, persons who are owners of an interest in a partnership or other pass-through entity that is a holder of shares, persons who are subject to the alternative minimum tax, persons who acquired their MSL stock pursuant to the exercise of employee stock options or otherwise as compensation, persons who hold, directly, constructively or by attribution, 5% or more of either the total voting power or total value of the capital stock of Celestica immediately after the merger, or 10% or more of the total voting power of the capital stock of Celestica at any time, persons that hold MSL common stock, MSL preferred stock or Celestica subordinate voting shares as part of a position in a "straddle," or as part of a "hedging," "conversion" or other integrated investment transaction for U.S. federal income tax purposes, or persons whose functional currency is not the U.S. dollar.

The summary below assumes that stockholders hold their shares of MSL common stock, MSL preferred stock or Celestica subordinate voting shares as capital assets within the meaning of

section 1221 of the Code, and that MSL does not have current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Currently, MSL does not have current or accumulated earnings and profits and it does not anticipate that it will have any prior to the closing of the merger. Furthermore, the summary below does not discuss non-U.S. tax consequences or state, local, estate, gift or other tax

consequences. Finally, Celestica believes that it is not a "passive foreign investment company" within the meaning of section 1297(a) of the Code and the summary below so assumes.

Each MSL stockholder is advised to consult his or her own tax advisor as to the U.S. federal income tax consequences to him, her or it of the merger and the ownership and disposition of Celestica subordinate voting shares, in each case in light of the facts and circumstances that may be unique to him, her or it, and as to any U.S. estate, gift, state, local and non-U.S. tax consequences of the merger.

Tax Opinions

MSL has received an opinion of Hale and Dorr LLP and Celestica has received an opinion of Kaye Scholer LLP to the effect that (a) the merger will constitute a reorganization within the meaning of section 368(a) of the Code, which we refer to in this proxy statement/prospectus as a "reorganization" and (b) the discussion in this section entitled "Material United States Federal Income Tax Consequences," insofar as it describes the U.S. federal income tax consequences of the merger to U.S. Holders and the U.S. federal income tax considerations applicable to the ownership of Celestica subordinate voting shares by U.S. Holders following the merger, is accurate in all material respects.

It is a condition to the obligations of MSL and Celestica to consummate the merger that each of MSL and Celestica shall have received opinions, dated the closing date, from Hale and Dorr LLP and Kaye Scholer LLP, respectively, to the effect that for U.S. federal income tax purposes the merger will constitute a reorganization.

The opinions of Hale and Dorr LLP and Kaye Scholer LLP will be based on facts existing on the date of this proxy statement/prospectus and at the closing date, will assume the absence of changes in existing facts and will rely on representations and covenants made by MSL, Celestica and Merger Sub. These opinions of counsel are not binding on the IRS.

Material Federal Income Tax Consequences of the Merger to MSL, Celestica, Holders of MSL Common Stock and Holders of MSL Preferred Stock

Subject to the limitations and qualifications referred to in this section, and as a result of the merger qualifying as a reorganization, the following U.S. federal income tax consequences will result:

MSL and Celestica. MSL and Celestica will not have taxable gain or loss as a result of the merger.

Holders who receive solely Celestica subordinate voting shares. Holders of MSL common stock and/or MSL preferred stock who exchange their MSL common stock and MSL preferred stock solely for Celestica subordinate voting shares will not have taxable gain or loss as a result of the merger (except with respect to any cash received in lieu of fractional shares, as described below). The aggregate tax basis of the Celestica subordinate voting shares received by any such holder will be equal to the aggregate tax basis of the MSL common stock and MSL preferred stock surrendered (excluding any portion of the holder's tax basis allocated to fractional shares) and the holding period of the Celestica subordinate voting shares will include the holding period of the MSL common stock and MSL preferred stock surrendered.

Holders of MSL preferred stock who do not own any shares of MSL common stock and who elect to receive solely cash. Holders of MSL preferred stock who do not own any shares of MSL common stock

and who elect to receive solely cash in exchange for their shares of MSL preferred stock will have taxable gain or loss equal to the difference between the amount of cash received and their tax basis in the shares of MSL preferred stock surrendered. Any such gain or loss generally will constitute capital gain or loss, and will be long-term capital gain or loss with respect to MSL shares held for more than one year at the effective time of the merger. The deductibility of capital losses is subject to limitations.

Holders of MSL preferred stock who receive a combination of cash and Celestica subordinate voting shares. Holders of MSL preferred stock may receive a combination of cash (excluding, for purposes of this discussion, cash received in lieu of fractional shares, as described below) and Celestica subordinate voting shares by reason of electing to receive Celestica subordinate voting shares for only a portion of their MSL preferred stock, or by reason of owning both MSL common stock and MSL preferred stock. Generally, such holders will have a gain or loss for each block of MSL preferred stock surrendered for which some cash is received measured by the difference between (a) the sum of the amount of cash and the fair market value of Celestica subordinate voting shares received that is allocable to such block of MSL preferred stock and (b) the tax basis of such block. Any such gain will be taxable to the extent of the amount of cash received that is allocable to such block, and no loss will be recognized.

In some circumstances, a portion of such taxable gain may be treated as a dividend. It is unclear under present law whether only the accumulated earnings and profits of MSL are considered for purposes of treating taxable gain as a dividend, or whether the accumulated earnings and profits of Celestica are taken into account. MSL does not have accumulated earnings and profits, but Celestica may. Even if the accumulated earnings and profits of Celestica are considered for purposes of treating taxable gain as a dividend, such dividend treatment would only be applicable if, with respect to a holder, the receipt of cash in connection with the merger has the effect of the distribution of a dividend. For purposes of this determination, a holder would be treated as if the holder had exchanged all of such holder's MSL preferred stock solely for Celestica subordinate voting shares and then Celestica immediately redeemed a portion of such shares in exchange for the cash actually received by the holder in connection with the merger. Whether the cash received in this deemed redemption is treated as a dividend will depend upon the portion of Celestica capital stock owned by the holder (and deemed purchased) and, possibly, the extent to which such redemption has resulted in a decrease in the holder's interest in Celestica, determined after taking into account certain attribution of ownership rules.

It is unlikely in the case of virtually all MSL stockholders that dividend treatment will result because the amount of Celestica stock deemed acquired and redeemed with respect to each holder will constitute a small percentage of the total outstanding stock of Celestica. Therefore, any such taxable gain generally will constitute capital gain, and will be long-term capital gain with respect to MSL shares held for more than one year at the effective time of the merger.

The tax basis of the Celestica subordinate voting shares received in exchange for a block of MSL stock will be equal to the tax basis of such surrendered block of MSL stock, decreased by the amount of cash received in respect of such block and increased by the amount of gain recognized in respect of such block. The holding period of the Celestica subordinate voting shares will include the holding period of such block of MSL stock surrendered.

Cash received in lieu of a fractional share. A holder of MSL stock who receives cash in lieu of a fractional Celestica subordinate voting share will be treated as having received such fractional share pursuant to the merger and then as having exchanged such fractional share for cash in a redemption by Celestica. Any gain or loss attributable to a fractional share generally will be capital gain or loss. The amount of such gain or loss will be equal to the difference between the ratable portion of the tax basis of the MSL stock surrendered in the merger that is allocated to such fractional share and the cash received in lieu thereof.

Record Retention and Backup Withholding

Each holder of MSL stock that receives Celestica subordinate voting shares in the merger will be required to retain records and file with such holder's U.S. federal income tax return a statement setting forth certain facts relating to the merger.

Unless a holder of MSL stock complies with certain reporting and/or certification procedures, or is an exempt recipient under applicable provisions of the Code and U.S. Treasury Regulations promulgated thereunder, such holder may be subject to a 28% backup withholding tax with respect to any cash payments received pursuant to the merger. Holders of MSL stock should consult their brokers to ensure compliance with such procedures.

TO PREVENT BACKUP WITHHOLDING WITH RESPECT TO CASH PAYMENTS TO CERTAIN HOLDERS IN CONNECTION WITH THE MERGER, EACH HOLDER OF MSL STOCK MUST PROVIDE SUCH HOLDER'S CORRECT TAXPAYER IDENTIFICATION NUMBER AND CERTIFY THAT SUCH HOLDER IS NOT SUBJECT TO BACKUP WITHHOLDING BY COMPLETING THE SUBSTITUTE W-9 IN THE ELECTION FORM. IF BACKUP WITHHOLDING APPLIES WITH RESPECT TO A HOLDER, WITHHOLDING WILL BE REQUIRED IN AN AMOUNT EQUAL TO 28% OF ANY PAYMENTS THAT OTHERWISE WOULD BE MADE TO SUCH HOLDER.

Material Federal Income Tax Consequences of Holding Celestica Subordinate Voting Shares

Distributions. A holder of Celestica subordinate voting shares will be required to include in gross income as dividend income the amount of any distributions (including constructive distributions) paid on the Celestica subordinate voting shares (including any foreign taxes withheld from the amount received) on the date such distribution is includable in the income of a holder to the extent such distributions are paid out of Celestica's current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Subject to the discussion below under " Recent United States Tax Law Changes," dividend income is generally taxed as ordinary income. Distributions in excess of Celestica's current and accumulated earnings and profits will be applied against, and will reduce, the holder's tax basis in the Celestica subordinate voting shares and, to the extent in excess of such tax basis, will be treated as gain from the sale or exchange of the Celestica subordinate voting shares. Dividends paid on the Celestica subordinate voting shares generally will not qualify for the dividends-received deduction available to corporations. Dividends paid in foreign currency will be included in the income of a holder in a U.S. dollar amount calculated by reference to the

exchange rate on the date the dividends are includable in the income of the holder. If the Canadian dollars received as a dividend are not converted in U.S. dollars on the date the dividends are includable in the income of such holder, any foreign currency gain or loss realized on a subsequent conversion or other disposition will be treated as ordinary income or loss.

Generally, a holder will have the option of claiming the amount of Canadian tax withheld at source on the distribution of dividends on the Celestica subordinate voting shares as either a deduction from adjusted gross income or as a dollar-for-dollar credit against the holder's U.S. federal income tax liability. If the holder elects to claim a credit for such Canadian taxes, the election will be binding for all foreign taxes paid or accrued by the holder for such taxable year. Individuals who claim the standard deduction rather than itemized deductions may not claim a deduction for foreign taxes withheld, but may claim such amount as a credit against the individual's U.S. federal income tax liability. The U.S. foreign tax credit in any taxable year may not offset more than 90% of a holder's liability for U.S. individual or corporate alternative minimum tax.

Dividends paid by Celestica generally will be treated as foreign source income and likely will constitute "passive" or "financial services" income for foreign tax credit purposes. The amount of

foreign income taxes for which a holder may claim a credit in any year is subject to complex limitations and restrictions that must be determined on an individual basis by each holder. Holders should consult with their own tax advisors with regard to the availability of a U.S. foreign tax credit and the application of the U.S. foreign tax credit limitations to their particular situations.

Recent United States Tax Law Changes. Recent U.S. tax legislation has reduced the rates of tax payable by individuals (as well as certain trusts and estates) on various items of income. Under the 2003 Act, the marginal tax rates applicable to ordinary income generally have been lowered with effect from January 1, 2003. Furthermore, "qualified dividend income" received by individuals in taxable years beginning after December 31, 2002 and before January 1, 2009 generally will be taxed at a maximum U.S. federal rate of 15% (rather than the higher tax rates generally applicable to items of ordinary income) provided certain holding period requirements are met. Based upon current IRS pronouncements, Celestica believes that dividends paid by it with respect to its subordinate voting shares should constitute "qualified dividend income" for United States federal income tax purposes and that holders who are individuals (as well as certain trusts and estates) should be entitled to the reduced rates of tax, as applicable. However, the precise extent to which dividends paid by non-U.S. corporations will constitute "qualified dividend income" and the effect of such status on the ability of taxpayers to utilize associated foreign tax credits is not entirely clear at present. It is anticipated that there will be administrative pronouncements concerning these provisions in the future. In the meantime, holders are urged to consult their own tax advisors regarding the impact of the provisions of the 2003 Act on their particular situations, including related restrictions and special rules.

Sale, Exchange or Other Disposition. A holder of Celestica subordinate voting shares will recognize taxable gain or loss on any sale, exchange or other disposition of Celestica subordinate voting shares in an amount equal to the difference between the U.S. dollar value of the amount realized on such sale, exchange or other disposition and such holder's adjusted tax basis, determined in U.S. dollars, in such shares. Any such gain or loss generally will be capital gain or loss, and will be long-term capital gain if the shares have been held for more than one year for U.S. federal income tax purposes. The deductibility of capital losses is subject to limitations. Any gain generally will be treated as U.S. source income for U.S. foreign tax credit purposes. A holder who receives foreign currency upon the disposition of Celestica subordinate voting shares and converts the currency into U.S. dollars subsequent to receipt generally will have foreign currency gain or loss based on any appreciation or depreciation of the value of the foreign currency against the U.S. dollar.

Information Reporting and Backup Withholding

A holder of Celestica subordinate voting shares may be subject to backup withholding (currently at the rate of 28%) with respect to "reportable payments," which include dividends paid on, or the proceeds of a sale, exchange or redemption of, Celestica subordinate voting shares. Backup withholding will be required if (i) the payee fails to furnish a Taxpayer Identification Number (TIN) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code, or (iv) there has been a failure of the payee to certify under penalty of perjury that the payee is not subject to withholding under section 3406(a)(l)(C) of the Code. As a result, if any one of the events listed above occurs, withholding will be required in an amount equal to the then applicable rate of backup withholding from any dividend payment made with respect to Celestica subordinate voting shares or any payment or proceeds of a redemption of Celestica subordinate voting shares to a holder. Amounts paid as backup withholding do not constitute an additional tax and will be credited against the holder's federal income tax liability, so long as the required information is provided to the IRS.

The amount of any "reportable payments" for each calendar year and amount of tax withheld, if any, with respect to payments on Celestica subordinate voting shares generally will be reported to the holders of Celestica subordinate voting shares and to the IRS.

THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER. HOLDERS OF MSL STOCK SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE MERGER AND OF THE OWNERSHIP AND DISPOSITION OF CELESTICA SUBORDINATE VOTING SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF NON-U.S., STATE, LOCAL, ESTATE, GIFT AND OTHER TAX LAWS AND THE EFFECT OF ANY PROPOSED CHANGES IN THE TAX LAWS.

Principal Canadian Federal Income Tax Considerations

The following general summary of the principal Canadian federal income tax considerations relating to holding and disposing of Celestica subordinate voting shares acquired pursuant to the merger is generally applicable to a U.S. Holder who (a) acquires Celestica subordinate voting shares in the merger, (b) for the purposes of the Income Tax Act (Canada), or the ITA, at all relevant times is not resident in Canada, deals at arm's length and is not affiliated with Celestica, holds the Celestica subordinate voting shares as capital property and does not use or hold, and is not deemed to use or hold, the Celestica subordinate voting shares in the course of carrying on, or otherwise in connection with, a business in Canada, and (c) for purposes of the Canada-United States Income Tax Convention (1980), or the Treaty, is a resident of the United States, has never been a resident of Canada, and otherwise qualifies for the full benefits of the Treaty. Special rules, which are not discussed below, may apply to "financial institutions" (as defined in the ITA) and to non-resident insurers carrying on an insurance business in Canada and elsewhere. This summary does not apply to a U.S. Holder that is a limited liability company or a partnership.

This summary is based on the current provisions of the ITA and the regulations thereunder, all specific proposals to amend the ITA or the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this proxy statement/prospectus, the current provisions of the Treaty and the current published administrative practices of the Canada Customs and Revenue Agency. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not take into account or anticipate any changes in law or administrative practice, whether by legislative, judicial or administrative action or decision, nor does it take into account any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular U.S. Holder, and no representation with respect to the Canadian federal income tax considerations to any particular U.S. Holder is made. The tax consequences to any particular U.S. Holder will vary depending on that person's particular circumstances. Accordingly, U.S. Holders of MSL capital stock should consult their own tax advisors as to the particular Canadian tax considerations to them of holding and disposing of Celestica subordinate voting shares acquired pursuant to the merger, as well as the application and effect of the income and other tax laws of any other jurisdiction.

For purposes of the ITA, each amount relating to the acquisition, holding or disposing of Celestica subordinate voting shares acquired pursuant to the merger, including dividends, adjusted costs base and proceeds of disposition, must be converted into Canadian dollars based on the United States-Canadian dollar exchange rate applicable to the effective date of the related acquisition, disposition or recognition of income.

Dividends

Under the ITA and the Treaty, dividends on the Celestica subordinate voting shares paid or credited, or deemed to be paid or credited, to a U.S. Holder who is the beneficial owner of such dividends generally will be subject to Canadian withholding tax at the rate of 15% of their gross amount. Under the Treaty, if the U.S. Holder who is the beneficial owner of such dividends is a company which owns at least 10% of Celestica's voting shares, the withholding tax rate is reduced from 15% to 5%.

Under the Treaty, in certain circumstances dividends paid to religious, scientific, literary, educational or charitable organizations or certain pension organizations are exempt from Canadian withholding tax where the dividend recipient is resident in, and is generally exempt from tax in, the United States and has complied with certain administrative procedures.

Disposition of Celestica Subordinate Voting Shares

In general, a U.S. Holder will not be subject to tax under the ITA in respect of any gain realized by such U.S. Holder on the disposition of Celestica subordinate voting shares unless the Celestica subordinate voting shares constitute taxable Canadian property of the U.S. Holder. As long as the Celestica subordinate voting shares are listed on a prescribed stock exchange (which includes The New York Stock Exchange and the Toronto Stock Exchange), Celestica subordinate voting shares generally will not constitute taxable Canadian property of a U.S. Holder, unless at any time during the 60-month period immediately preceding the disposition the U.S. Holder, persons with whom the U.S. Holder did not deal at arm's length, or the U.S. Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the capital stock of Celestica. If the Celestica subordinate voting shares are taxable Canadian property to a U.S. Holder, any capital gain realized by the U.S. Holder on a disposition or deemed disposition of such Celestica subordinate voting shares will generally be exempt from tax under the ITA by virtue of the Treaty if the value of the Celestica subordinate voting shares is not derived principally from real property situated in Canada (as defined by the Treaty) at the time of disposition.

A disposition of Celestica subordinate voting shares to Celestica (unless Celestica acquires such shares in the open market in the manner in which shares would normally be purchased by any member of the public) will result in a deemed dividend to a U.S. Holder equal to the amount by which the consideration paid by Celestica to acquire the U.S. Holder's shares exceeds the paid-up capital of such shares for purposes of the ITA. The amount of such deemed dividend will be subject to withholding tax, as described above.

Accounting Treatment of the Merger

In accordance with U.S. and Canadian generally accepted accounting principles, Celestica will account for the merger using the purchase method of accounting. Under this method of accounting, Celestica will record the market value (based on an average of the closing prices of Celestica subordinate voting shares for a range of two trading days before and after the measurement date) of its subordinate voting shares issued in connection with the merger, the amount of cash consideration to be paid to holders of MSL preferred stock, the fair value of the replacement options and warrants issued in connection with the merger and the amount of direct transaction costs associated with the merger as the estimated purchase price of acquiring MSL. The measurement date has been established initially as October 15, 2003, being the announcement date. However, if, prior to the closing date, the application of the share exchange ratio formula in the merger agreement results in a change to the number of shares to be issued, the measurement date will be changed to that later date.

Celestica will allocate the purchase price to the net assets and liabilities, including amortizable intangible assets acquired (including intellectual property, process technology and customer contracts and relationships), based on their respective fair values at the date of the completion of the merger. Any excess of the estimated purchase price over those fair values will be accounted for as goodwill.

Amortizable intangible assets will generally be amortized over useful lives not exceeding five years. Goodwill resulting from the business combination will not be amortized but instead will be tested for impairment at least annually (more frequently if certain indicators are present). In the event that the management of Celestica determines that the value of goodwill has become impaired, Celestica will incur an accounting charge for the amount of impairment during the fiscal quarter in which the determination is made.

The amount of goodwill recorded will be finalized once Celestica has finalized the value of the purchase consideration (including finalizing the fair value of the options and warrants issued in connection with the merger) and has obtained additional information with respect to any restructuring plans and the fair value of certain assets and liabilities, including third party valuations of intangible assets.

Regulatory Filings and Approvals Required to Complete the Merger

The merger is subject to review by the United States Federal Trade Commission, or FTC, and the Antitrust Division of the United States Department of Justice, or DOJ, under the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the HSR Act, under which a transaction cannot be completed until required information and materials are furnished to the DOJ and the FTC and the statutory waiting period under the HSR Act expires or is terminated. **[**Celestica and MSL have made the required pre-merger notification filings under the HSR Act with the DOJ and the FTC, but will not be permitted to complete the merger until the applicable statutory waiting period has expired or has been terminated.**]** In addition, the merger is also subject to review by the governmental authorities of various other jurisdictions, including the European Union, Brazil, the Czech Republic and Mexico, under the antitrust laws of those jurisdictions.

There can be no assurance that the governmental reviewing authorities will permit the applicable statutory waiting periods to expire, terminate the applicable statutory waiting periods or clear the merger at all or without restrictions or conditions that would have a materially adverse effect on the combined company if the merger is completed. These restrictions and conditions could include a complete or partial license, divestiture, spin-off or the holding separate of assets or businesses.

In addition, during or after the statutory waiting periods and clearance of the merger, and even after completion of the merger, either the DOJ, the FTC or other governmental authorities could challenge or seek to block the merger under the antitrust laws, as it deems necessary or desirable in the public interest. Other competition agencies with jurisdiction over the merger could also initiate action to challenge or block the merger. In addition, in some jurisdictions, a competitor, customer or other third party could initiate a private action under the antitrust laws challenging or seeking to enjoin the merger, before or after it is completed. Celestica and MSL cannot be sure that a challenge to the merger will not be made or that, if a challenge is made, Celestica and MSL will prevail.

Listing of Celestica Subordinate Voting Shares Issued in the Merger

Celestica has made application to The New York Stock Exchange for the listing of the Celestica subordinate voting shares to be issued in the merger, as well as any subordinate voting shares which may be issued upon the exercise of any MSL stock option or warrant. The Toronto Stock Exchange has accepted notices filed by Celestica in respect of the Celestica subordinate voting shares to be issued under the merger agreement. Application to the Toronto Stock Exchange has been made by Celestica

to approve, and the Toronto Stock Exchange has conditionally approved, the listing of the Celestica subordinate voting shares to be issued under the merger agreement. The listing is subject to Celestica fulfilling all of the requirements of the Toronto Stock Exchange within five business days of the completion of the merger.

Delisting and Deregistration of MSL Common Stock After the Merger

When the merger is completed, MSL common stock will be delisted from The New York Stock Exchange and deregistered under the Securities Exchange Act of 1934, as amended. Upon such deregistration, MSL will no longer be required to make separate periodic filings under the Exchange Act.

Restrictions on Sales of Celestica Subordinate Voting Shares Received in the Merger

The Celestica subordinate voting shares to be issued in connection with the merger will be registered under the Securities Act of 1933 and will be freely transferable, except for Celestica subordinate voting shares issued to any person who is deemed to be an "affiliate" of MSL prior to the merger. Persons who may be deemed to be affiliates of MSL prior to the merger include individuals or entities that control, are controlled by, or are under common control with MSL, prior to the merger, and may include officers and directors, as well as principal stockholders of MSL, prior to the merger. Affiliates of MSL will be notified separately of their affiliate status.

Persons who may be deemed to be affiliates of MSL prior to the merger may not sell any of the Celestica subordinate voting shares received by them in connection with the merger except pursuant to:

- an effective registration statement under the Securities Act of 1933 covering the resale of those shares;
- an exemption under paragraph (d) of Rule 145 under the Securities Act of 1933; or
- any other applicable exemption under the Securities Act of 1933.

Celestica's registration statement on Form F-4, of which this proxy statement/prospectus forms a part, does not cover the resale of Celestica subordinate voting shares to be received in connection with the merger by persons who may be deemed to be affiliates of MSL prior to the merger.

Appraisal Rights for MSL Series A and Series B Preferred Stock; No Appraisal Rights for MSL Common Stock

If the merger is approved by MSL's stockholders, any holder of Series A or Series B preferred stock who does not vote in favor of the merger and who has previously taken necessary steps under Delaware law may exercise rights of appraisal under Delaware law, rather than receive the merger consideration in the merger. Appraisal rights are available only as to the holders of MSL Series A and Series B preferred stock and are not available as to MSL common stock.

The provisions of Delaware law governing appraisal rights are complex, and you should study them carefully if you wish to exercise appraisal rights. A stockholder may take actions that prevent that stockholder from successfully asserting these rights, and multiple steps must be taken to properly perfect the rights. A copy of Section 262 of the Delaware General Corporation Law is attached to this proxy statement/prospectus as Annex E. For a detailed discussion of appraisal rights under Delaware law, please see the section entitled "*Appraisal Rights for MSL Preferred Stock*" beginning on page 105 of this proxy statement/ prospectus.

THE MERGER AGREEMENT

The following summary describes the material provisions of the merger agreement. The provisions of the merger agreement are complicated and not easily summarized. This summary may not contain all of the information about the merger agreement that is important to you. The merger agreement is attached to this proxy statement/prospectus as Annex A and is incorporated by reference into this proxy statement/prospectus, and we encourage you to read it carefully in its entirety for a more complete understanding of the merger agreement.

Structure of the Merger

The merger agreement provides for the merger of MSL with and into Merger Sub, a newly formed, wholly-owned subsidiary of Celestica. Merger Sub will survive the merger as a wholly-owned subsidiary of Celestica. Merger Sub will be renamed "Manufacturers' Services Limited" at the effective time of the merger.

Completion and Effectiveness of the Merger

We will complete the merger when all of the conditions to completion of the merger contained in the merger agreement, which we describe in the section entitled " *Conditions to Completion of the Merger*" beginning on page 78 of this proxy statement/prospectus, are satisfied or waived, including adoption of the merger agreement by the stockholders of MSL. The merger will become effective upon the filing of a certificate of merger with the Secretary of State of the State of Delaware.

We are working to complete the merger as quickly as possible. We currently plan to complete the merger in late 2003 or early 2004. However, because completion of the merger is subject to governmental and regulatory approvals and other conditions, we cannot predict the exact timing of the merger or whether the merger will occur at all.

Conversion of MSL Common Stock and Series A and Series B Preferred Stock in the Merger

Upon completion of the merger, each share of capital stock of MSL will be converted as follows:

- for each share of MSL common stock, 0.375 of a Celestica subordinate voting share, subject to adjustment as described below;
- for each share of Series A or Series B preferred stock for which the MSL stockholder does not seek appraisal and does not make a valid stock election, a cash payment equal to $52.50 plus any accrued and unpaid dividends through the effective time of the merger;
- for each share of Series A preferred stock for which the MSL stockholder does not seek appraisal and makes a valid stock election, a number of Celestica subordinate voting shares equal to the product of:
  - 0.375, subject to adjustment as described below; and
  - the number of shares of MSL common stock into which such share of Series A preferred stock is convertible immediately prior to the effective time of the merger; and

for each share of Series B preferred stock for which the MSL stockholder does not seek appraisal and makes a valid stock election, the sum of:

an amount in cash equal to $2.25 or, at the election of MSL (as directed by Celestica), a number of Celestica subordinate voting shares equal to the product of

0.375, subject to adjustment as described below, and

the number of shares of MSL common stock issuable in satisfaction of the "optional make whole payment" under the provisions of MSL's certificate of incorporation governing the Series B preferred stock described below; and

a number of Celestica subordinate voting shares equal to the product of

0.375, subject to adjustment as described below, and

the number of shares of MSL common stock into which such share of Series B preferred stock is convertible immediately prior to the effective time of the merger.

Under MSL's certificate of incorporation governing the Series B preferred stock, the number of shares of MSL common stock issuable in satisfaction of the "optional make whole payment" per share of Series B preferred stock is determined by dividing (1) $2.25 by (2) 95% of the average closing price of the MSL common stock on The New York Stock Exchange for the ten consecutive trading days ending two business days prior to the day on which the merger is completed.

Upon completion of the merger, Celestica also will assume outstanding options and warrants to purchase MSL common stock as described in the section entitled " *Treatment of MSL Stock Options and Warrants*" beginning on page 75 of this proxy statement/prospectus.

The share exchange ratio of 0.375 will be adjusted if the weighted average closing price of a Celestica subordinate voting share on The New York Stock Exchange for the 20 consecutive trading days ending on the third business day before the effective time of the merger, which we refer to as the "market price", is $19.33 or more or $16.00 or less. The share exchange ratio will be:

0.375 of a subordinate voting share, if the Celestica subordinate voting share market price is less than $19.33 and more than $16.00,

that fraction of a subordinate voting share with a market price of $7.25, if the Celestica subordinate voting share market price is $19.33 or more, and

that fraction of a subordinate voting share with a market price of $6.00, if the Celestica subordinate voting share market price is $16.00 or less.

The share exchange ratio also will be adjusted to reflect the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into Celestica subordinate voting shares or MSL common stock), reorganization, recapitalization, reclassification or other like change with respect to Celestica subordinate voting shares or MSL common stock having a record date after October 14, 2003 and prior to the effective time of the merger.

Each share of MSL common stock and Series A and Series B preferred stock held by MSL or owned by Celestica or any of their direct or indirect wholly-owned subsidiaries immediately prior to the merger will be canceled and will cease to exist. None of MSL, Celestica or any of their direct or indirect subsidiaries will receive any securities of Celestica, cash or other consideration in exchange for those shares.

Based on the share exchange ratio of 0.375 and the number of shares of MSL common stock and stock options and warrants to purchase MSL common stock outstanding as of the record date, and assuming all of the holders of the Series A or Series B preferred stock elect to receive Celestica subordinate voting shares in lieu of cash (and, in the case of the Series B preferred stock, Celestica elects to issue subordinate voting shares in consideration for the "optional make whole payment"):

- a total of approximately 16,900,000 Celestica subordinate voting shares will be issued in connection with the merger to holders of MSL common stock and Series A and Series B preferred stock; and

- a total of approximately 3,600,000 Celestica subordinate voting shares will be reserved for issuance upon the exercise of stock options and warrants to purchase MSL common stock assumed by Celestica in connection with the merger.

Fractional Shares

Celestica will not issue any fractional subordinate voting shares in connection with the merger. Instead, each holder of MSL common stock and Series A and Series B preferred stock exchanged in connection with the merger who would otherwise be entitled to receive a fraction of a Celestica subordinate voting share will receive cash, without interest, in an amount equal to the fraction multiplied by the "market price" of one Celestica subordinate voting share.

Stock Elections Relating to MSL Preferred Stock

As described in the section entitled " *Conversion of MSL Common Stock and Series A and Series B Preferred Stock in the Merger*" beginning on page 66 of this proxy statement/prospectus, holders of Series A or Series B preferred stock may elect to receive the merger consideration payable with respect to their shares of MSL preferred stock in Celestica subordinate voting shares rather than in cash. However, in the case of holders of Series B preferred stock that elect to receive Celestica subordinate voting shares, the "optional make whole payment" will be paid in either Celestica subordinate voting shares or cash, at the election of MSL as directed by Celestica. To make a valid stock election the stock election must be:

- in writing, in the form provided by MSL and which accompanies this proxy statement;
- dated and signed by the record holder; and
- actually received by MSL prior to the effective time of the merger.

We urge you to complete, sign, date and return the stock election form prior to the start of the MSL special meeting. If MSL does not receive a valid stock election form prior to the effective time of the merger you will receive the merger consideration payable with respect to your MSL preferred stock in cash.

If you submit a valid stock election and wish to change the number of shares of Series A or Series B preferred stock subject to the election, you may submit a later dated stock election form to MSL. Such later dated stock election form will be effective only if it is actually received by MSL prior to the effective time of the merger. You may also revoke a valid stock election by submitting to MSL written notification of your desire to revoke a previously submitted stock election form. Your written revocation will be effective only if it is actually received by MSL prior to the effective time of the merger. We expect to complete the merger immediately after the MSL special meeting.

Exchange of Stock Certificates

As soon as reasonably practicable, and in any event within ten days after the effective time of the merger, Celestica will cause Computershare Trust Company of Canada, or Computershare, the exchange agent for the merger, to mail to each record holder of MSL common stock and each holder of Series A or Series B preferred stock a letter of transmittal and instructions for surrendering the record holder's stock certificates in exchange for a certificate representing Celestica subordinate voting shares and/or cash in accordance with the merger agreement. Holders of MSL stock who properly surrender their MSL stock certificates in accordance with the exchange agent's instructions will receive:

(1) the number of whole Celestica subordinate voting shares the holder is entitled to receive pursuant to the merger agreement;

(2) in the case of Series A and Series B preferred stock, cash in the amount that holder is entitled to receive pursuant to the merger agreement if the holder has not made a valid stock election, and, in the case of Series B preferred stock, cash in the amount the holder is entitled to receive for the "optional make-whole payment" if the holder has made a valid stock election and MSL has not elected (at the direction of Celestica) to make that payment in Celestica subordinate voting shares;

(3) cash in lieu of any fractional Celestica subordinate voting share; and

(4) dividends or other distributions, if any, to which they are entitled under the terms of the merger agreement.

The surrendered certificates representing MSL common stock, Series A preferred stock and Series B preferred stock will be canceled. After the effective time of the merger, each certificate representing shares of MSL common stock or Series A or Series B preferred stock that has not been surrendered will represent only the right to receive each of items (1) through (4) enumerated above. Following the effective time of the merger, MSL will not register any transfers of MSL common stock or Series A or Series B preferred stock on its stock transfer books.

Holders of MSL common stock or Series A or Series B preferred stock should not send in their MSL stock certificates until they receive a letter of transmittal from ComputerShare, the exchange agent for the merger, with instructions for the surrender of MSL stock certificates.

Dissenting Shares

Shares of MSL Series A and Series B preferred stock outstanding immediately prior to the effective time of the merger that are held by a holder who has not voted in favor of the merger and who has demanded appraisal in accordance with the Delaware General Corporation Law (we refer to these shares as "dissenting shares") will not be converted into the right to receive the merger consideration enumerated above, unless the holder fails to perfect, withdraws or is otherwise deemed not to have appraisal rights. If, after the effective time of the merger, the holder of such shares fails to perfect, withdraws or loses its right to appraisal, or if it is determined that such holder does not have appraisal rights, then such shares will be treated as if they had been converted at the effective time of the merger into the right to receive the merger consideration. For more information regarding dissenting shares, please see the section entitled "*Appraisal Rights for MSL Preferred Stock*" beginning on page 105 of this proxy statement/prospectus.

Distributions with Respect to Unexchanged Shares

Holders of MSL common stock and Series A and Series B preferred stock are not entitled to receive any dividends or other distributions on Celestica subordinate voting shares until the merger is completed. After the merger is completed, holders of MSL common stock and Series A and Series B preferred stock will be entitled to dividends and other distributions declared or made after the effective time of the merger with respect to the number of whole Celestica subordinate voting shares which they are entitled to receive upon exchange of their MSL stock certificates. However, they will not be paid any dividends or other distributions on the Celestica subordinate voting shares until they surrender their MSL stock certificates to the exchange agent in accordance with the exchange agent instructions.

Transfers of Ownership and Lost Stock Certificates

Celestica will issue (1) Celestica subordinate voting shares, (2) cash consideration, (3) cash in lieu of a fractional share and (4) any dividends or distributions that may be payable in a name other than the name in which a surrendered MSL stock certificate is registered only if the person requesting such exchange presents to the exchange agent all documents required to show, and to effect, the unrecorded

transfer of ownership and to show that such person paid any applicable stock transfer taxes. If an MSL stock certificate is lost, stolen or destroyed, the holder of such certificate may need to deliver an affidavit or bond prior to receiving the merger consideration payable with respect to such stock.

Representations and Warranties

MSL made a number of representations and warranties to Celestica in the merger agreement regarding aspects of its business, financial condition and structure, as well as other facts pertinent to the merger, including representations and warranties relating to the following subject matters:

- corporate organization, qualification to do business, good standing and corporate power and authority of MSL and its subsidiaries;
- absence of any material violations of the certificate of incorporation and by-laws of MSL and the certificates of incorporation, by-laws and similar organizational documents of its subsidiaries;
- MSL's capital structure and ownership of subsidiary capital stock and the absence of restrictions or encumbrances with respect to the capital stock of any significant subsidiary;
- corporate authorization to enter into the merger agreement and consummate the transactions under the merger agreement, and the enforceability of the merger agreement;
- the vote of MSL stockholders required to complete the merger;
- governmental and regulatory approvals required to complete the merger;
- absence of any conflict with or violation of the certificate of incorporation and by-laws of MSL and equivalent organizational documents of its subsidiaries, any material contract of MSL or any of its subsidiaries, or any applicable legal requirements resulting from the execution of the merger agreement or the completion of the merger;
- the effect of entering into and carrying out the obligations of the merger agreement on material contracts;
- MSL's filings and reports with the Securities and Exchange Commission;
- financial statements and projections;
- absence of material undisclosed liabilities;
- absence of certain changes and events affecting MSL and its subsidiaries, since June 30, 2003 (and in certain cases, December 31, 2002);
- taxes;
- good and valid title to, or valid leasehold interests in, all tangible properties and assets material to its business;

sufficiency and condition of material items of equipment and other tangible assets of MSL and its subsidiaries;

relationships with material customers of MSL's business;

intellectual property and protection of intellectual property;

compliance with applicable legal requirements;

possession of, and compliance with, all permits required for the operation of the business of MSL and its subsidiaries;

litigation;

employee benefit plans and labor relations;

environmental matters;

product and service warranties;

agreements, contracts and commitments;

absence of breaches of material contracts;

accuracy of information supplied in this proxy statement/prospectus and the related registration statement filed by Celestica with the Securities and Exchange Commission;

absence of any stockholder rights plan or similar arrangement;

the inapplicability of state takeover statutes to the merger during the pendency of the merger agreement;

approval by the MSL board of the merger and merger agreement;

payment, if any, required to be made to brokers and agents on account of the merger;

the receipt of opinions from Credit Suisse First Boston and Sonenshine Pastor to the effect that, as of the date of the opinions and based upon and subject to the matters stated in the opinions, the share exchange ratio is fair, 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, certain private equity funds affiliated or associated with Credit Suisse First Boston and those holders party to a stockholder agreement);

insurance;

inventory;

accounts receivable; and

interest of MSL's officers and directors in any assets used in MSL's business.

Celestica and Merger Sub each made a number of representations and warranties to MSL in the merger agreement, including representations and warranties relating to the following subject matters:

corporate organization, qualification to do business, good standing and corporate power and authority of Celestica and its subsidiaries;

corporate authorization to enter into the merger agreement and consummate the transactions under the merger agreement, and the enforceability of the merger agreement;

absence of any conflict with, or violation of, the articles and by-laws of Celestica and Merger Sub or any applicable legal requirements resulting from the execution of the merger agreement and the completion of the merger;

governmental and regulatory approvals required to complete the merger;

Celestica's capital structure;

Celestica's filings and reports with the Securities and Exchange Commission;

financial statements;

absence of undisclosed liabilities;

absence of certain changes in Celestica's business from June 30, 2003 to October 14, 2003;

litigation;

accuracy of information contained in this proxy statement/prospectus and the related registration statement filed by Celestica with the Securities and Exchange Commission; and

payment, if any, required to be made to brokers and agents on account of the merger.

The representations and warranties contained in the merger agreement are complicated and not easily summarized. You are urged to read carefully Sections 2 and 3 of the merger agreement attached as Annex A, entitled "*Representations and Warranties of the Company*" and "*Representations and Warranties of Parent and Merger Sub*."

MSL's Conduct of Business Before Completion of the Merger

Under the merger agreement, MSL has agreed that, until the earlier of the completion of the merger or termination of the merger agreement, or unless Celestica consents in writing, it will use all reasonable efforts to carry on its business in the usual, regular and ordinary course, in substantially the same manner as previously conducted and in compliance, in all material respects, with all legal requirements. MSL has also agreed to use all reasonable efforts to keep in full force and effect all of its insurance policies and preserve intact its present business organization, and to continue to manage in the ordinary course its business relationships with third parties.

Additionally, under the merger agreement, MSL has agreed that, until the earlier of the completion of the merger or termination of the merger agreement, or unless Celestica consents in writing, it will conduct its business in compliance with a number of specific restrictions and will not permit its subsidiaries to, subject to specified exceptions:

declare or pay any dividend or make any other distribution in respect of its capital stock, or other equity or voting securities, except for dividends payable on the Series A or Series B preferred stock in accordance with their terms;

change its share capital, issue share capital or repurchase any share capital or any stock options to acquire any share capital, or amend any term of its debt securities, other than:

- the issuance of MSL common stock upon the exercise of MSL stock options outstanding on October 14, 2003, pursuant to MSL's employee stock purchase plan and on conversion of, or as a payment of dividends on, the Series A or Series B preferred stock, or in satisfaction of the "optional make whole payment" payable upon the Series B preferred stock in accordance with its terms;

- the grant of a limited number of stock options to employees hired after October 14, 2003;

amend or waive any of its rights under any stock option plans, or otherwise modify any term of any outstanding option, warrant or other security;

subject to applicable legal requirements, amend its certificate of incorporation or by-laws or other organizational documents, or effect or become a party to any recapitalization, reclassification of shares, stock split, reverse stock split or similar transaction;

form any subsidiary or acquire any interest in any other entity;

make capital expenditures in excess of $3 million per fiscal quarter;

other than in the ordinary course of business, enter into or amend any material contract;

acquire, encumber or dispose of any assets other than in the ordinary course of business;

lend money to any third party, other than inter-company loans, or prepay or guarantee any indebtedness other than routine borrowings and repayments in the ordinary course of business;

issue or sell any debt securities or options to acquire any debt securities of any of its subsidiaries;

except as required by any applicable legal requirement, adopt or amend any employee benefit plan, pay any bonus to, or increase the amount of compensation payable to, any of its directors, officers or employees, other than routine salary

increases customary bonuses consistent with past practices payable in accordance with bonus plans or employment agreements in existence on October 14, 2003;

hire new employees or promote employees at specified salary levels;

engage consultants or independent contractors unless terminable upon 30 days' notice;

change any personnel policies in any material respect;

change any of its methods of accounting or accounting policies except as required by U.S. GAAP or any legal requirement;

except as required by any legal requirement, adopt or enter into any labor union contract;

terminate any employee that has a severance arrangement providing for payment in excess of amounts generally provided to its employees in the relevant jurisdictions;

take actions with respect to the accounting for and payment of taxes or make any material tax election;

settle material claims;

waive or transfer any right of material value other than in the ordinary course of business;

commence any legal proceeding other than any legal proceeding related to the enforcement of MSL's rights under the merger agreement;

take any action or omit to take any action that would reasonably be likely to cause MSL's representations or warranties set forth in the merger agreement not to be true at the effective time of the merger; or

agree or commit to take any of the foregoing actions.

The covenants contained in the merger agreement are complicated and not easily summarized. You are urged to read carefully Section 4.2 of the merger agreement attached as Annex A, entitled "*Operation of the Business; Certain Notices; Tax Returns*."

MSL Prohibited from Soliciting Other Offers

Under the terms of the merger agreement, subject to certain exceptions summarized below, MSL has agreed that it will not, and will not authorize or permit any of its subsidiaries or any of the officers, directors, employees, agents, attorneys, accountants, advisors or representatives of MSL or any of its subsidiaries, directly or indirectly, to:

solicit, initiate, or knowingly encourage, induce or facilitate the making, submission or announcement of, or take any action that could reasonably be expected to lead to, any acquisition proposal, as defined below, by a third party;

furnish any information regarding MSL or any of its subsidiaries to any third party in connection with or in response to an acquisition proposal or an inquiry or indication of interest that could reasonably be expected to lead to an acquisition proposal;

engage in discussions or negotiations with any third party with respect to any acquisition proposal;

approve, endorse or recommend any acquisition proposal; or

enter into any letter of intent or similar document or any contract, agreement or commitment contemplating or otherwise relating to any acquisition proposal or any transaction contemplated by the acquisition proposal.

An acquisition proposal is any offer, proposal, inquiry or indication of interest contemplating or otherwise relating to any transaction or series of transactions (other than the merger) involving:

any purchase from MSL or any of its subsidiaries, or acquisition by any third party or group, of more than 20% of the outstanding securities of any class of voting securities of MSL or any of its subsidiaries;

any tender offer or exchange offer in which MSL or any of its subsidiaries issues or sells, or any third party or group acquires, securities representing more than 20% of the outstanding securities of any class of voting securities of MSL or any of its subsidiaries;

any merger, consolidation, business combination or similar transaction involving MSL or any of its subsidiaries; or

any sale or lease (other than in the ordinary course of business), exchange, transfer, license (other than nonexclusive licenses in the ordinary course of business), acquisition or disposition of any business or businesses or assets that constitute or account for 20% or more of the consolidated net revenues, net income or assets of MSL.

Under the merger agreement, MSL agreed to cease, as of October 14, 2003, all then-existing activities, discussions or negotiations by MSL and its subsidiaries with any third parties with respect to any acquisition proposal.

MSL is obligated to promptly notify Celestica orally and in writing upon receipt of any acquisition proposal or any request for nonpublic information relating to an acquisition proposal. The notice must include the terms and conditions of the acquisition proposal, request or inquiry and, the identity of the person or group making the acquisition proposal. Following delivery of an initial notice to Celestica, MSL must also keep Celestica informed on a current basis with respect to material developments relating to the acquisition proposal, request or inquiry and any material modification or proposed modification thereto.

Notwithstanding the prohibitions with respect to acquisition proposals summarized above, if, prior to the adoption of the merger agreement by the MSL stockholders, MSL receives an unsolicited *bona fide* written acquisition proposal to acquire all of the outstanding MSL common stock and specifying a valuation that, if entered into, would be on terms that the MSL board determines in good faith to be more favorable to MSL's stockholders than the merger, then MSL may furnish nonpublic information to, and engage in discussions and negotiations with, the third party making the acquisition proposal, but only if:

neither MSL, any of its subsidiaries nor any of their officers, directors, employees, agents, attorneys, accountants, advisors or representatives has violated any of the "no solicitation" restrictions contained in the merger agreement;

the MSL board concludes in good faith, after consultation with its outside legal counsel, that such action is required in order for the MSL board to comply with its fiduciary obligations to MSL's stockholders under applicable legal requirements;

at least two business days prior to furnishing any such nonpublic information to, or entering into discussions or negotiations with, such third party, MSL gives Celestica written notice of the identity of such third party and of its intention to furnish nonpublic information to, or enter into discussions or negotiations with, such third party;

MSL receives from such third party an executed confidentiality agreement containing (1) customary limitations on the use and disclosure of all nonpublic written and oral information furnished to such third party by or on behalf of MSL and (2) "standstill" provisions that prohibit such third party from purchasing any securities of MSL or commencing any exchange or tender offer for securities of MSL other than pursuant to a definitive agreement with MSL for a negotiated transaction that constitutes a superior proposal that has been approved by the MSL board; and

concurrently with furnishing any such nonpublic information to such third party, MSL furnishes such nonpublic information to Celestica.

For purposes of the merger agreement, a "superior proposal" means an unsolicited *bona fide* written offer made by a third party to purchase all of the outstanding MSL common stock on terms that the MSL board determines in its good faith judgment, after consultation with an independent financial advisor of nationally recognized reputation, to be more favorable to MSL's stockholders than the terms of the merger and is reasonably capable of being completed, *provided*, *however*, that any such offer shall not be deemed to be a "superior proposal" if any financing required to consummate the transaction contemplated by such offer is not committed and is not, in the good faith judgment of the MSL board, reasonably capable of being obtained by such third party.

Obligations of the MSL Board of Directors with Respect to Its Recommendation and Holding a Meeting of MSL'S Stockholders

MSL has agreed to call, give notice of and hold a meeting of its stockholders as promptly as practicable after the registration statement of which this proxy statement/prospectus forms a part is declared effective by the Securities and Exchange Commission. The MSL board also agreed to recommend the adoption of the merger agreement to the MSL stockholders. Notwithstanding these obligations, the MSL board may withhold, withdraw or modify its recommendation to stockholders in favor of the merger if the board determines in good faith, after consultation with MSL's outside legal counsel, that such action is required in order for the MSL board to comply with its fiduciary obligations to MSL's stockholders under applicable legal requirements.

Treatment of MSL Stock Options and Warrants

When the merger is completed, Celestica will assume outstanding stock options and warrants to purchase shares of MSL common stock. Each assumed MSL stock option or warrant will be converted into a stock option or warrant to purchase that number of Celestica subordinate voting shares equal to the number of shares of MSL common stock purchasable pursuant to the MSL stock option or warrant immediately prior to the effective time of the merger, multiplied by the share exchange ratio, rounded up or down to the nearest whole Celestica subordinate voting share. The exercise price per share under each stock option or warrant will be equal to the exercise price per share of MSL common stock divided by the share exchange ratio, rounded up or down to the nearest whole cent. A stock option to purchase one share of MSL common stock will become a stock option to purchase 0.375 (or, if adjusted, the share exchange ratio) of a Celestica subordinate voting share.

Each assumed stock option will be subject to all other terms and conditions set forth in the applicable documents evidencing the MSL stock option or warrant remaining in effect after the effective time of the merger, including restrictions on exercise, exercisability and vesting. As of the record date, stock options to purchase 6,452,264 shares of MSL common stock were outstanding in the aggregate under various MSL stock option plans and warrants to purchase 3,047,533 shares of MSL common stock were outstanding. Upon the merger, substantially all of the MSL stock options will become vested.

Celestica will file a registration statement on Form S-8 and a registration statement on Form F-3 with the Securities and Exchange Commission for the Celestica subordinate voting shares issuable with respect to MSL stock options and MSL warrants, respectively, assumed by Celestica in connection with the merger as soon as practicable after the merger, but not later than five business days following completion of the

merger.

Treatment of Rights under the MSL Employee Stock Purchase Plan

MSL's employee stock purchase plan permits eligible MSL employees to purchase MSL common stock at a discount. Prior to the effective time of the merger, the MSL employee stock purchase plan will be terminated. Any offering period then underway under the plan will be shortened by setting a new exercise date under the plan which is prior to the effective time of the merger. The shortened offering period will otherwise be treated as a fully effective and completed offering period for all purposes under the MSL employee stock purchase plan.

Treatment of MSL Employees

The merger agreement contains covenants of Celestica with respect to the benefits for continuing employees of MSL customary for transactions of this type. Generally, these employees will be eligible to participate in Celestica's health, vacation and other non-equity based employee benefit plans to substantially the same extent as employees of Celestica, in similar positions. MSL continuing employees also will be credited with his or her periods of service with MSL for various purposes under Celestica plans.

No MSL employee has any rights of enforcement relating to these statements of benefits, and no MSL employee is intended to be a contractual beneficiary of the merger agreement.

Director and Officer Indemnification and Insurance

Celestica will indemnify each present and former officer and director of MSL or any of its subsidiaries against all claims, losses, liabilities, damages, judgments, fines and reasonable fees, costs and expenses, including attorneys' fees and disbursements, incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to the fact that such person is or was an officer or director of MSL or any of its subsidiaries, to the fullest extent permitted under the Delaware General Corporation Law. Additionally, Celestica has agreed that the certificate of incorporation and by-laws of the company surviving the merger will contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of present and former directors and officers of MSL and its subsidiaries than are presently set forth in the certificate of incorporation and by-laws of MSL. These provisions will continue for a period of six years from the effective time of the merger, and Celestica's indemnification agreement will continue as to any claim that is made within this six-year period.

For a period of six years from the effective time of the merger, Celestica will cause the company surviving the merger to maintain the current policies of the directors' and officers' liability insurance maintained by MSL with respect to matters existing or occurring at or prior to the effective time of the merger. However, the company surviving the merger will not be required to pay an annual premium for the insurance described in this paragraph in excess of 200% of the last annual premium paid by MSL for its existing coverage prior to completion of the merger. If MSL's existing insurance expires, is terminated or canceled during such six-year period or exceeds 200% of the last annual premium paid by MSL for its existing coverage prior to completion of the merger, the company surviving the merger will obtain the maximum amount of coverage as is available for 200% of such annual premium, on terms and conditions no less advantageous to MSL's current and former officers and director than MSL's existing directors' and officers' liability insurance.

Regulatory Filings; Antitrust Matters; Reasonable Efforts to Obtain Regulatory Approvals

Each of Celestica and MSL has agreed to coordinate and cooperate with one another and use all reasonable efforts to comply with, and refrain from actions that would impede compliance with, applicable laws, regulations and any other requirements of any governmental entity. Celestica and MSL have also agreed to make all filings and submissions required by any governmental entity in connection with the merger and the other transactions contemplated by the merger agreement, including the following:

- those filings or submissions required under the HSR Act, as well as any other comparable merger notification or control laws of any applicable foreign jurisdiction;

- the filing of this proxy statement/prospectus and the related registration statement of Celestica with the Securities and Exchange Commission, and any other filings required under the Securities Act and the Exchange Act; and

the filing necessary to obtain any other consents, approvals, orders, authorizations, registrations and declarations as may be required under applicable legal requirements.

Under the merger agreement, Celestica and MSL have agreed to do the following:

respond as promptly as practicable to any inquiries or requests received from any governmental entity in connection with antitrust laws or related matters;

give the other party prompt notice of the commencement or threat of commencement of any legal proceeding by or before any governmental entity with respect to the merger or any of the other transactions contemplated by the merger agreement;

keep the other party informed as to the status of any such legal proceeding or threat;

promptly inform the other party of any material communication concerning antitrust laws to or from any governmental entity regarding the merger;

except as may be prohibited by any governmental entity or by any legal requirement, consult and cooperate with one another in connection with any proceeding under or relating to any antitrust laws;

subject to the foregoing, allow Celestica to be principally responsible for dealing with any governmental entity concerning the effect of applicable antitrust laws on the merger or any other transactions contemplated by the merger agreement; and

promptly provide the other party with copies of any submission made with any governmental entity.

Each of Celestica and MSL also has agreed to use all reasonable efforts to cause to be lifted any restraint, injunction or other legal bar to the completion of the merger and the other transactions contemplated by the merger agreement.

Limitation on Efforts to Obtain Regulatory Approvals

Under the merger agreement, in connection with obtaining any governmental approval, including under any antitrust laws:

MSL has agreed to divest assets of MSL in connection with obtaining any approval required of a governmental entity, provided that any divestiture is conditional upon the consummation of the merger; and

Celestica is not required to:

dispose of or transfer any assets (other than immaterial assets);

discontinue offering any product or service;

license or otherwise make available to any third party, any technology, software or other proprietary asset (other than immaterial technology, software or other proprietary assets);

hold separate any assets or operations (other than immaterial assets or operations);

make any commitment (to any governmental entity or otherwise) regarding its future operations; or

contest any legal proceeding brought by a governmental body that challenges the merger under applicable antitrust laws.

Conditions to Completion of the Merger

The respective obligations of Celestica and Merger Sub, on the one hand, and MSL, on the other, to complete the merger and the other transactions contemplated by the merger agreement are subject to the satisfaction or waiver of each of the following conditions before completion of the merger:

the merger agreement has been adopted by the vote of holders of the requisite number of shares of MSL common stock, Series A preferred stock and Series B preferred stock voting together as a single class;

no statute, rule, regulation or order has been enacted or issued by a governmental entity of competent jurisdiction which is in effect and has the effect of making the merger illegal or otherwise prohibiting completion of the merger (which illegality or prohibition would have a material impact on Celestica and its subsidiaries on a combined basis with MSL and its subsidiaries, if the merger were completed notwithstanding such statute, rule, regulation or order);

the Securities and Exchange Commission has declared Celestica's registration statement effective, no stop order suspending its effectiveness has been issued and no proceedings for suspension of the registration statement's effectiveness has been initiated or threatened by the Securities and Exchange Commission;

the waiting periods under the HSR Act and any foreign antitrust laws applicable to the merger and the other transactions contemplated by the merger agreement have expired or been terminated;

Celestica and MSL shall each have received an opinion of counsel to the effect that the merger will constitute a "reorganization" within the meaning of section 368(a) of the Internal Revenue Code and such opinions have not been withdrawn; and

the Celestica subordinate voting shares to be issued in connection with the merger have been authorized for listing on The New York Stock Exchange and the Toronto Stock Exchange, subject to official notice of issuance.

In addition, the respective obligations of Celestica and Merger Sub on the one hand, and MSL on the other, to effect the merger and the other transactions contemplated by the merger agreement are subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of the other party will have been true and correct as of October 14, 2003 and are true and correct as of the effective time of the merger as if made at and as of the effective time, except:

to the extent the representations and warranties of the other party address matters only as of a particular date, they must be true and correct as of that date; and

where the failure to be true and correct (without regard to any materiality or material adverse effect qualifications contained in such representations and warranties), individually or in the aggregate, has not had, and is not reasonably likely to have, a material adverse effect; and

in the case of representations and warranties deemed made as of the effective time of the merger, for changes contemplated by the merger agreement; and

the other party will have performed or complied in all material respects with all of its agreements and covenants required by the merger agreement to be performed or complied with by it before completion of the merger.

For the definition of the term "material adverse effect" as used in the merger agreement, please see the section entitled " *Definition of Material Adverse Effect*" beginning on page 80 of this proxy statement/prospectus.

Celestica's obligation to complete the merger is also subject to the satisfaction or waiver by Celestica of the following additional conditions:

no material adverse effect on MSL has occurred since October 14, 2003 and is continuing, and no events shall have occurred or circumstances exist that is reasonably likely to have a material adverse effect on MSL and its subsidiaries;

there is no pending or threatened legal proceeding instituted by a governmental entity:

challenging or seeking to restrain or prohibit the completion of the merger or any of the other transactions contemplated by the merger agreement;

relating to the merger and seeking to obtain from Celestica or any of its subsidiaries any damages that, if adversely determined, would reasonably be likely to be material to Celestica;

seeking to prohibit or limit in any material respect Celestica's ability to vote, receive dividends with respect to or otherwise exercise ownership rights with respect to the stock of the company surviving the merger or its subsidiaries;

which would materially and adversely affect the right of the company surviving the merger to own the assets or operate the business of MSL or any of MSL's subsidiaries;

seeking to compel Celestica or MSL or any of their subsidiaries to dispose of or hold separate any material assets, as a result of the merger or any of the other transactions contemplated by the merger agreement; or

which, if adversely determined, would reasonably be likely to have a material adverse effect on MSL and its subsidiaries or on Celestica;

senior management of MSL has not received any written notice, or have knowledge of any other communication, from one or more customers of MSL or any of its subsidiaries from which it can

reasonably be concluded that it is reasonably likely that certain sales or profit margin targets will not be achieved in fiscal year 2004; and

MSL has received consents and approvals required from third parties under certain of its material contracts.

Definition of Material Adverse Effect

Under the merger agreement, a material adverse effect on MSL is defined to mean any event, violation, inaccuracy, circumstance or other matter if such event, violation, inaccuracy, circumstance or other matter (considered together with all other matters that would constitute exceptions to MSL's representations and warranties set forth in the merger agreement, but for the presence of a material adverse effect or other materiality qualifications, or any similar qualifications, in such representations and warranties) has, had or would reasonably be likely to have a material adverse effect on:

the business, condition, capitalization, assets, liabilities, results of operations or financial condition of MSL and its subsidiaries taken as a whole;

the ability of MSL to consummate the merger or any of the other transactions contemplated by the merger agreement or the stockholder agreements or to perform any of its obligations under the merger agreement or the stockholder agreements; or

Celestica's ability to vote, receive dividends with respect to, or otherwise exercise ownership rights with respect to, the stock of the company surviving the merger.

However, with respect to the effect on the business, condition, capitalization, assets, liabilities, results of operations or financial condition of MSL and its subsidiaries, none of the following will be taken into account in determining whether there has been or will be, a material adverse effect on MSL and its subsidiaries, taken as a whole:

a decline in MSL's stock price in isolation; or

the direct and foreseeable effect of any action taken by Celestica following the public announcement of the merger agreement, including any unreasonable refusal by Celestica to consent to any reasonable request by MSL to take any action otherwise prohibited by the provisions of the merger agreement that regulate the conduct of MSL's business prior to completion of the merger or any breach by Celestica of its obligations regarding public announcements in relation to the merger and plans or proposals in connection with employees, customers or the operations of MSL following completion of the merger.

As a result, any of the foregoing exceptions to the definition of material adverse effect, alone or in combination, may occur with respect to MSL without giving Celestica the right to prevent the completion of the merger based on a failure to satisfy the condition to closing that no material adverse effect has occurred since October 14, 2003.

Under the merger agreement, a material adverse effect on Celestica is defined to mean any event, violation, inaccuracy, circumstance or other matter if such event, violation, inaccuracy, circumstance or other matter (considered together with all other matters that would constitute exceptions to Celestica's representations and warranties set forth in the merger agreement, but for the presence of a material adverse effect or other materiality qualifications, or any similar qualifications, in such representations and warranties) has, had or would reasonably be likely to have a material adverse effect on:

the business, condition, capitalization, assets, liabilities, results of operations or financial condition of Celestica and its subsidiaries taken as a whole; or

the ability of Celestica to consummate the merger or any of the other transactions contemplated by the merger agreement or to perform any of its obligations under the merger agreement.

However, with respect to the effect on the business, condition, capitalization, assets, liabilities, results of operations or financial condition of Celestica and its subsidiaries, a decline in Celestica's stock price will not, in and of itself, be deemed to constitute a material adverse effect on Celestica.

Termination of the Merger Agreement

The merger agreement may be terminated in accordance with its terms at any time prior to completion of the merger, whether before or after the adoption of the merger agreement by MSL stockholders:

by mutual written consent of Celestica and MSL;

by either Celestica or MSL by notice to the other if the merger is not completed by May 31, 2004, *provided*, that this right is not available to any party whose failure to perform any material obligation required to be performed by it at or prior to the completion of the merger results in the failure of the merger to be completed by May 31, 2004;

by either Celestica or MSL by notice to the other if a court of competent jurisdiction or other governmental entity has issued a final and nonappealable order, decree or ruling, or has taken any other action, having the effect of permanently restraining, enjoining or otherwise prohibiting the completion of the merger;

by either Celestica or MSL by notice to the other if the merger agreement fails to be adopted by the requisite affirmative vote of the MSL stockholders at a meeting of MSL stockholders or any adjournments or postponements of that meeting, *provided*, that this right is not available to any party if the failure to obtain such stockholder approval results from a failure on the part of that party to perform any material obligation required to be performed by it at or prior to the completion of the merger;

by Celestica by notice to MSL at any time prior to the adoption of the merger agreement by the requisite vote of the MSL stockholders if any of the following triggering events occurs with respect to MSL:

its board of directors fails to recommend that MSL's stockholders vote to adopt the merger agreement, or withdraws or modifies such recommendation in a manner adverse to Celestica, or MSL or its board of directors, in any written material filed with the Securities and Exchange Commission, mailed to MSL stockholders or otherwise made publicly available, or in any stockholder or analyst call, press conference or similar public forum, has made any statements which can reasonably be interpreted to indicate that MSL's board of directors does not believe that the merger is in the best interests of MSL's stockholders;

it fails to include in this proxy statement/prospectus the recommendation of, or a statement to the effect that, its board of directors has determined and believes that the merger is in the best interests of MSL's stockholders;

its board of directors fails to reaffirm, without qualification, its recommendation that MSL's stockholders vote to adopt the merger agreement following MSL's receipt of an acquisition proposal, or fails to publicly state, without qualification, that the merger is in the best interests of MSL's stockholders following a public statement by a third party questioning the advisability of the merger for MSL's stockholders, within ten calendar days after Celestica reasonably requests in writing that such action be taken;

its board of directors approves, endorses or recommends any acquisition proposal;

it fails to take all necessary action under all applicable legal requirements to call, give notice of and hold a meeting of its stockholders to vote on a proposal to adopt the merger agreement;

a tender or exchange offer relating to its securities is commenced and it does not send to its securityholders, within ten business days after the commencement of such tender or exchange offer, a statement disclosing that its board of directors recommends rejection of such tender or exchange offer; or

it or any of its subsidiaries, officers, directors, employees, attorneys, accountants, representatives, or agents breaches MSL's obligations and restrictions under the "no solicitation" provisions of the merger agreement;

by MSL by notice to Celestica if:

MSL has complied with its obligations and restrictions contained in the "no solicitation" provisions of the merger agreement described above in all material respects; and

MSL's board of directors has authorized MSL, subject to complying with the terms of the merger agreement, to enter into a written agreement for a transaction that constitutes a "superior proposal" and MSL has notified Celestica in writing that it intends to enter into such an agreement, attaching the most current version of such agreement to such notice; and

Celestica does not make, within 72 hours after receiving MSL's written notice of its intention to enter into a binding agreement for a superior proposal, an offer from Celestica that MSL's board of directors, in its good faith judgment, after consultation with its financial and legal advisors, determines is at least as favorable to the stockholders of MSL as the superior proposal, *provided* that this right to terminate the merger agreement will not be available to MSL unless MSL has made the required termination payment described below;

by Celestica by notice to MSL if any of MSL's representations and warranties were inaccurate as of October 14, 2003 or become inaccurate as of a date subsequent to October 14, 2003 (as if made on such subsequent date), such that the conditions to the completion of the merger would not be satisfied and such inaccuracy is not capable of being cured;

by Celestica by notice to MSL if any of MSL's covenants contained in the merger agreement are breached, such that the conditions to the completion of the merger are not capable of being satisfied;

by MSL by notice to Celestica if any of Celestica's representations and warranties were inaccurate as of October 14, 2003 or become inaccurate as of a date subsequent to October 14, 2003 (as if made on such subsequent date), such that the conditions to the completion of the merger would not be satisfied and such inaccuracy is not capable of being cured; or

by MSL by notice to Celestica if any of Celestica's covenants contained in the merger agreement are breached such that the conditions to the completion of the merger are not capable of being satisfied.

Payment of Expenses and Termination Fee

Celestica and MSL each has agreed to pay all of its fees and expenses incurred in connection with the merger, the merger agreement and the other transaction contemplated by the merger agreement, except that:

Celestica and MSL will share equally the fees and expenses (other than attorney's and accountant's fees) incurred in connection with (1) the filing, printing and mailing of this proxy statement/prospectus and the registration statement of which this proxy statement/prospectus is a part and (2) the filing of pre-merger notifications and other reports under applicable antitrust laws;

MSL has agreed to reimburse Celestica for its fees and expenses, not in excess of $2.0 million, if the merger agreement is terminated:

because the merger is not completed by May 31, 2004, *or*

because the merger agreement is not adopted by the requisite affirmative vote of the MSL stockholders at a meeting of MSL stockholders or any adjournments or postponements of that meeting, *and*

at the time of such termination, an acquisition proposal has been announced (and not withdrawn); *or*

if a material adverse effect occurs with respect to MSL, the merger agreement is terminated as a result of the merger not being completed by May 31, 2004 and such material adverse effect remains outstanding on the date of such termination, but reimbursement will be limited to expenses incurred after the occurrence of the material adverse effect.

MSL has agreed to pay a termination fee of $10.0 million (less the amount of expenses previously reimbursed to Celestica) if the merger agreement is terminated under any of the following conditions:

by Celestica or MSL if the merger agreement is not adopted by the requisite affirmative vote of the MSL stockholders at a meeting of MSL stockholders or any adjournments or postponements of that meeting;

by Celestica if the merger is not completed by May 31, 2004, *and*:

at or prior to such termination of the merger agreement an acquisition proposal was announced (and not withdrawn prior to such termination) *and*

within one year following such termination an acquisition proposal is consummated or MSL enters into an agreement relating to the consummation of an acquisition proposal and that acquisition proposal is consummated within two years such termination of the merger agreement

unless:

the merger is not completed due to the failure of either Celestica or MSL to obtain the consent of a governmental entity necessary to complete the merger in accordance with the merger agreement, *and*

MSL offered to extend the termination date of May 31, 2004 and Celestica declined such extension;

by Celestica if any of the MSL triggering events occurs; or

by MSL as a result of a superior proposal.

Please see " *Termination of the Merger Agreement*" beginning on page 81 of this proxy statement/prospectus for a description of the triggering events.

Extension, Waiver and Amendment of the Merger Agreement

Celestica and MSL may amend the merger agreement before completion of the merger by mutual written consent. However, pursuant to the stockholder agreement with the institutional stockholders, Celestica has agreed not to materially amend the merger agreement without the consent of the institutional stockholders. For further information regarding the stockholder agreements, please see the section entitled "*The Stockholder Agreements*", below. No amendment will be made which by law requires further approval of MSL's stockholders without the further approval of such stockholders.

Either Celestica or MSL may extend the other's time for the performance of any of the obligations or other acts under the merger agreement, waive any inaccuracies in the other's representations and warranties and waive compliance by the other with any of the agreements or conditions contained in the merger agreement.

THE STOCKHOLDER AGREEMENTS

Contemporaneously with the execution and delivery of the merger agreement, some executives of MSL and certain institutional stockholders of MSL entered into stockholder agreements with Celestica and Merger Sub. We refer to the stockholder agreement with the institution stockholders as the "institutional stockholder agreement" and the stockholder agreements with the executive officers as the "management stockholder agreements". The institutional stockholders are certain private equity funds affiliated or associated with Credit Suisse First Boston. The management stockholders are Messrs. Boucher, Bradshaw, Campenella, Cormier, Gaynor, Lannan, Leasure, Notini, Rao and Rideout.

The institutional stockholder agreement relates to 16,353,979 shares of MSL common stock and 300,000 shares of Series A preferred stock (convertible into approximately 2,331,000 shares of MSL common stock) outstanding on the record date, representing approximately 41.4% of the votes entitled to be cast on the merger proposal. The management stockholder agreements relate to an aggregate of 18,478 shares of MSL common stock outstanding on the record date, representing less than 1% of the votes entitled to be cast on the merger proposal. Together, the stockholder agreements relate to MSL capital stock representing approximately 41.5% of the shares of MSL common stock, on an as-converted basis, outstanding on the record date. We collectively refer to these shares, together with any shares of MSL common stock or preferred stock the institutional stockholders or the management stockholders subsequently acquire, as the subject MSL shares.

The following summary describes the material provisions of the stockholder agreements. The stockholder agreements are attached as Annexes B-l and B-2 to this proxy statement/prospectus and are hereby incorporated by reference into this proxy statement/prospectus. We encourage you to read the stockholder agreements carefully in their entirety for a more complete understanding of these agreements.

Agreement to Vote and Irrevocable Proxy

For the period beginning October 14, 2003 and ending on the earlier of the date the merger is completed and the termination of the merger agreement, which we refer to as the stockholder agreement term, each institutional and management stockholder has agreed to vote their subject MSL shares at any meeting of the MSL stockholders (including any adjournment or postponement thereof) and pursuant to action by written consent, as follows:

in favor of the adoption of the merger agreement and the approval of each other action contemplated by the merger agreement and the respective stockholder agreement;

against any proposal that would result in a breach by MSL of the merger agreement or by such stockholder of the respective stockholder agreement; and

against any action or agreement that is intended to, or would reasonably be likely to, impede, interfere with, delay, postpone, or attempt to discourage the merger.

In addition, each institutional and management stockholder has granted to Merger Sub an irrevocable proxy to vote such stockholder's subject MSL shares as described above. These proxies are valid for any meeting of MSL stockholders (including any adjournment or postponement thereof) and pursuant to action by written consent during the stockholder agreement term.

Transfer Restrictions

In addition, each institutional and management stockholder has agreed to certain restrictions on the transfer of their subject MSL shares for the stockholder agreement term. Each institutional and management stockholder has agreed not to:

transfer, or enter into any contract, option or other arrangement or understanding with respect to the transfer of, any of the subject MSL shares;

enter into any voting arrangement or understanding with respect to the subject MSL shares; or

take any action that could make any of such stockholder's representations or warranties contained in the stockholder agreement untrue or incorrect in any material respect or would have the effect of preventing or disabling such stockholder from performing any obligations under the respective stockholder agreement.

These restrictions on transfer do not prohibit the conversion by a stockholder of any shares of Series A or Series B preferred stock into common stock or the exercise of any warrants or stock options to purchase MSL common stock. Any shares of MSL common stock obtained upon such conversion or exercise will be subject to the stockholder agreements.

Option

The institutional stockholders have granted an irrevocable option to Merger Sub to purchase, in the aggregate, 13,525,328 shares of MSL common stock, which we refer to as the option shares. Merger Sub may exercise the option, as a whole and not in part, at a price of $6.5992 per option share in cash, if MSL terminates the merger agreement to enter into an agreement relating to a superior proposal. Merger Sub may exercise the option only during the period commencing on the termination of the merger agreement by MSL and ending 96 hours after such termination. If the purchase of the option shares does not occur within 90 days after Merger Sub's exercise of the option, the option will terminate and be of no further force or effect, unless such failure resulted from a failure of the institutional stockholders to comply with the institutional stockholder agreement.

Celestica, Merger Sub and the institutional stockholders have also agreed to share the proceeds they receive on a transfer of the option shares under certain circumstances, as follows:

if Merger Sub, during the period commencing on exercise of the option and ending six months after Merger Sub's purchase of the option shares, does not consummate a tender offer for the remaining MSL common stock or a merger with MSL and Merger Sub receives consideration for some or all of the option shares in connection with a business combination transaction with a third party, Merger Sub will pay to the institutional stockholders an amount in cash equal to 50% of the excess, if any, of the value of such consideration received by Merger Sub over the aggregate per share option price for the option shares transferred to such third party in connection with the third party business combination transaction;

if, within six months after purchasing the option shares Merger Sub consummates a tender or exchange offer for the remaining MSL common stock or a merger with MSL, in either case at a price per share of MSL common stock in excess of the per share option price, Merger Sub will pay to the institutional stockholders an amount in cash equal to 50% of the product of (1) the number of option shares sold to Merger Sub and (2) the excess, if any, of the price per share of MSL common stock paid in such transaction over the per share option price; and

if the option expires unexercised and the institutional stockholders have not consummated a tender offer for the remaining MSL common stock or consummated a merger with MSL, and they receive additional consideration for the option shares in connection with a third party business combination transaction during the period commencing 96 hours after termination of the merger agreement and ending on the six-month anniversary of such termination, the institutional stockholders will pay to Merger Sub an amount in cash equal to 50% of the excess, if any, of the value of such consideration received over the product of the per share option price and the number of option shares sold by them in the third party business combination transaction.

COMPARISON OF CELESTICA AND MSL STOCKHOLDERS' RIGHTS

Upon completion of the merger, the stockholders of MSL will be entitled to become shareholders of Celestica. The rights of Celestica shareholders currently are governed by the Ontario Business Corporations Act, or the OBCA, Celestica's restated articles of incorporation, and Celestica's by-laws. The rights of MSL stockholders currently are governed by the Delaware General Corporation Law, or the DGCL, MSL's Restated Certificate of Incorporation and MSL's Amended and Restated By-laws.

The following are summaries of certain material differences between the rights of MSL stockholders and Celestica shareholders.

The following is not a complete statement of the provisions affecting, and the differences between, the rights of MSL stockholders and Celestica shareholders. This summary is qualified by reference to the complete text of the OBCA, the Celestica articles, the Celestica by-laws, the DGCL, the MSL certificate of incorporation and the MSL by-laws. For information as to how you can obtain copies of the Celestica articles, the Celestica by-laws, the MSL certificate of incorporation and the MSL by-laws, please see "Where You Can Find More Information" beginning on page 109 of this proxy statement/prospectus.

Classes and Series of Capital Stock

MSL. The MSL certificate of incorporation authorizes MSL to issue 5,000,000 shares of preferred stock, par value $0.001 per share of which 2,000,000 shares have been designated as Senior Exchangeable preferred stock due 2006, 830,000 have been designated Series A preferred stock and 500,000 have been designated as Series B preferred stock, and 150,000,000 shares of common stock, par value $0.001 per share. As of October 14, 2003, 34,398,030 shares of common stock were outstanding and 830,000 shares of Series A preferred stock and 500,000 shares of Series B preferred stock were outstanding.

Celestica. The authorized share capital of Celestica consists of an unlimited number of subordinate voting shares without nominal or par value, an unlimited number of multiple voting shares without nominal or par value and an unlimited number of preference shares issuable in series without nominal or par value. As of October 14, 2003, 170,327,693 subordinate voting shares and 39,065,950 multiple voting shares were outstanding and no preference shares were outstanding.

The following is a summary of the attributes of the different classes of shares in the share capital of Celestica, and is given subject to the more detailed provisions of the Celestica articles.

Celestica Multiple Voting Shares and Subordinate Voting Shares

Voting Rights

The holders of subordinate voting shares and multiple voting shares are entitled to notice of and to attend all meetings of shareholders and to vote at all such meetings together as a single class, except in respect of matters where only the holders of shares of one class or series of shares are entitled to vote separately pursuant to applicable law. The subordinate voting shares carry one vote per share and the multiple voting shares carry 25 votes per share. Generally, all matters to be voted on by shareholders must be approved by a simple majority (or, in the case of an amalgamation or amendments to the Celestica articles, by two-thirds) of the votes cast in respect of multiple voting shares and subordinate voting shares held by persons present in person or by proxy, voting together as a single class. The holders of multiple voting shares will be entitled to one vote per share held at meetings of holders of multiple voting shares at which they are entitled to vote separately as a class.

Dividends

The subordinate voting shares and the multiple voting shares will be entitled to share ratably, as a single class, in any dividends declared by the board of directors of Celestica, subject to any preferential rights of any outstanding preference shares in respect of the payment of dividends. Dividends consisting of subordinate voting shares and multiple voting shares may be paid only as follows: (i) subordinate voting shares may be paid only to holders of subordinate voting shares, and multiple voting shares may be paid only to holders of multiple voting shares; and (ii) proportionally with respect to each outstanding subordinate voting share and multiple voting share.

Conversion

Each multiple voting share is convertible at any time at the option of the holder thereof into one subordinate voting share.

Multiple voting shares will be converted automatically into subordinate voting shares upon any transfer thereof, except (a) a transfer to Onex Corporation or any affiliate of Onex or (b) a transfer of 100% of the outstanding multiple voting shares to a purchaser who also has offered to purchase all of the outstanding subordinate voting shares for a per share consideration identical to, and otherwise on the same terms as, that offered for the multiple voting shares and the multiple voting shares held by such purchaser thereafter shall be subject to the provisions relating to conversion as if all references to Onex were references to such purchaser. In addition, if (i) any holder of any multiple voting shares ceases to be an affiliate of Onex or (ii) Onex and its affiliates cease to have the right, in all cases, to exercise the votes attached to, or to direct the voting of, any of the multiple voting shares held by Onex and its affiliates, such multiple voting shares shall convert automatically into subordinate voting shares on a one-for-one basis. For these purposes, (w) "Onex" includes any successor corporation resulting from an amalgamation, merger, arrangement, sale of all or substantially all of its assets, or other business combination or reorganization involving Onex, provided that such successor corporation beneficially owns directly or indirectly all multiple voting shares beneficially owned directly or indirectly by Onex immediately prior to such transaction and is controlled by the same person or persons as controlled Onex prior to the consummation of such transaction; (x) a corporation shall be deemed to be a subsidiary of another corporation if, but only if (A) it is controlled by that other, or that other and one or more corporations each of which is controlled by that other, or two or more corporations each of which is controlled by that other, or (B) it is a subsidiary of a corporation that is that other's subsidiary; (y) "affiliate" means a subsidiary of Onex or a corporation controlled by the same person or company that controls Onex; and (z) "control" means beneficial ownership of, or control or direction over, securities carrying more than 50% of the votes that may be cast to elect directors if those votes, if cast, could elect more than 50% of the directors. For these purposes, a person is deemed to beneficially own any security which is beneficially owned by a corporation controlled by such person.

In addition, if at any time the number of outstanding multiple voting shares shall represent less than 5% of the aggregate number of the outstanding multiple voting shares and subordinate voting shares, all of the outstanding multiple voting shares shall be automatically converted at such time into subordinate voting shares on a one-for-one basis.

Onex, which owns, directly or indirectly, all of the outstanding multiple voting shares, has entered into an agreement with Computershare, as trustee for the benefit of the holders of the subordinate voting shares, that has the effect of preventing transactions that otherwise would deprive the holders of subordinate voting shares of rights under applicable provincial take-over bid legislation to which they would have been entitled in the event of a take-over bid for the multiple voting shares if the multiple voting shares had been subordinate voting shares.

Modification, Subdivision and Consolidation

Any modification to the provisions attaching to either the subordinate voting shares or the multiple voting shares requires the separate affirmative vote of two-thirds of the votes cast by the holders of subordinate voting shares and multiple voting shares, respectively, voting as separate classes. Celestica may not subdivide or consolidate the subordinate voting shares or the multiple voting shares without at the same time proportionally subdividing or consolidating the shares of the other class.

Creation of Other Voting Shares

Celestica may not create any class or series of shares, or issue any shares of any class or series (other than subordinate voting shares) having the right to vote generally on all matters that may be submitted to a vote of shareholders (except matters for which applicable law requires the approval of holders of another class or series of shares voting separately as a class or series) without the separate affirmative vote of two-thirds of the votes cast by the holders of the subordinate voting shares and the multiple voting shares, respectively, voting as separate classes.

Rights on Dissolution

With respect to a distribution of assets in the event of a liquidation, dissolution or winding-up of Celestica, whether voluntary or involuntary, or any other distribution of the assets of Celestica for the purposes of winding up its affairs, holders of subordinate voting shares and multiple voting shares will share ratably as a single class in assets available for distribution to holders of subordinate voting shares and multiple voting shares after payment in full of the amounts required to be paid to holders of preference shares, if any.

Other Rights

Neither the subordinate voting shares nor the multiple voting shares will be redeemable nor will the holders of such shares have pre-emptive rights to purchase additional shares.

All of the outstanding subordinate voting shares and all of the outstanding multiple voting shares are fully paid and non-assessable. Upon issuance of the subordinate voting shares in the merger, in accordance with the terms of the Merger Agreement, those shares will be fully paid and non-assessable.

Celestica Preference Shares

The Celestica articles permit the issuance of preference shares in series, without further approval of shareholders. The number of preference shares of each series and the designation, rights, privileges, restrictions and conditions attaching to the shares of each series including, without limitation, any voting rights (other than general voting rights), any rights to receive dividends or any terms of redemption shall be determined by the board of directors. The holders of the preference shares are entitled to dividends in priority to the holders of multiple voting shares, the subordinate voting shares or other shares ranking junior to the preference shares. With respect to a distribution of assets in the event of a liquidation, dissolution or winding up of Celestica, whether voluntary or involuntary, or any other distribution of the assets of Celestica for the purposes of winding up its affairs, the preference shares rank in priority to the multiple voting shares, the subordinate voting shares and any other shares ranking junior to the preference shares.

MSL Common Stock

The holders of MSL common stock are entitled to receive such dividends as may be declared by the MSL board of directors and paid out of funds legally available therefor. Holders of MSL common stock are entitled to one vote per share on all matters upon which stockholders have the right to vote. Cumulative voting of shares is not permitted. In the event of a voluntary or involuntary liquidation, dissolution or winding up of MSL, the holders of MSL common stock are entitled to receive and share ratably in all assets remaining available for distribution to stockholders, after payment of any preferential amounts to which the holders of preferred stock may be entitled. The MSL common stock has no preemptive rights and is not redeemable, assessable or entitled to the benefits of any sinking fund.

Holders of MSL common stock and holders of Series A preferred stock and Series B preferred stock vote together as a single class on all matters submitted to a vote of MSL *other than* those matters which, under the DGCL or the preferred stock governing documents, require a separate class vote.

MSL Preferred Stock

The board of directors of MSL is authorized, without further stockholder action, to authorize and issue any of the undesignated shares of preferred stock in one or more series and to fix the voting powers, rights and preferences, as well as the qualifications, limitations and restrictions, of such shares of the preferred stock.

Series A Preferred Stock

The Series A preferred stock has a stated value of $50.00 per share. The Series A preferred stock accrues dividends quarterly at the rate of 5.25% per annum, payable quarterly in common stock or cash, at MSL's option. The Series A preferred stock may be converted, at the holder's option, prior to the scheduled redemption date of March 14, 2007, into shares of MSL common stock at a conversion price of $6.44. In general, MSL may mandatorily convert some or all of the preferred stock prior to the scheduled redemption date if the closing price of its common stock exceeds 150% of the conversion price for at least 15 of 20 consecutive trading days. The scheduled redemption date for the Series A preferred stock is March 14, 2007 and is redeemable for MSL's common stock or cash, at MSL's option. If MSL chooses to pay dividends in common stock or to redeem the Series A preferred stock with common stock, the number of shares of common stock issued will be computed using 95% of the market value of the common stock at that date. Each share of Series A preferred stock is entitled to a number of votes equal to the number

of shares of common stock into which it is then convertible.

The Series A preferred stock ranks senior to MSL common stock and on a parity with Series B preferred stock upon any dissolution, liquidation or winding up of MSL. Each share of Series A preferred stock is entitled to a liquidation payment equal to $50.00 plus any accrued dividends prior to any amounts to be distributed to holders of common stock. Any change of control of MSL is deemed a liquidation, dissolution or winding up and, if the change of control occurs prior to March 14, 2004, the liquidation payment will be equal to $52.50 per share plus any accrued and unpaid dividends.

Series B Preferred Stock

The Series B preferred stock has a stated value of $50.00 per share. The Series B preferred stock accrues dividends quarterly at the rate of 4.5% per annum, payable quarterly in common stock or cash, at MSL's option. The Series B preferred stock may be converted into MSL's common stock at the option of the holder prior to the scheduled redemption date of July 3, 2008 at a conversion price of $5.90. If any holder of Series B preferred stock converts into common stock prior to July 3, 2005, MSL will make an additional make whole payment to the holder of $2.25, in cash or common stock, at MSL's option, with respect to each share of Series B preferred stock so converted. The preferred stock

also may be redeemed by MSL under certain circumstances at any time after July 3, 2006, in cash or common stock, at MSL's option. If MSL chooses to pay dividends in common stock, to satisfy the make whole payment with common stock or to redeem the Series A preferred stock with common stock, the number of shares of common stock issued will be computed using 95% of the market value of the common stock at that date. Each share of Series B preferred stock is entitled to a number of votes equal to the number of shares of common stock into which it is then convertible.

The Series B preferred stock ranks senior to MSL common stock and on a parity with the Series A preferred stock upon any dissolution, liquidation or winding up of MSL. Each share of Series B preferred stock is entitled to a liquidation payment equal to $50.00 plus any accrued dividends prior to any amounts to be distributed to holders of common stock. Any change of control of MSL is deemed a liquidation, dissolution or winding up and, if the change of control occurs prior to July 3, 2005, the liquidation payment will be equal to $52.50 per share plus any accrued and unpaid dividends.

Annual Meetings of Stockholders

MSL. Under the DGCL, if the annual meeting for the election of directors is not held on a date designated in a corporation's by-laws, the directors are required to cause such meeting to be held as soon thereafter as may be convenient. If they fail to do so for a period of 30 days after the designated date, or if no date has been designated for a period of 13 months after the latest to occur of the organization of the corporation, its last annual meeting or after the last action by written consent to elect directors in lieu of an annual meeting, the Delaware Court of Chancery may summarily order a meeting to be held upon application of any stockholder or director. The shares of stock represented at such meeting, either in person or by proxy, and entitled to vote thereat, shall constitute a quorum for the purposes of such meeting, notwithstanding any provision of the certificate of incorporation or by-laws to the contrary. However, the DGCL does not provide for a stockholder to call such meeting other than by application to the Delaware Court of Chancery.

Celestica. Under the OBCA, the directors of Celestica must call an annual meeting of shareholders not later than 15 months after holding the last preceding annual meeting of Celestica shareholders. If an annual meeting is not called at the required time by the directors, it may be called by the holders of not less than 5% of the issued and voting shares of Celestica, under the OBCA power of shareholders to requisition a meeting, as described under the section entitled "*Special Meetings of Stockholders*", below. If for any reason it is impracticable to call such a meeting or to conduct such a meeting in the manner prescribed by the Celestica articles, the Celestica by-laws and the OBCA, any director or shareholder entitled to vote at such a meeting may apply to a court for an order calling such a meeting.

Special Meetings of Stockholders

MSL. Under the DGCL, special meetings of stockholders may be called only by the board of directors or such other persons as may be authorized by the certificate of incorporation or by-laws. The MSL certificate of incorporation and by-laws provide that a special meeting of stockholders may only be called by (a) the chairman of the board of directors, (b) the chief executive officer (or, if there is no chief executive officer, the president), or (c) by the board of directors of MSL pursuant to a resolution adopted by the affirmative vote of a majority of the total number of directors then in office.

Celestica. Under the OBCA, special meetings of shareholders may be called by the board of directors. In addition, the holders of not less than 5% of the issued and voting shares of Celestica may request that the directors call a meeting of shareholders for the purposes stated in the

request. If the request states a proper purpose and the directors do not call a meeting within 21 days after receiving the requisition, any shareholders who requested the directors to call the meeting may call the meeting.

Quorum of Stockholders

MSL. Under the DGCL, a corporation's certificate of incorporation or by-laws may specify the number of shares which, and/or the amount of other securities having voting power the holders of which, shall be present or represented by proxy at any meeting in order to constitute a quorum, but in no event may a quorum at any stockholders' meeting be less than one-third ($33^{1}/_{3}\%$) of the issued and outstanding stock entitled to vote at such meeting, present in person or by proxy. The MSL by-laws provide that a quorum of stockholders consists of a majority of the outstanding shares of capital stock of MSL entitled to vote, represented in person or by proxy. Pursuant to the MSL by-laws, a majority of the stockholders present or represented at a meeting, although less than a quorum, may adjourn a meeting to any other time and to any other place at which a meeting of stockholders may be held under the by-laws.

Celestica. Under the OBCA, unless the Celestica by-laws otherwise provide, a quorum of shareholders is present at a meeting if the holders of a majority of the shares entitled to vote at that meeting are present in person or represented by proxy. The Celestica by-laws provide that a quorum at any meeting of shareholders shall be at least two persons present in person and personally holding or representing by proxy not less than 35% of the total number of the issued shares of Celestica entitled to vote at the meeting.

Stockholder Action Without a Meeting

MSL. Under the DGCL, unless the certificate of incorporation provides otherwise, any action required by the DGCL to be taken at any annual or special meeting of the stockholders of a corporation, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. The MSL certificate of incorporation provides that stockholders of MSL may not take any action by written consent in lieu of a meeting.

Celestica. Under the OBCA, shareholder action without a meeting may be taken only by written resolution signed by all shareholders who would be entitled to vote thereon at a meeting.

Notice of Stockholder Proposals

MSL. Under the MSL by-laws, business may be brought before a meeting by a stockholder only if properly brought before the meeting.

If such business relates to the election of directors of MSL, the following conditions must be met:

Notice must be mailed by first class US mail, and must be received by the Secretary of MSL no less than 60 days, nor more than 90 days, before the first anniversary of the preceding year's meeting of stockholders. If the date of the meeting is not within 30 days of anniversary of the preceding year's annual stockholder meeting, notice will be timely if received no later than the tenth day following the earlier of day on which notice of the meeting is mailed or publicly disclosed, and

Such notice shall set forth as to each proposed nominee (i) the name, age, business address and, if known, residence address of each such nominee, (ii) the principal occupation or employment of each such nominee, (iii) the number of shares of the corporation which are beneficially owned by each such nominee, and (iv) any other information concerning the nominee that must be disclosed as to nominees in proxy solicitations pursuant to Regulation 14A under the Securities Exchange Act of 1934, including such person's written consent to be named as a nominee and to serve as a director if elected, and

Such notice shall set forth as to the stockholder giving the notice (i) the name and address, as they appear on the corporation's books, of such stockholder and (ii) the class and number of shares of the corporation which are beneficially owned by such stockholder.

If the business to be brought before the meeting relates to any other matter, the following conditions must be met:

Notice must be received by the Secretary of MSL no less than 60 days, nor more than 90 days, before the first anniversary of the preceding year's meeting of stockholders. If the date of the meeting is not within 30 days of anniversary of the preceding year's annual stockholder meeting, notice will be timely if received no later than the tenth day following the earlier of the day on which notice of the meeting is mailed or publicly disclosed, and

Such notice shall set forth for each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the corporation which are beneficially owned by the stockholder and (d) any material interest of the stockholder in such business.

In addition, any stockholder proposal which complies with Rule 14a-8 of the proxy rules, under the Securities Exchange Act of 1934, and is to be included in the corporation's proxy statement for an annual meeting of stockholders shall be deemed to have been properly brought.

Celestica. Under the OBCA, a shareholder entitled to vote at a meeting of shareholders may submit to Celestica notice of any matter that the shareholder proposes to raise at the meeting. If the proposal is submitted to Celestica at least 60 days before the anniversary date of Celestica's previous annual meeting of shareholders, if the matter is proposed to be raised at an annual meeting, or at least 60 days before a meeting other than an annual meeting, Celestica is required, subject to certain exceptions, to distribute the proposal and a supporting statement with the management information circular sent to shareholders to solicit proxies for the meeting.

Access to Corporate Records and Financial Statements

MSL. Under the DGCL, on written demand under oath and for any proper purpose, any stockholder may, in person or by attorney or other agents, inspect, during usual business hours, the corporation's stock ledger, a list of stockholders and its other books and records, and may make copies and extracts therefrom. A "proper purpose" generally means a purpose reasonably related to such person's interest as a stockholder of the corporation.

Celestica. Under the OBCA, a corporation is required to make available to its shareholders and creditors, their agents and legal representatives, certain prescribed books and records during usual business hours of the corporation. Such persons may, free of charge, take extracts from these prescribed books and records and, in the case of a corporation having outstanding securities which were issued as part of a distribution to the public, such as Celestica, any other person may take extracts from these books and records upon payment of a reasonable fee. As well, in the case of such a corporation, shareholders and creditors, their agents and legal representatives, and any other person, upon payment of a reasonable fee and sending to the corporation of a statutory declaration, may require the corporation to furnish a list of shareholders. In addition, directors of a corporation are entitled to examine certain additional records, documents and instruments of the corporation.

Charter Amendments

MSL. Under the DGCL, unless its certificate of incorporation or by-laws otherwise provide, amendments to a corporation's certificate of incorporation generally require the approval of, and

declaration of the advisability by, the board of directors, the approval of the holders of a majority of the outstanding stock entitled to vote thereon and, if such amendments would affect certain rights of holders of a particular class of stock, the approval of a majority of the outstanding stock of such class. The MSL certificate of incorporation requires the affirmative vote of least 75% of the then outstanding shares of MSL capital stock entitled to vote in the election of directors to amend, repeal or adopt any provisions inconsistent with the provisions in the MSL certificate of incorporation relating to the board of directors and stockholder proposals, including the existing provisions relating to the following matters:

minimum number of directors

division of directors into three classes, term of directors and allocation of directors among classes

removal of directors

filling of board vacancies

notice requirements for stockholder nominations and introduction of other business at a meeting

In addition, the approval of the holders of the Series A preferred stock and Series B preferred stock, each voting a separate class, is required in connection with the following actions by the votes indicated:

by holders of at least a majority of the Series A preferred stock:

the issuance of any security ranking senior to the Series A preferred stock, as the case may be, as to the payment of amounts distributed upon a liquidation, dissolution or winding up of MSL or the authorization of additional shares of Series A preferred stock;

the payment of any dividend or distribution on common stock or any shares ranking junior to Series A preferred stock as to the payment of dividends other than in connection with a liquidation, dissolution or winding up of MSL or dividends payable solely in shares of common stock; or

reclassifying any shares common stock or other capital stock into shares ranking senior to the Series A preferred stock as to payments distributable upon a liquidation, dissolution or winding up of MSL.

by holders of at least two-thirds of the Series A preferred stock:

any amendment or repeal of MSL's certificate of incorporation in a manner that would adversely affect the preferences, special rights or other powers of the Series A preferred stock.

by holders of all outstanding shares of Series A preferred stock:

any amendment or repeal of MSL's certificate of incorporation with respect to the dividend rate, liquidation preference, redemption price, scheduled redemption date or conversion price in a manner that would adversely affect the preferences, special rights or other powers of the Series A preferred stock; or

reduce the percentage of outstanding shares of Series A preferred stock the holders of which are required to approve any amendment or repeal of the certificate of incorporation.

by holders of at least a majority of the Series B preferred stock:

the issuance of any security ranking senior to the Series B preferred stock, as the case may be, as to the payment of amounts distributed upon a liquidation, dissolution or winding up of MSL or the authorization of additional shares of Series B preferred stock;

the payment of any dividend or distribution on common stock or any shares ranking junior to Series B preferred stock as to the payment of dividends other than in connection with a liquidation, dissolution or winding up of MSL or dividends payable solely in shares of common stock; or

reclassifying any shares common stock or other capital stock into shares ranking senior to the Series B preferred stock as to payments distributable upon a liquidation, dissolution or winding up of MSL.

by holders of at least two-thirds of the Series B preferred stock:

any amendment or repeal of MSL's certificate of incorporation in a manner that would adversely affect the preferences, special rights or other powers of the Series B preferred stock.

by holders of all outstanding shares of Series B preferred stock:

any amendment of repeal of MSL's certificate of incorporation with respect to the dividend rate, liquidation preference, redemption price, scheduled redemption date or conversion price in a manner that would adversely affect the preferences, special rights or other powers of the Series B preferred stock; or

reduce the percentage of outstanding shares of Series B preferred stock the holders of which are required to approve any amendment or repeal of the certificate of incorporation.

Celestica. Under the OBCA, any amendment to a corporation's articles generally requires approval by special resolution, which is a resolution passed by a majority of not less than two-thirds of the votes cast by the holders of all voting shares entitled to vote on the resolution and, if such amendment affects certain rights of holders of a particular class of shares, a separate special resolution of those holders approved by the same vote as to such particular class.

By-Law Amendments

MSL. Under the DGCL, the power to adopt, amend or repeal by-laws is vested in the voting stockholders. The corporation may, however, in its certificate of incorporation, confer the power to adopt, amend or repeal by-laws upon the directors. The conferring of this power to the directors does not divest the stockholders of the power, or limit their power, to adopt, amend or repeal by-laws. The MSL certificate of incorporation expressly grants the MSL board of directors the power to adopt, amend and repeal the MSL by-laws and provides that stockholders have the power to amend the MSL by-laws only by the vote of at least 75% of the then outstanding shares of MSL capital stock entitled to vote in the election of directors.

Celestica. The Celestica board of directors may, by resolution, make, amend or repeal any by-laws that regulate the business or affairs of Celestica. The directors are required to submit a by-law, amendment or a repeal of a by-law to the shareholders at the next meeting of shareholders of Celestica and the shareholders may, by a resolution passed by a majority of votes cast, confirm, reject or amend the by-law, amendment or repeal. A by-law, or an amendment or a repeal of a by-law, is effective from the date of the resolution of the directors until it is confirmed, confirmed as amended or rejected by the shareholders of Celestica or, if not submitted for approval at the next meeting of shareholders,

until the date of such meeting. A shareholder entitled to vote at an annual meeting of shareholders of Celestica may make a proposal to make, amend or repeal a by-law.

Sale or Lease of Assets

MSL. Under the DGCL, the MSL board of directors may by resolution sell, lease or exchange all or substantially all of the corporation's property and assets, when and as authorized by a resolution adopted by the holders of a majority of the outstanding stock entitled to vote on the resolution. Such sale requires the approval of the holders of a majority of the outstanding capital stock of MSL, with the common stock and the Series A and Series B preferred stock voting together as a single class.

Celestica. Under the OBCA, the sale, lease or exchange of all or substantially all of the property of a corporation, other than in the ordinary course of business requires, in addition to a resolution of the Celestica Board of Directors, the general approval of the shareholders by special resolution, which is a resolution by a majority of not less than two-thirds of the votes cast by the shareholders, each share carrying the right to vote whether or not it otherwise carries the right to vote. A separate special resolution is also required from the holders of each class of shares which is particularly affected by the transaction.

Preemptive Rights

MSL. The DGCL provides that security holders of a corporation only have such preemptive rights as may be provided in the corporation's certificate of incorporation. The MSL certificate of incorporation does not provide for preemptive rights.

Celestica. The OBCA provides that shareholders may have a preemptive right if the corporation's articles so provide. Celestica's articles do not provide for preemptive rights.

Dividends and Distributions

MSL. Under the DGCL, subject to any restriction contained in a corporation's certificate of incorporation, the board of directors may declare, and the corporation may pay, dividends or other distributions upon the shares of its capital stock either (a) out of "surplus" or (b) in the event that there is no surplus, out of the net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year, unless net assets (total assets in excess of total liabilities) are less than the capital of all outstanding preferred stock. "Surplus" is defined as the excess of the net assets of the corporation over the amount determined to be the capital of the corporation by the board of directors (which amount cannot be less than the aggregate par value of all issued shares of capital stock).

Celestica. Under the OBCA, subject to Celestica's articles, Celestica may declare or pay a dividend unless there are reasonable grounds for believing that Celestica is, or would after the payment be, unable to pay its liabilities as they become due or the realizable value of Celestica's assets would thereby be less than the aggregate of Celestica's liabilities and the stated capital of all classes of shares of Celestica. Celestica's articles do not supplement or alter the provisions of the OBCA.

Appraisal and Dissent Rights

MSL. Stockholders of a Delaware corporation which is a constituent in a merger are, in certain instances, entitled to appraisal rights, which ultimately require the surviving corporation to pay the stockholders demanding appraisal of the shares the fair value of the shares, as determined by the Delaware Court of Chancery, in cash. There are, however, no statutory rights of appraisal with respect to stockholders of a Delaware corporation whose shares of stock, at the record date for the determination of stockholders entitled to notice of and to vote at the meeting of stockholders to act upon the merger or consolidation, or on the record date with respect to action by written consent, are

either (a) listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc., or the NASD, or (b) held of record by more than 2,000 stockholders, unless the agreement of merger or consolidation converts such shares into anything other than (i) stock of the surviving corporation, (ii) stock of another corporation which is either listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the NASD, or held of record by more than 2,000 stockholders, (iii) cash in lieu of fractional shares, or (iv) some combination of the above. Because the MSL common stock is traded on such a system, The New York Stock Exchange, and the MSL stockholders are being offered subordinate voting shares of Celestica, which is traded on The New York Stock Exchange and the Toronto Stock Exchange, and cash in lieu of fractional shares, holders of MSL common stock will not have appraisal rights with respect to the merger. However, holders of the Series A and Series B preferred stock will have appraisal rights. Please see "*Appraisal Rights for MSL Preferred Stock*" beginning on page 105 of this proxy statement/prospectus.

Celestica. The OBCA provides that shareholders of a corporation entitled to vote on certain matters are entitled to exercise a dissent right and to be paid the fair value of their shares in connection therewith. The OBCA does not distinguish for this purpose between listed and unlisted

shares. Such matters include (a) any amalgamation with another corporation (other than with certain affiliated corporations); (b) an amendment to the corporation's articles to add, change or remove any provision restricting the issue, transfer or ownership of shares; (c) an amendment to the corporation's articles to add, change or remove a restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise; (d) a continuance under the laws of another jurisdiction; (e) a sale, lease or exchange of all or substantially all of the property of the corporation other than in the ordinary course of business; (f) a court order permitting a shareholder to dissent in connection with an application to the court for an order approving an arrangement proposed by the corporation; and (g) certain amendments to the articles of the corporation which require a separate class or series vote, provided that the shareholder is not entitled to dissent if an amendment to the articles is effected by court order approving a reorganization or court order made in connection with an action for an oppression remedy.

Stock Repurchases

MSL. Under the DGCL, a corporation may not purchase or redeem its own shares of capital stock when the capital of the corporation is impaired or when such purchase or redemption would cause any impairment of the capital of the corporation. However, a corporation may purchase or redeem out of capital any of its own shares, subject to certain requirements, if such shares will be retired upon the acquisition thereof and the capital of the corporation will be thereby reduced.

Celestica. Under the OBCA, Celestica may purchase or otherwise acquire shares issued by Celestica unless there are reasonable grounds for believing that Celestica is, or would after the purchase be, unable to pay its liabilities as they become due or the realizable value of Celestica's assets would after the purchase be less than the aggregate of Celestica's liabilities and stated capital of all classes of shares. Canadian securities laws restrict the ability of a public corporation, such as Celestica, to selectively repurchase its securities. Open market purchases of securities by Celestica *(i.e.,* normal course issuer bids) may be effected provided that such purchases do not exceed prescribed annual and/or monthly limits. Otherwise, issuer bid purchases must be made pursuant to an offer extended on identical terms to all holders of the subject securities.

Number and Qualification of Directors

MSL. The DGCL provides that the minimum number of directors is one. The number of directors is fixed by or in the manner provided in the by-laws, unless the certificate of incorporation fixes the number of directors, in which case a change in the number of directors may only be made by

amendment to the certificate of incorporation. A corporation's by-laws or certificate of incorporation may prescribe other qualifications for directors. The MSL by-laws and certificate of incorporation provide that the number of directors which constitute the entire MSL board of directors shall be determined by resolution of the MSL board of directors, but in no event shall such number be less than three.

Celestica. Under the OBCA, the Celestica board of directors must have not fewer than three members, at least one-third of whom are not officers or employees of Celestica or its affiliates. Under Celestica's articles, the minimum number of directors is three and the maximum number of directors is 20. A majority of directors of Celestica must be resident Canadians under the OBCA and, except in limited circumstances, directors may not transact business at a meeting of directors (or a committee of directors) at which a majority of the directors present are not resident Canadians under the OBCA.

Filling Vacancies on the Board of Directors

MSL. The DGCL provides that vacancies and newly created directorships may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, unless otherwise provided in the certificate of incorporation or by-laws. If the certificate of incorporation directs that a particular class is to elect such director, however, such vacancy may be filled only by a majority of the other directors elected by such class then in office, or by a sole remaining director so elected. If, at the time of filling any vacancy or newly created directorship, the directors then in office constitute less than a majority of the entire board (as constituted immediately prior to such increase), the Delaware Court of Chancery may, upon application of stockholders holding at least 10% of the total number of shares outstanding and having the right to vote for such directors, order an election to be held to fill any such vacancy or newly created directorship or to replace the directors chosen by the directors then in office.

Celestica. Under the OBCA, a quorum of directors may fill a vacancy among the directors except a vacancy resulting from an increase in the maximum number of directors of Celestica or from a failure to elect the minimum number of directors required to be elected at any meeting of shareholders. In accordance with the provisions of the OBCA, the shareholders of Celestica have passed a special resolution permitting the directors to determine the number of directors of Celestica, subject to the minimum and maximum number of directors set out in Celestica's

articles. Where such a special resolution has been passed, the OBCA permits the directors to increase the number of directors and to appoint additional directors to fill the vacancies created by that increase, so long as the total number of directors after such appointment is not greater than one and one-third times the number of directors required to have been elected at the last annual meeting of shareholders.

Removal of Directors

MSL. Under the DGCL, directors may be removed with or without cause by a majority of the stockholders entitled to vote at an election of directors, except (a) unless the certificate of incorporation otherwise provides, if the board of directors is classified, removal may be for cause only or (b) where a corporation has cumulative voting, if less than the entire board of directors is removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire board of directors. The MSL board of directors is divided into three classes and the stockholders of MSL do not have the right to cumulate their votes in the election of directors. MSL directors in a class with a term expiring at a meeting of stockholders are elected by a plurality vote of all of the votes cast at the annual meeting of stockholders. The MSL certificate of incorporation provides that directors may only be removed for cause and only by the vote of the holders of at least 75% of the outstanding shares of MSL capital stock entitled to vote in the elections of directors.

Celestica. Under the OBCA, the shareholders of Celestica may by ordinary resolution at an annual or special meeting remove any director or directors from office.

Transactions with Directors

MSL. The DGCL provides that no contract or transaction between a corporation and one or more of its directors or officers, or between a corporation and any other entity of which one or more of its directors or officers are directors or officers, or in which one or more of its directors or officers have a financial interest, is void or voidable if (a) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or known to the board of directors or a committee thereof, which authorizes the contract or transaction in good faith by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum, (b) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or known to the stockholders entitled to vote thereon and the contract or transaction is specifically approved in good faith by the stockholders or (c) the contract or transaction is fair to the corporation as of the time it is authorized, approved or ratified by the board of directors, a committee thereof, or the stockholders.

Under the DGCL, A corporation may make loans to, guarantee the obligations of or otherwise assist its officers or other employees and those of a subsidiary, including directors who are also officers or employees of the corporation or a subsidiary, when such action, in the judgment of the directors, may reasonably be expected to benefit the corporation. The MSL certificate of incorporation does not alter the provisions of the DGCL concerning transactions with directors. However, the Sarbanes-Oxley Act of 2002, which is applicable to public companies such as MSL, makes it unlawful for a company to extend or maintain, or arrange for, a personal loan to or for any director or executive officer.

Celestica. The OBCA provides that a material contract between Celestica and one or more of its directors or officers, or between Celestica and another person of which a director or officer of Celestica is a director or officer or in which he or she has a material interest, is neither void nor voidable by reason only of that relationship or by reason only that a director with an interest in the contract is present at or is counted to determine the presence of a quorum at a meeting of directors or committee of directors that authorized the contract, if the director or officer disclosed his or her interest and the contract or transaction was approved by the directors or the shareholders and the contract or transaction was reasonable and fair to Celestica at the time the contract or transaction was approved.

Under the OBCA, Celestica may give financial assistance to any person, including any officer or director, for any purpose by means of a loan, guarantee or otherwise, provided that Celestica discloses to its shareholders all material financial assistance that it gives to any such persons. Following the giving of any such financial assistance, the disclosure is required to be made in the management information circular in respect of the next annual meeting and in the next set of annual financial statements and, as long as the financial assistance remains outstanding, in any following annual meeting management information circulars and annual financial statements. However, the Sarbanes-Oxley Act of 2002, which is applicable to public companies such as Celestica, makes it unlawful for a company to extend or maintain, or arrange for, a personal loan to or for any director or executive officer.

Director and Officer Liability and Indemnification

MSL. The DGCL allows a Delaware corporation to include a provision in its certificate of incorporation limiting or eliminating the liability of directors for monetary damages for a breach of their fiduciary duty, provided such directors acted in good faith. However, a

corporation may not limit the liability of its directors for (a) breaches of duty or loyalty, (b) acts or omissions involving intentional misconduct or knowing violations of law, (c) the payment of unlawful dividends, stock

repurchases or redemptions or (d) any transaction in which the director received an improper personal benefit. Statutory authority is granted to Delaware corporations to indemnify directors, officers, employees and agents, and mandates indemnification under limited circumstances. Indemnification against expenses incurred by a present or former officer or director in connection with a proceeding against such person for actions in such capacity is mandatory to the extent that the person has been successful on the merits. Advancement of expenses prior to the final disposition of a proceeding is permissive only and the DGCL requires that any advancement to directors or officers be accompanied by an undertaking by such person to repay such expenses if it is ultimately determined that such person is not entitled to indemnification.

The DGCL also permits a corporation to indemnify a director, officer, employee or agent for fines, judgments or settlements, as well as expenses in connection with third-party claims brought against a director, if such director acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the corporation, or in the case of a criminal action, had no reasonable cause to believe his conduct was unlawful. Indemnification in the context of derivative actions is restricted to expenses only. Further, if an officer, director, employee or agent is adjudged liable to the corporation, expenses are not allowable, subject to limited exceptions where a court deems the award of expenses appropriate. Determinations regarding permissive indemnification are to be made by the majority vote of disinterested directors (even if less than a quorum) or by a committee of such directors designated by majority vote of such directors even though less than a quorum, or, if there are no such directors, or if such directors so direct, by independent legal counsel or by the stockholders.

The DGCL grants express authority to a Delaware corporation to purchase and maintain insurance for director and officer liability. Such insurance may be purchased for any officer, director, employee or agent, regardless of whether that individual is otherwise eligible for indemnification by the corporation.

The MSL certificate of incorporation provides that, to the full extent permitted by the DGCL, MSL shall indemnify, hold harmless and, upon request, advance expenses to any person who was or is a party or is threatened to be a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, because that person is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at the request of MSL, as a director, officer or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, including any employee benefit plan, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her or on his or her behalf in connection with such action, suit or proceeding and any appeal therefrom, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of MSL, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. No amendment, termination or repeal of the provisions relating to limitation on director liability shall affect or diminish in any way the rights of such person to indemnification under the certificate of incorporation with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

The MSL certificate of incorporation also provides that MSL shall not indemnify any person seeking indemnification in connection with any action, suit, proceeding, claim or counterclaim, or part thereof, initiated by that person unless the initiation thereof was approved by the MSL board of directors.

The MSL certificate of incorporation also provides that MSL may advance payment of expenses incurred by any person in advance of the final disposition of any matter only upon receipt of an

undertaking by or on behalf of such person to repay all advanced amounts in the event that it shall ultimately be determined that he or she is not entitled to be indemnified by MSL.

The MSL certificate of incorporation also provides that MSL may maintain insurance, at its expense, to protect itself or the directors, officers, employees and agents of MSL or any other corporation or entity against any expense, liability or loss, regardless of whether such expense, liability or loss would be indemnifiable under the DGCL.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling MSL pursuant to the foregoing provisions, MSL has been informed that in the opinion of the Commission such indemnification is against public

policy as expressed in the Securities Act and is therefore unenforceable.

Celestica. Directors of corporations governed by the OBCA are required to exercise their powers and discharge their duties in accordance with their fiduciary duty and duty of care. The fiduciary duty requires directors to act honestly and in good faith, with a view to the best interests of the corporation. The duty of care requires directors to exercise the care diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Under the OBCA, a corporation may not, in its articles, limit the liability of its directors for breaches of their fiduciary duties. However, the corporation may indemnify a director or officer, a former director or officer or a person who acts or acted at the corporation's request as a director or officer of a body corporate of which the corporation is or was a shareholder or creditor, and his or her heirs and legal representatives (an "Indemnifiable Person"), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a director or officer of such corporation or such body corporate, if (a) such person acted honestly and in good faith with a view to the best interests of the corporation and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person had reasonable grounds for believing that his or her conduct was lawful. An Indemnifiable Person is entitled to such indemnity from the corporation if such person was substantially successful on the merits of his or her defense of the action or proceeding and fulfilled the conditions set out in (a) and (b) above. A corporation may, with the approval of a court, also indemnify an Indemnifiable Person in respect of an action by or on behalf of the corporation or body corporate to procure a judgment in its favor, to which such person is made a party by reason of being or having been a director or an officer of the corporation or body corporate, if he or she fulfills the conditions set out in (a) and (b) above. Celestica has provided for indemnification of directors and officers to the fullest extent authorized by the OBCA.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling Celestica pursuant to the foregoing provisions, Celestica has been informed that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Oppression Remedy

MSL. The DGCL does not provide for an oppression remedy.

Celestica. The OBCA provides for an oppression remedy that enables the court to make any order, both interim and final, it thinks fit to rectify the matters complained of if the court is satisfied upon application by a complainant (as defined below) that, (a) any act or omission of the corporation or of its affiliates effects, or threatens to effect, a result, (b) the business or affairs of the corporation or any of its affiliates are, have been, or are threatened to be, carried on or conducted in a manner, or (c) the powers of the directors of the corporation or any of its affiliates are, have been, or are

threatened to be, exercised in a manner, that is oppressive or unfairly prejudicial to or that unfairly disregards the interest of any security holder, creditor, director or officer of the corporation. A complainant includes (i) a present or former registered holder or beneficial owner of securities of a corporation or any of its affiliates, (ii) a present or former officer or director of the corporation or any of its affiliates and (iii) any other person who in the discretion of the court is a proper person to make such application.

Because of the breadth of the conduct which can be complained of and the scope of the court's remedial powers, the oppression remedy is very flexible and is sometimes relied upon to safeguard the interests of shareholders and other complainants with a substantial interest in the corporation. The OBCA does not require proof that the directors of a corporation acted in bad faith in order to seek an oppression remedy. The court may order the corporation to pay the interim costs of a complainant seeking an oppression remedy, including legal fees and disbursements, but the complainant may be held accountable for such interim costs on final disposition of the complaint (as in the case of a derivative action).

Derivative Action

MSL. Derivative actions may be brought in Delaware by a stockholder on behalf of, and for the benefit of, the corporation. The DGCL provides that a stockholder must aver in the complaint that he or she was a stockholder of the corporation at the time of the transaction of which he or she complains. A stockholder may not sue derivatively unless he or she first makes demand on the corporation that it bring suit and such demand has been refused, unless it is shown that such demand would have been futile.

Celestica. Under the OBCA, a complainant may apply to the court (as defined in the OBCA) for leave to bring an action in the name of and on behalf of a corporation or any subsidiary, or to intervene in an existing action to which any such body corporate is a party, for the

purpose of prosecuting, defending or discontinuing the action on behalf of the body corporate. Under the OBCA, no action may be brought and no intervention in an action may be made unless the court is satisfied that (a) the complainant has given 14 days' notice to the directors of the corporation or its subsidiary of the complainant's intention to apply to the court and if the directors of the corporation or its subsidiary do not bring, diligently prosecute or defend or discontinue the action, (b) the complainant is acting in good faith and (c) it appears to be in the interest of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued. Where a complainant makes an application without having given the required notice, the OBCA permits the court to make an interim order pending the giving of such notice, *provided* that the complainant can establish that at the time it sought the interim order it was not expedient to give the required notice.

Under the OBCA, the court in a derivative action may make any order it thinks fit. Additionally, under the OBCA, a court may order a corporation or its subsidiary to pay the complainant's interim costs, including reasonable legal fees and disbursements. Although the complainant may be held accountable for the interim costs on final disposition of the complaint, the complainant is not required to give security for costs in a derivative action.

Anti-Takeover Laws

MSL. Section 203 of the DGCL restricts the ability of an "interested stockholder" to merge with or enter into other business combinations with a corporation for a period of three years after becoming an "interested stockholder." A person is deemed to be an "interested stockholder" upon acquiring 15% or more of the outstanding voting stock of the target corporation. However, the restrictions on business combinations set forth in Section 203 of the DGCL do not apply if (a) prior to the time the person became an interested stockholder, the board of directors of the target corporation approves either the

combination or the transaction which results in the stockholder becoming an interested stockholder, (b) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding shares owned by persons who are directors and officers and shares owned by certain employee stock plans) or (c) the combination is approved by the corporation's board of directors and the holders of two-thirds of the corporation's voting stock at an annual or special meeting of the stockholders and not by written consent, excluding shares owned by the interested stockholder.

Section 203 of the DGCL applies to Delaware corporations, the stock of which is (i) listed on a national securities exchange, (ii) designated as a national market system security on an interdealer quotation system by the NASD or (iii) held of record by more than 2,000 stockholders. However, Section 203 of the DGCL does not apply in certain cases, including (w) if the corporation's original certificate of incorporation contains a provision expressly electing not to be governed by Section 203 of the DGCL, (x) the corporation, by action of its board of directors, adopted within 90 days following the enactment of Section 203 of the DGCL an amendment to its by-laws expressly electing not to be governed by the statute, (y) the corporation, adopts an amendment to its certificate of incorporation or by-laws expressly electing not to be governed by the statute or (z) the stockholder becomes an interested stockholder inadvertently and divests itself of sufficient shares so that the stockholder ceases to be an interested stockholder, provided that the stockholder would not have been an interested stockholder (but for the inadvertent acquisition) at any time within the three-year period immediately prior to a business combination between the corporation and such stockholder.

MSL has made an election to be governed by Section 203 of the DGCL. However, the MSL certificate of incorporation provides that Donaldson, Lufkin & Jenrette, Inc. and its affiliates shall not be deemed at any time, and without regard to the percentage of the MSL voting stock owned by them, to be an "interested stockholder" as defined in Section 203(c)(5) of the DGCL.

The MSL board has approved, for purposes of Section 203 of the DGCL, the merger agreements, the stockholder agreements, the acquisition of subordinate voting shares pursuant to the stockholder agreements, and the other transactions contemplated by the merger agreement, so that the restrictions on business combinations provided by Section 203 of the DGCL will not apply to Celestica or its affiliates with respect to or as a result of any of the transactions contemplated by the merger agreement, including any transactions contemplated by the stockholder agreements.

Celestica. The OBCA does not contain a comparable provision to Section 203 of the DGCL with respect to business combinations. However, Rule 61-501 of the Ontario Securities Commission, or the OSC, and Policy Statement Q-27 of the Commission des valeurs mobilieres du Quebec, or the CVMQ, contain requirements in connection with related party transactions. A related party transaction means, generally, any transaction by which an issuer, directly or indirectly, acquires or transfers an asset or acquires or issues treasury securities or assumes or transfers a liability from or to, as the case may be, a related party by any means in any one or any combination of transactions. "Related Party" is defined in OSC Rule 61-501 and CVMQ Policy Statement Q-27 and includes directors, senior officers and holders of at least 10% of the voting securities of the issuer.

Rule 61-501 and Policy Q-27 require more detailed disclosure in the proxy material sent to security holders in connection with a related party transaction, and, subject to certain exceptions, the preparation of a formal valuation of the subject matter of the related party transaction and any non-cash consideration offered therefor and the inclusion of a summary of the valuation in the proxy material. Rule 61-501 and Policy Q-27 also require, subject to certain exceptions, that the minority shareholders of the issuer separately approve the transaction.

These requirements of Canadian securities regulators provide, in addition to specified exemptions, for discretion to be exercised by such regulators to exempt parties from some or all such requirements,

with or without conditions, where such regulators consider it to be consistent with the public interest to do so. In general, these requirements of Canadian securities regulators are administered and enforced by securities regulators rather than by the courts and the basis upon which such regulators take jurisdiction over a matter and the remedies that may be available differ significantly from those applicable to requirements of corporate law contained in the OBCA.

Voluntary Dissolution

MSL. The DGCL provides that, unless the board of directors approves a proposal to dissolve a corporation, the dissolution must be consented to in writing by stockholders holding 100% of the total voting power of the corporation. If the dissolution is initiated by the board of directors, it need only be approved by a majority of the outstanding stock of the corporation entitled to vote thereon. Under the MSL certificate of incorporation, holders of the MSL common stock and the Series A and Series B preferred stock are entitled to vote together as a single class in favor of or against a dissolution of MSL. The holders of a majority of the voting power of the outstanding capital stock of MSL must approve such dissolution.

Celestica. Under the OBCA, a voluntary dissolution of Celestica would require approval by special resolution of the holders of each class of shares of Celestica or the consent in writing of all shareholders entitled to vote at such meeting. A special resolution is a resolution passed at a meeting by not less than two-thirds of the votes cast by the shareholders entitled to vote on the resolution.

Vote on Extraordinary Corporate Transactions

MSL. Under the DGCL, mergers or consolidations require the approval of the holders of a majority of the outstanding stock of the corporation entitled to vote thereon unless otherwise required by its certificate of incorporation. Approval is not required: (a) by the holders of a corporation surviving a merger where (i) the merger requires the issuance of common stock, if any, not exceeding 20% of such corporation's shares outstanding immediately prior to the merger, (ii) each share of stock of such corporation outstanding prior to the merger is to be an identical share of stock of the surviving corporation following the merger and (iii) the merger agreement does not amend in any respect the survivor's certificate of incorporation and (b) for either the acquired or surviving corporation where the corporation surviving the merger is a 90% parent of the acquired corporation. Under the MSL certificate of incorporation, holders of the MSL common stock and the Series A and Series B preferred stock are entitled to vote together as a single class on extraordinary transactions, such as mergers or consolidations. Such transactions require approval of the holders of a majority of the voting power of the outstanding capital stock of MSL.

Celestica. Under the OBCA, certain extraordinary corporate actions, such as certain amalgamations, continuances, sales of substantially all the assets of a corporation other than in the ordinary course of business, and other extraordinary corporate actions such as liquidations or dissolutions and (if ordered by the court) arrangements require authorization by special resolution or by the written consent of each shareholder entitled to vote on the resolution. In certain cases, a special resolution to approve an extraordinary corporate action is also required to be approved separately by the holders of a class or series of shares.

APPRAISAL RIGHTS FOR MSL PREFERRED STOCK

Under the Delaware General Corporation Law, holders of Series A and Series B preferred stock may demand in writing that the company surviving the merger pay the fair value of their preferred shares, as determined by the Delaware Court of Chancery. Determination of fair value

is based on all relevant factors, but excludes any appreciation or depreciation resulting from the anticipation or accomplishment of the merger. Preferred stockholders who elect to exercise appraisal rights must comply with all of the procedures to preserve those rights. A copy of Section 262 of the Delaware General Corporation Law, which sets forth the appraisal rights, is attached as Annex E to this proxy statement/prospectus.

Holders of MSL common stock do not have the right to seek appraisal for their shares of MSL common stock.

Section 262 sets forth the procedures a stockholder requesting appraisal must follow. These procedures are complicated and must be followed completely. Failure to comply with these procedures may cause you to lose your appraisal rights. The following information is only a summary of the required procedures and is qualified in its entirety by the provisions of Section 262. Please review Section 262 for the complete procedures. Neither Celestica nor MSL will give you any notice of your appraisal rights other than as described in this proxy statement/prospectus and as required by the Delaware General Corporation Law.

General Requirements

Section 262 generally requires the following:

You must deliver a written demand for appraisal to MSL before the vote is taken at the MSL special meeting. This written demand for appraisal must be separate from the proxy. In other words, failure to return the proxy or returning the proxy, with or without any voting instructions, will not alone constitute demand for appraisal. Similarly, a vote against adoption of the merger agreement will not satisfy your obligation to make written demand for appraisal. You should read the paragraphs below and Annex E for more details on making a demand for appraisal.

You must not vote in favor of adoption of the merger agreement. If you return a properly executed proxy voting in favor of the adoption of the merger agreement or without any voting instruction marked or otherwise vote in favor of adoption of the merger agreement, you will lose your right to appraisal, even if you previously filed a written demand for appraisal. You do not have to vote against the adoption of the merger agreement in order to preserve your appraisal rights.

You must continuously hold your shares of MSL preferred stock from the date you make the demand for appraisal through the completion of the merger.

Requirements for Written Demand for Appraisal

A written demand for appraisal of MSL preferred stock is only effective if it is signed by, or for, the stockholder of record who owns the shares at the time the demand is made. The demand must be signed as the stockholder's name appears on its stock certificate(s). If you are a beneficial owner of MSL preferred stock but not a stockholder of record, you must have the stockholder of record for your shares sign a demand for appraisal on your behalf.

If you own MSL preferred stock in a fiduciary capacity, such as a trustee, guardian or custodian, you must disclose the fact that you are signing the demand for appraisal in that capacity.

If you own MSL preferred stock with one or more other persons, such as in a joint tenancy or tenancy in common, all of the owners must sign, or have signed for them, the demand for appraisal. An

authorized agent, which could include one or more of the owners, may sign the demand for appraisal for a stockholder of record; however, the agent must expressly disclose who the stockholder of record is and that he or she is signing the demand as that stockholder's agent.

If you are a record owner who holds MSL preferred stock as a nominee for others, you may exercise a right of appraisal with respect to the shares held for one or more beneficial owners, while not exercising that right for other beneficial owners. In such a case, you should specify in the written demand the number of shares as to which you wish to demand appraisal. If you do not specify the number of shares, it will be assumed that your written demand covers all the shares of MSL preferred stock that are in your name.

If you are an MSL preferred stockholder, you should address the written demand to Manufacturers' Services Limited, 300 Baker Avenue, Concord, Massachusetts 01742, Attention: Corporate Secretary. MSL must receive your written demand before the vote concerning the merger is taken or you will lose your appraisal rights. As explained above, this written demand should be signed by, or on behalf of, the stockholder of record. The written demand for appraisal should specify the stockholder's name and mailing address, the number of shares of Series A preferred stock and/or Series B preferred stock owned, and that the stockholder is thereby demanding appraisal of such stockholder's shares.

Written Notice

Within 10 days after the completion of the merger, the company surviving the merger must give written notice of the date that the merger became effective to each stockholder who has fully complied with the conditions of Section 262. Except as required by law, you will not be notified of any dates by which appraisal rights must be exercised.

Petition with the Chancery Court

Within 120 days after the completion of the merger, the company surviving the merger or any preferred stockholder who has complied with the conditions of Section 262 may file a petition in the Delaware Court of Chancery. This petition should request that the Chancery Court determine the value of the MSL Series A preferred stock and Series B preferred stock held by all of the stockholders who are entitled to appraisal rights. If you intend to exercise your rights of appraisal, you should file a petition in the Chancery Court. MSL does not have any intention at this time to file a petition. Because MSL does not have an obligation to file a petition, if you do not file such a petition within 120 days after the completion of the merger, you will lose your rights of appraisal.

Withdrawal of Demand

If you change your mind and decide you no longer want an appraisal, you may withdraw your demand for appraisal at any time within 60 days after the completion of the merger. You may also withdraw your demand for appraisal after 60 days after the completion of the merger, but only with the written consent of MSL. If you withdraw your demand for appraisal, you will receive the merger consideration provided in the merger agreement.

Request for Appraisal Rights Statement

If you have complied with the conditions of Section 262, you will be entitled to receive a statement setting forth the number of shares of Series A and Series B preferred stock not voted in favor of the adoption of the merger agreement and with respect to which demands for appraisal have been received and the number of stockholders who own those shares. In order to receive this statement, you must send a written request to MSL within 120 days after the completion of the merger. After the merger, MSL will have 10 days after receiving a request to mail the statement to the stockholder.

Chancery Court Procedures

If you properly file a petition for appraisal in the Chancery Court and serve a copy on MSL, MSL will then have 20 days to provide the Chancery Court with a list of the names and addresses of all stockholders who have demanded appraisal and have not reached an agreement with Celestica as to the value of their preferred stock. If the Chancery Court decides it is appropriate, it will then send notice to all of the preferred stockholders who have demanded appraisal. The Chancery Court has the power to conduct a hearing to determine whether the stockholders have fully complied with Section 262 of the Delaware General Corporation Law and whether they are entitled to appraisal under that section. The Chancery Court may also require you to submit your stock certificates to the Registry in Chancery so that it can note on the certificates that an appraisal proceeding is pending. If you do not follow the Chancery Court's directions, you may be dismissed from the proceeding.

Chancery Court Appraisal of MSL Preferred Stock

After the Chancery Court determines which preferred stockholders are entitled to appraisal rights, the Chancery Court will appraise the fair value of the shares of Series A preferred stock and/or Series B preferred stock, if any holders of such series are entitled to appraisal rights. To determine the fair value of the shares, the Chancery Court will consider all relevant factors except for any appreciation or depreciation resulting from the anticipation or accomplishment of the merger. The Delaware Supreme Court has stated that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered in the appraisal proceedings. After the Chancery Court determines the fair value of the shares, it will direct MSL to pay that value to the stockholders who are entitled to appraisal. The Chancery Court can also direct MSL to pay interest, simple or compound, on that value if the Chancery Court

determines that interest is appropriate. In order to receive the fair value for your shares, you must surrender your stock certificates to MSL.

The Chancery Court could determine that the fair value of shares of MSL Series A preferred stock and/or Series B preferred stock is more than, the same as, or less than the consideration payable as a result of the merger agreement. In other words, if you demand appraisal rights, you could receive less consideration than you would under the merger agreement. In addition, investment banking opinions as to fairness from a financial point of view are not necessarily opinions as to fair value under Section 262.

Costs and Expenses of Appraisal Proceeding

The costs and expenses of the appraisal proceeding may be assessed against the company surviving the merger and the stockholders participating in the appraisal proceeding, as the Chancery Court deems equitable under the circumstances. You can request that the Chancery Court determine the amount of interest, if any, that the company surviving the merger should pay on the value of stock owned by stockholders entitled to the payment of interest. You may also request that the Chancery Court allocate the expenses of the appraisal action incurred by any stockholder pro rata against the value of all of the shares entitled to appraisal.

Loss of Stockholder's Rights

If you demand appraisal, after the completion of the merger you will not be entitled to:

vote your shares of stock, for any purpose, for which you have demanded appraisal;

receive payment of dividends or any other distribution with respect to your shares, except for dividends or distributions, if any, that are payable to holders of record as of a record date before the effective time of the merger; or

receive the payment of the consideration provided for in the merger agreement.

However, you can regain these rights if no petition for an appraisal is filed within 120 days after the completion of the merger, or if you deliver to MSL a written withdrawal of your demand for an appraisal and your acceptance of the merger, either within 60 days after the completion of the merger or thereafter with the written consent of MSL. As explained above, these actions will also terminate your appraisal rights. However, an appraisal proceeding in the Chancery Court cannot be dismissed without the Chancery Court's approval in any event. The Chancery Court may condition its approval upon any terms that it deems just.

If you fail to comply strictly with these procedures you will lose your appraisal rights. Consequently, if you wish to exercise your appraisal rights, you are strongly urged to consult a legal advisor before attempting to exercise your appraisal rights.

FUTURE MSL STOCKHOLDER PROPOSALS

MSL intends to hold a stockholder meeting in 2004 only if the merger is not completed. In order for a stockholder proposal to be considered for inclusion in MSL's proxy statement for the 2004 annual meeting (if it is held), in accordance with the standards contained in Rule 14a-8 under the Exchange Act and MSL's by-laws, stockholder proposals must be received no later than December 16, 2003. However, if the date of MSL's 2004 annual meeting is moved before April 22, 2004 or after June 21, 2004, the deadline for inclusion in MSL's proxy statement is a reasonable time before MSL begins to print and mail its proxy materials.

In order for a stockholder proposal or stockholder nomination for director to be presented at MSL's 2004 annual meeting (if it is held) from the floor, the stockholder must deliver to the Secretary of MSL at MSL's principal executive office written notice of such proposal or nomination not later than the close of business on March 23, 2004 nor earlier than the close of business on February 22, 2004. If, however, the 2004 annual meeting is held before May 2, 2004, or after July 21, 2004 written notice of such proposal or nomination must be received no earlier than the close of business 90 days prior to the meeting and not later than the later to occur of the following two dates:

60 days prior to the meeting; and

10 days after public announcement of the meeting date.

In addition, in order to raise a proposal from the floor, the stockholder must comply with MSL's by-laws, including requirements to have delivered a proxy statement and form of proxy to holders of a sufficient number of shares of MSL common stock to approve the proposal and to provide specified information. In addition, MSL's by-laws provide that a nomination for director must include a statement by the nominee acknowledging that he or she will owe a fiduciary duty exclusively to the corporation and its stockholders.

You may contact MSL's Corporate Secretary at MSL's principal executive offices for a copy of the relevant by-law provisions regarding the requirements for making stockholder proposals and nominating director candidates.

LEGAL MATTERS

Davies Ward Phillips and Vineberg LLP will pass upon the validity of the Celestica subordinate voting shares offered by this proxy statement/prospectus and Kaye Scholer LLP will pass upon certain federal income tax consequences of the merger for Celestica.

Hale and Dorr LLP will pass upon certain federal income tax consequences of the merger for MSL.

EXPERTS

The consolidated financial statements of Celestica Inc. incorporated in this proxy statement/prospectus by reference to the Annual Report of Celestica Inc. on Form 20-F for the year ended December 31, 2002 have been so incorporated in reliance on the report of KPMG LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Manufacturers' Services Limited incorporated in this proxy statement/prospectus by reference to the Annual Report of Manufacturers' Services Limited on Form 10-K for the year ended December 31, 2002 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

Celestica files annual and special reports with the Securities and Exchange Commission. MSL files annual, quarterly and current reports, proxy and information statements and other information with the Securities and Exchange Commission. As a foreign private issuer, Celestica is exempt from the rules and regulations under the Exchange Act prescribing certain disclosure and procedural requirements for proxy solicitations and, with respect to their purchases and sales of Celestica securities, Celestica's officers, directors and principal shareholders are exempt from the reporting and "short swing" profit recovery provisions contained in Section 16 of the Exchange Act and the rules and regulations thereunder.

Copies of the reports, proxy and information statements and other information filed by Celestica and MSL with the Securities and Exchange Commission may be inspected and copied at the public reference facilities maintained by the Securities and Exchange Commission at:

450 Fifth Street, N.W.
Washington, D.C. 20549

Reports, proxy and information statements and other information concerning Celestica and MSL may be inspected at:

The New York Stock Exchange
20 Broad Street
New York, New York 10005

Copies of these materials can also be obtained by mail at prescribed rates from the Public Reference Section of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549 or by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Securities and Exchange Commission maintains a Website that contains reports, proxy statements and other information regarding each of us. The address of the Securities and Exchange Commission Web site is *www.sec.gov.* Celestica's filings are also available electronically to the public from the Canadian System for Electronic Document Analysis and Retrieval, or SEDAR, at *www.sedar.com.*

Celestica has filed a registration statement on Form F-4 under the Securities Act of 1933 with the Securities and Exchange Commission with respect to the Celestica subordinate voting shares to be issued to MSL stockholders in connection with the merger. This proxy statement/prospectus constitutes the prospectus of Celestica filed as part of the registration statement. This proxy statement/prospectus does not contain all of the information set forth in the registration statement because certain parts of the registration statement are omitted in accordance with the rules and regulations of the Securities and Exchange Commission. The registration statement and its exhibits are available for inspection and copying as set forth above.

This proxy statement/prospectus incorporates documents by reference which are not presented in or delivered with this proxy statement/prospectus. You should rely only on the information contained in this proxy statement/prospectus and in the documents that we have incorporated by reference into this proxy statement/prospectus. We have not authorized anyone to provide you with information that is different from or in addition to the information contained in this document and incorporated by reference into this proxy statement/prospectus.

The following documents, which Celestica has filed with or furnished to the Securities and Exchange Commission, are incorporated by reference into this proxy statement/prospectus:

- Celestica's annual report on Form 20-F for the fiscal year ended December 31, 2002, filed with the Securities and Exchange Commission on April 21, 2003;
- Celestica's report on Form 6-K furnished on November 3, 2003;
- Celestica's report on Form 6-K furnished on November , 2003;
- The description of Celestica's subordinate voting shares set forth in Celestica's registration statement on Form 8-A, filed on July 9, 1998 and any amendment or report filed thereafter for the purpose of updating that description.

The following documents, which were filed by MSL with the Securities and Exchange Commission, are incorporated by reference into this proxy statement/prospectus:

- MSL's annual report on Form 10-K for the fiscal year ended December 31, 2002, filed on March 31, 2003;
- MSL's quarterly report on Form 10-Q for the quarter ended March 30, 2003, filed on May 1, 2003;
- MSL's quarterly report on Form 10-Q for the quarter ending June 29, 2003, filed on August 6, 2003;

MSL's quarterly report on Form 10-Q for the quarter ending September 30, 2003, filed on November 3, 2003;

MSL's current reports on Form 8-K filed on July 9, 2003 and October 17, 2003;

The description of MSL's common stock set forth in MSL's registration statement on Form 8-A, filed with the Securities and Exchange Commission on May 16, 2000 and any amendment or report filed thereafter for the purpose of updating such description; and

The documents incorporated by reference are all important parts of this proxy statement/prospectus. We also incorporate by reference into this proxy statement/prospectus, from the date of filing, all documents filed by Celestica and MSL pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act, and any reports on Form 6-K furnished by Celestica to the Securities and Exchange Commission and specifically identified as being incorporated by reference into this proxy statement/prospectus, in each case after the date of this proxy statement/prospectus and before the date of the MSL special meeting.

Any statement contained in this proxy statement/prospectus or in a document incorporated or deemed to be incorporated by reference into this proxy statement/prospectus will be deemed to be modified or superseded for purposes of this proxy statement/prospectus to the extent that a statement contained in this proxy statement/prospectus or any other subsequently filed or furnished document that is deemed to be incorporated by reference into this proxy statement/prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this proxy statement/prospectus.

Celestica has supplied all information contained or incorporated by reference in this proxy statement/prospectus about Celestica, and MSL has supplied all information contained or incorporated by reference in this proxy statement/prospectus about MSL.

The documents incorporated by reference into this proxy statement/prospectus are available from us upon request. We will provide a copy of any and all of the information that is incorporated by reference in this proxy statement/prospectus (not including exhibits to the information unless those exhibits are specifically incorporated by reference into this proxy statement/prospectus) to any person, without charge, upon written or oral request.

MSL stockholders may request a copy of information incorporated by reference into this proxy statement/prospectus by contacting the investor relations department for each of Celestica and MSL at:

For information relating to Celestica:

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

For information relating to MSL:

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

MSL stockholders with questions about the merger should contact:

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

Any MSL stockholder who needs additional copies of this proxy statement/prospectus or voting materials should contact MSL's Investor Relations Department as described above or send e-mail to *investorrelations@msl.com.*

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.

ANNEX A

AGREEMENT AND PLAN OF MERGER

by and among:

CELESTICA INC.

MSL ACQUISITION SUB INC.

and

MANUFACTURERS' SERVICES LIMITED

Dated as of October 14, 2003

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EXHIBITS

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger ("**Agreement**") is made and entered into as of October 14, 2003, by and among CELESTICA INC., a corporation organized under the laws of the Province of Ontario, Canada ("**Parent**"), MSL ACQUISITION SUB INC., a Delaware corporation and a wholly owned subsidiary of Parent ("**Merger Sub**"), and Manufacturers' Services Limited, a Delaware corporation (the "**Company**"). Certain capitalized terms used in this Agreement are defined in **Exhibit A**.

RECITALS

Parent, Merger Sub and the Company intend to effect a merger of the Company with and into the Merger Sub in accordance with this Agreement and the DGCL (the "**Merger**"). Upon consummation of the Merger, the Company will cease to exist, and the Merger Sub will remain a wholly owned subsidiary of Parent.

It is intended that the Merger qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "**Code**").

The respective boards of directors of Parent, Merger Sub and the Company have declared the advisability of and approved this Agreement and approved the Merger.

As a condition to the willingness of Parent and Merger Sub to enter into this Agreement and to consummate the Merger and the other transactions contemplated hereby, Parent has required that (a) specified officers and directors of the Company agree, among other things, to vote all shares of Company Common Stock beneficially owned by such officers and directors in favor of the adoption of this Agreement in the event that such matter is put to the stockholders of the Company for a vote and (b) certain stockholders of the Company agree, among other things (i) to vote all shares of Company Common Stock, Series A Preferred and Series B Preferred beneficially owned by such stockholders in favor of the adoption of this Agreement in the event that such matter is put to the stockholders of the Company for a vote, and (ii) to grant an option to Parent for the purchase, under certain circumstances, of a portion of the shares of Company Common Stock beneficially owned by such stockholders and representing 30% of the aggregate voting power of the outstanding capital stock of the Company (the "**Stockholder Options**"), all as specified in, and in accordance with, the terms and provisions of stockholder agreements, dated as of the date hereof, among each stockholder (collectively, the "**Stockholders**"), Parent and Merger Sub, the forms of which are attached hereto as **Exhibit B-1** and **Exhibit B-2** (the "**Stockholder Agreements**"); and in order to induce Parent and Merger Sub to enter into this Agreement, the Stockholders are each executing and delivering their respective Stockholder Agreements simultaneously herewith.

AGREEMENT

The parties to this Agreement, intending to be legally bound, agree as follows:

SECTION 1: Description of Transaction.

1.1 Merger of the Company with and into Merger Sub. Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, the Company shall be merged with and into Merger Sub, and the separate existence of the Company shall cease. Following the Effective Time, Merger Sub shall continue as the surviving corporation (the "**Surviving Corporation**").

1.2 Effect of the Merger. The Merger shall have the effects set forth in this Agreement and in the applicable provisions of the DGCL.

1.3 Closing; Effective Time. The consummation of the transactions contemplated by this Agreement (the "**Closing**") shall take place at the offices of Hale and Dorr LLP, 60 State Street,

Boston, Massachusetts 02109, at 10:00 a.m. on a date to be designated by Parent (the "**Closing Date**"), which shall be no later than the fifth business day after the satisfaction or waiver of the last to be satisfied or waived of the conditions set forth in Sections 6, 7 and 8 (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions). Subject to the provisions of this Agreement, a certificate of merger satisfying the applicable requirements of the DGCL (the "**Certificate of Merger**") shall be duly executed by the Company and, simultaneously with or as soon as practicable following the Closing, filed with the Secretary of State of the State of Delaware (the "**Secretary of State**"). The Merger shall become effective upon the later of: (a) the date and time of the filing of the Certificate of Merger with the Secretary of State, or (b) such later date and time as may be specified in the Certificate of Merger with the consent of Parent (the "**Effective Time**").

1.4 Certificate of Incorporation and Bylaws; Directors and Officers. At the Effective Time:

(a) the Certificate of Incorporation of Merger Sub shall be amended in the Merger to read in its entirety as set forth on **Exhibit C** hereof;

(b) The bylaws of Merger Sub immediately prior to the Effective Time shall be the bylaws of the Surviving Corporation; and

(c) the directors of the Surviving Corporation immediately after the Effective Time shall be the respective individuals who are directors of Merger Sub immediately prior to the Effective Time; and the officers of the Surviving Corporation immediately after the Effective Time shall be the respective individuals who are officers of the Company immediately prior to the Effective Time.

1.5 Conversion of Shares.

(a) At the Effective Time, by virtue of the Merger and without any further action on the part of Parent, Merger Sub, the Company or any stockholder of the Company or Merger Sub:

(i) any shares of Company Common Stock then held by the Company or any wholly owned Subsidiary of the Company (or held in the Company's treasury) shall be canceled and shall cease to exist, and no consideration shall be delivered in exchange therefor;

(ii) any shares of Company Common Stock then held by Parent, Merger Sub or any other wholly owned Subsidiary of Parent shall be canceled and shall cease to exist, and no consideration shall be delivered in exchange therefor;

(iii) except as provided in clauses (i) and (ii) above and subject to Sections 1.5(b) and 1.5(c), each share of Company Common Stock then outstanding shall be converted into the right to receive a number (which may be less than one) of Parent Subordinate Voting Shares equal to the Share Exchange Ratio;

(iv) each share of the common stock, $0.01 par value per share, of Merger Sub then outstanding shall remain outstanding;

(v) each share of Series A Preferred then outstanding (other than Dissenting Shares and other than shares for which a valid Stock Election has been made) shall be converted into the right to receive an amount in cash equal to $52.50,

plus an amount equal to the dividends accrued and unpaid on such share of Series A Preferred to the date on which the Effective Time occurs;

(vi) each share of Series B Preferred then outstanding (other than Dissenting Shares and other than shares for which a valid Stock Election has been made) shall be converted into the right to receive an amount in cash equal to $52.50, plus an amount equal to the

dividends accrued and unpaid on such share of Series B Preferred to the date on which the Effective Time occurs;

(vii) each share of Series A Preferred then outstanding for which a valid Stock Election has been made (other than Dissenting Shares) shall be converted into the right to receive a number (which may be less than one) of Parent Subordinate Voting Shares equal to the product of (x) the number of shares of Company Common Stock into which a share of Series A Preferred is convertible immediately prior to the Effective Time pursuant to the terms of the Preferred Governing Documents and (y) the Share Exchange Ratio; and

(viii) each share of Series B Preferred then outstanding for which a valid Stock Election has been made (other than Dissenting Shares) shall be converted into the right to receive (a) an amount in cash equal to $2.25 or, at the election of the Company (as directed in writing by Parent), a number (which may be less than one) of Parent Subordinate Voting Shares equal to the product of (1) the number of shares of Company Common Stock issuable in satisfaction of the Optional Make Whole Payment (as defined in the Preferred Governing Documents) under the Preferred Governing Documents and (2) the Share Exchange Ratio and (b) a number (which may be less than one) of Parent Subordinate Voting Shares equal to the product of (A) the number of shares of Company Common Stock into which a share of Series B Preferred is convertible immediately prior to the Effective Time pursuant to the terms of the Preferred Governing Documents and (B) the Share Exchange Ratio.

(b) If, between the date of this Agreement and the Effective Time, the outstanding shares of Company Common Stock or the outstanding Parent Subordinate Voting Shares are changed into a different number or class of shares by reason of any stock split, stock dividend, reverse stock split, reclassification, recapitalization or other similar transaction, then the Share Exchange Ratio shall be appropriately adjusted.

(c) No fractional Parent Subordinate Voting Shares shall be issued in connection with the Merger, and no certificates or scrip for any such fractional shares shall be issued. Any holder of capital stock of the Company who would otherwise be entitled to receive a fraction of a Parent Subordinate Voting Share (after aggregating all fractional Parent Subordinate Voting Shares issuable to such holder) shall, in lieu of such fraction of a share and, upon surrender of such holder's Company Stock Certificate(s), be paid in cash the dollar amount (rounded to the nearest whole cent), without interest, determined by multiplying such fraction by the closing price of a Parent Subordinate Voting Share on The New York Stock Exchange on the date the Merger becomes effective.

1.6 Closing of the Company's Transfer Books. At the Effective Time: (a) all shares of Company Common Stock, Series A Preferred and Series B Preferred outstanding immediately prior to the Effective Time shall automatically be canceled and shall cease to exist, and all holders of certificates representing shares of Company Common Stock, Series A Preferred and Series B Preferred that were outstanding immediately prior to the Effective Time shall cease to have any rights as stockholders of the Company; and (b) the stock transfer books of the Company shall be closed with respect to all shares of Company Common Stock, Series A Preferred and Series B Preferred outstanding immediately prior to the Effective Time. No further transfer of any such shares of Company Common Stock, Series A Preferred and Series B Preferred shall be made on such stock transfer books after the Effective Time. If, after the Effective Time, a valid certificate previously representing any shares of Company Common Stock, Series A Preferred and/or Series B Preferred (a "**Company Stock Certificate**") is presented to the Exchange Agent or to the Surviving Corporation or Parent, such Company Stock Certificate shall be canceled and shall be exchanged as provided in Section 1.7.

1.7 Exchange of Certificates.

(a)

On or prior to the Closing Date, Parent shall select a bank or trust company to act as exchange agent in the Merger (the "**Exchange Agent**"). From time to time after the Effective Time, as required to effect the deliveries contemplated by Section 1.7(b), (i) Parent shall make available to the Exchange Agent certificates representing Parent Subordinate Voting Shares issuable pursuant to this Section 1, (ii) Parent, or a wholly owned subsidiary of Parent, shall make available to the Exchange Agent cash sufficient to fund the cash consideration payable to holders of Series A Preferred and Series B Preferred in accordance with Sections 1.5(a)(v),1.5(a)(vi) and, if and to the extent applicable, 1.5(a)(viii), and (iii) Parent, or a wholly owned subsidiary of Parent, shall make available to the Exchange Agent cash sufficient to make payments in lieu of fractional shares in accordance with Section 1.5(c) and dividend and distribution payments in accordance with Section 1.7(c).

(b)

As soon as reasonably practicable and in any event within ten (10) days after the Effective Time, Parent shall cause the Exchange Agent to mail to the record holders of Company Stock Certificates (i) a letter of transmittal in customary form and containing such provisions as Parent may reasonably specify (including a provision confirming that delivery of Company Stock Certificates shall be effected, and risk of loss and title to Company Stock Certificates shall pass, only upon delivery of such Company Stock Certificates to the Exchange Agent), and (ii) instructions for use in effecting the surrender of Company Stock Certificates in exchange for (x) certificates representing Parent Subordinate Voting Shares in the case of Company Common Stock and Series A Preferred and Series B Preferred with respect to which a valid Stock Election was made and cash in the amount that a holder of Series B Preferred Shares has the right to receive if such holder has made a valid Stock Election and there has not been an election made to pay the Optional Make Whole Payment in Parent Subordinate Shares and (y) cash in the case of Series A Preferred and Series B Preferred with respect to which a valid Stock Election was not made. Upon surrender of a Company Stock Certificate to the Exchange Agent for exchange, together with a duly executed letter of transmittal and such other documents as may be reasonably required by the Exchange Agent or Parent, (x) the holder of such Company Stock Certificate shall be entitled to receive in exchange therefor (1) a certificate representing the number of whole Parent Subordinate Voting Shares that such holder has the right to receive, (2) in the case of Series A Preferred and Series B Preferred, cash in the amount that such holder has the right to receive if such holder has not made a valid Stock Election, or in the case of Series B Preferred Shares, cash in the amount that such holder has the right to receive if such holder has made a valid Stock Election and there has not been an election made to pay the Optional Make Whole Payment in Parent Subordinate Voting Shares, (3) cash in lieu of any fractional Parent Subordinate Voting Share and (4) any cash payable in accordance with Section 1.7(d), and (y) the Company Stock Certificate so surrendered shall be canceled. Until surrendered as contemplated by this Section 1.7, each Company Stock Certificate shall be deemed, from and after the Effective Time, to represent only the right to receive (1) Parent Subordinate Voting Shares in the case of Company Common Stock and Series A Preferred and Series B Preferred with respect to which a valid Stock Election was made and cash in the amount that a holder of Series B Preferred Shares has the right to receive if such holder has made a valid Stock Election and there has not been an election made to pay the Optional Make Whole Payment in Parent Subordinate Shares, (2) cash in the case of Series A Preferred and Series B Preferred with respect to which a valid Stock Election was not made, (3) cash in lieu of any fractional Parent Subordinate Voting Share as contemplated by this Section 1 and (4) any cash payable in accordance with Section 1.7(d). If any Company Stock Certificate shall have been lost, stolen or destroyed, Parent may, in its discretion and as a condition precedent to the issuance of any certificate representing Parent Subordinate Voting Shares and/or cash, require the owner of

such lost, stolen or destroyed Company Stock Certificate to provide an appropriate affidavit and to deliver a bond (in such sum as Parent may reasonably direct) as indemnity against any claim that may be made against the Exchange Agent, Parent or the Surviving Corporation with respect to such Company Stock Certificate.

(c)

If any Person who is an "affiliate" (as that term is used in Rule 145 under the Securities Act) of the Company has not delivered to Parent and the Company a duly executed Affiliate Agreement as contemplated by Section 5.10, then, with respect to Parent Subordinate Voting Shares issuable to such Person pursuant to the Merger, Parent may affix a legend to any certificate representing such shares describing the transfer restrictions of Rule 145 and issue related "stop transfer" instructions with respect thereto.

(d)

No dividends or other distributions declared or made with respect to Parent Subordinate Voting Shares with a record date after the Effective Time shall be paid to the holder of any unsurrendered Company Stock Certificate with respect to the

Parent Subordinate Voting Shares that such holder has the right to receive in connection with the Merger until such holder surrenders such Company Stock Certificate in accordance with this Section 1.7. Following surrender of any such Company Stock Certificate, there shall be paid to such holder, (i) at the time of such surrender, the amount of any cash payable in lieu of a fractional Parent Subordinate Voting Share to which such holder is entitled pursuant to Section 1.5(c) and the proportionate amount of any dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole Parent Subordinate Voting Shares, and (ii) at the appropriate payment date, the proportionate amount of any dividends or other distributions with a record date after the Effective Time but prior to such surrender and a payment date subsequent to such surrender payable with respect to such whole Parent Subordinate Voting Shares.

(e)

Each of the Exchange Agent, Parent and the Surviving Corporation shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable pursuant to this Agreement to any holder or former holder of Company Common Stock, Series A Preferred or Series B Preferred such amounts as may be required to be deducted or withheld therefrom under the Code or any provision of state, local or foreign tax law or under any other applicable Legal Requirement. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid.

(f)

Neither Parent nor the Surviving Corporation shall be liable to any holder or former holder of Company Common Stock, Series A Preferred or Series B Preferred or to any other Person with respect to any Parent Subordinate Voting Shares (or dividends or distributions with respect thereto), or for any cash amounts, delivered to any public official pursuant to any applicable abandoned property law, escheat law or similar Legal Requirement.

1.8 Shares of Dissenting Preferred Stockholders. Notwithstanding anything in this Agreement to the contrary, any issued and outstanding shares of Series A Preferred or Series B Preferred held by a person (a "**Dissenting Stockholder**") who shall not have voted to adopt this Agreement and who properly demands appraisal for such shares in accordance with Section 262 of the DGCL ("**Dissenting Shares**") shall not be converted as described in Section 1.5, but shall be converted into the right to receive such consideration as may be determined to be due to such Dissenting Stockholder pursuant to the DGCL, unless such holder fails to perfect or withdraws or otherwise loses his right to appraisal. If, after the Effective Time, such Dissenting Stockholder fails to perfect or withdraws or loses his right to appraisal, such Dissenting Stockholder's shares of Series A Preferred or Series B Preferred shall no longer be considered Dissenting Shares for the purposes of this Agreement and such holder's shares of

Series A Preferred or Series B Preferred shall thereupon be deemed to have been converted, at the Effective Time, into the right to receive the merger consideration set forth in Section 1.5.

1.9 Tax Consequences. For United States federal income tax purposes, the Merger is intended to constitute a reorganization within the meaning of Section 368(a) of the Code. The parties to this Agreement hereby adopt this Agreement as a "plan of reorganization" within the meaning of Sections 1.368-2(g) and 1.368-3(a) of the United States Treasury Regulations.

1.10 Further Action. If, at any time after the Effective Time, any further action is determined by Parent to be necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation with full right, title and possession of and to all rights and property of Merger Sub and the Company, the officers and directors of the Surviving Corporation and Parent shall be fully authorized (in the name of Merger Sub, in the name of the Company and otherwise) to take such action.

SECTION 2: Representations and Warranties of the Company. The Company represents and warrants to Parent and Merger Sub as follows:

2.1 Organization and Good Standing.

(a)

Each Acquired Corporation is a corporation duly organized, validly existing and in good standing, or the equivalent status for non-United States Acquired Corporations, under the laws of its jurisdiction of incorporation, with all requisite corporate power and authority to conduct its business as now being conducted, to own or use the respective properties and assets that it purports to own or use, and to perform all of its obligations under Acquired Corporation Contracts to which it is a party. Each Acquired Corporation is duly qualified to do business as a foreign corporation and is in good standing under the laws

of each state or other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification, except where the failure to be so qualified would not be reasonably likely to, individually or in the aggregate, adversely affect the Acquired Corporations in any material respect.

(b)

Part 2.1(b) of the Company Disclosure Schedule lists all Acquired Corporations and indicates as to each its jurisdiction of organization and, except in the case of the Company, its stockholders. The Company has made available to Parent copies of, the certificate or articles of incorporation, by-laws and other organizational documents (collectively, "**Organizational Documents**") of each of the Acquired Corporations, as currently in effect.

(c)

The Company has made available to Parent copies of, the charters of each committee of the Company's Board of Directors and any code of conduct or similar policy adopted by the Company.

2.2 Authority; No Conflict.

(a)

The Company has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Merger and the other transactions contemplated hereby (the "**Contemplated Transactions**"). The execution and delivery of this Agreement, by the Company and the consummation by the Company of the Contemplated Transactions have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the Contemplated Transactions (other than, with respect to the Merger, the adoption of this Agreement by the holders of a majority in voting power of the then outstanding shares of capital stock of the Company (the "**Required Company Stockholder Vote**") and the filing of appropriate merger documents as required by the DGCL). The Board of Directors of the Company has unanimously approved this Agreement, declared it to be advisable and resolved to recommend to stockholders of the

Company that they vote in favor of the adoption of this Agreement in accordance with the DGCL. This Agreement has been duly and validly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (the "**Bankruptcy and Equity Exception**").

(b)

Except as set forth in Part 2.2(b) of the Company Disclosure Schedule, neither the execution and delivery of this Agreement nor the consummation of any of the Contemplated Transactions do or will, directly or indirectly (with or without notice or lapse of time or both), (i) contravene, conflict with, or result in a violation of (A) any provision of the Organizational Documents of any of the Acquired Corporations, or (B) any resolution adopted by the Board of Directors or the stockholders of any of the Acquired Corporations; (ii) subject to obtaining the Required Company Stockholder Vote and compliance with the requirements specified in clauses (A) through (D) of Section 2.2(c), contravene, conflict with, or result in a violation of, or give any Governmental Body or other Person the right to exercise any remedy or obtain any relief under, any Legal Requirement or any order, writ, injunction or decree to which any of the Acquired Corporations, or any of the material assets owned or used by any of the Acquired Corporations, is subject; (iii) contravene, conflict with, or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any Governmental Authorization that is held by any of the Acquired Corporations, or that otherwise relates to the business of, or any of the assets owned or used by, any of the Acquired Corporations; (iv) contravene, conflict with, or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Material Contract; (v) require a Consent under any Material Contract or under any Government Authorization from any Person; or (vi) result in the imposition or creation of any Encumbrance upon or with respect to any of the assets owned or used by any of the Acquired Corporations, except, in the case of clauses (ii), (iii), (iv), (v) and (vi), for any such conflicts, violations, breaches, defaults or other occurrences that would not prevent or materially delay consummation of the Merger or otherwise prevent the Company from performing any of its material obligations under this Agreement and would not be reasonably likely to, individually or in the aggregate, adversely affect the Acquired Corporations in any material respect.

(c)

Except as set forth in Part 2.2(c) of the Company Disclosure Schedule, the execution and delivery of this Agreement by the Company do not, and the performance of this Agreement and the consummation of the Contemplated Transactions by the Company will not, require any Consent of, or filing with or notification to, any Governmental Body, except (i) for (A) applicable requirements, if any, of the Exchange Act, the Securities Act and state securities or "blue sky" laws ("**Blue Sky Laws**"), (B) the pre-merger notification requirements of the HSR Act, (C) filing of a certificate of merger as required by the DGCL and appropriate corresponding documents with the appropriate authorities in other states in which the Company is qualified as a foreign corporation to transact business and (D) the non-United States competition, antitrust and investment laws set forth in Part 2.2(c) of the Company Disclosure Schedule and (ii) where failure to obtain such Consents, or to make such filings or notifications, would not prevent or materially delay consummation of the Merger, or otherwise prevent the Company from performing any of its material obligations under this Agreement and would not be reasonably likely to, individually or in the aggregate, adversely affect the Acquired Corporations in any material respect.

2.3 Capitalization. As of the date of this Agreement, the authorized capital stock of the Company consists of 150,000,000 shares of Company Common Stock and 5,000,000 shares of preferred stock (of which 2,000,000 shares have been designated as Senior Exchangeable Preferred Stock Due 2006, 1,030,000 shares have been designated as 5.25% Series A Convertible Preferred Stock, par value $0.001 per share (the "**Series A Preferred**") and 500,000 shares have been designated as 4.5% Series B Convertible Preferred Stock (the "**Series B Preferred**")). As of the date hereof: (a) 34,398,030 shares of Company Common Stock are issued and outstanding, all of which are duly authorized, validly issued, fully paid and nonassessable; (b) 6,451,728 shares of Company Common Stock are reserved for issuance upon the exercise of outstanding stock options granted to the Company's officers, directors and employees pursuant to the Company's stock option plans and employee stock purchase plans (the "**Company Stock Options**"); (c) 3,047,533 shares of Company Common Stock are reserved for issuance upon exercise of outstanding warrants of the Company; (d) 1,551,220 shares of Company Common Stock are held in the treasury of the Company; (e) 3,963,997 shares of Company Common Stock are reserved for issuance pursuant to the Company Stock Options not yet granted; (f) 830,000 shares of Series A Preferred are issued and outstanding, all of which are duly authorized, validly issued, fully paid and nonassessable; and (g) 500,000 shares of Series B Preferred are issued and outstanding, all of which are duly authorized, validly issued, fully paid and nonassessable. No shares of the Company's Senior Exchangeable Preferred Stock Due 2006 are outstanding. Except as set forth in Part 2.3 of the Disclosure Schedule, as of the date of this Agreement, there are no bonds, debentures, notes or other indebtedness or, other than the capital stock, options and warrants described in the immediately preceding sentence, securities of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of the Company may vote. Part 2.3 of the Company Disclosure Schedule sets forth the ownership of the capital stock or other equity interests of each Acquired Corporation other than the Company that is not wholly owned, directly or indirectly, by the Company. Except as set forth in the preceding sentences of this Section 2.3 or in Part 2.3 of the Company Disclosure Schedule, as of the date hereof, no shares of capital stock or other voting securities of the Company are issued, reserved for issuance or outstanding and no shares of capital stock or other voting securities of the Company will be issued or become outstanding after the date hereof other than upon exercise of the Company Stock Options and the Company warrants outstanding as of the date hereof. Except as set forth in this Section 2.3 or in Part 2.3 of the Company Disclosure Schedule, as of the date of this Agreement, there are no options, stock appreciation rights, warrants or other rights, Contracts, arrangements or commitments of any character (collectively, "**Options**") relating to the issued or unissued capital stock of any of the Acquired Corporations, or obligating any of the Acquired Corporations to issue, grant or sell any shares of capital stock of, or other equity interests in, or securities convertible into equity interests in, the Company or any of its Subsidiaries. The Company has delivered to Parent, with respect to each Option granted by any Acquired Corporation, as of the date of this Agreement, information regarding the identity of the grantee, the number of Options subject to the grant, the exercise/conversion price (either on an individual basis or by range (not exceeding $1.00 each) of exercise prices), and expiration date and, if applicable, the stock option plan under which it was issued. All shares of Company Common Stock subject to issuance as described above will, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, be duly authorized, validly issued, fully paid and nonassessable. Except as set forth in Part 2.3 of the Company Disclosure Schedule, none of the Acquired Corporations has any Contract or other obligation to repurchase, redeem or otherwise acquire any shares of Company Common Stock or other stock of the Company or any capital stock of any of the Company's Subsidiaries, or to make any investment (in the form of a loan, capital contribution or otherwise) in any of the Company's Subsidiaries or any other Person. Except as set forth in Part 2.3 of the Company Disclosure Schedule, each outstanding share of capital stock of each of the Company's Subsidiaries is duly authorized, validly issued, fully paid and nonassessable and each such share owned by any of the Acquired Corporations is free and clear of all Encumbrances. None of the outstanding equity securities or other securities of any of the Acquired Corporations was issued in

violation of the Securities Act or any other Legal Requirement. None of the Acquired Corporations owns, or has any Contract or other obligation to acquire, any equity securities or other securities of any Person (other than Subsidiaries of the Company) or any direct or indirect equity or ownership interest in any other business. None of the Acquired Corporations is or has ever been a general partner of any general or limited partnership.

2.4 SEC Reports. The Company has on a timely basis filed all forms, reports and documents required to be filed by it with the SEC since December 31, 2000. Part 2.4 of the Company Disclosure Schedule lists and the Company has delivered to Parent copies in the form filed with the SEC of all of the following, except to the extent available in full without redaction on the SEC's web site through the Electronic Data Gathering, Analysis and Retrieval System ("**EDGAR**") two days prior to the date of this Agreement: (i) the Company's Annual Reports on Form 10-K for each fiscal year of the Company beginning since December 31, 2000, (ii) its Quarterly Reports on Form 10-Q for each of the first three fiscal quarters in each of the fiscal years of the Company referred to in clause (i) above, (iii) all proxy statements relating to the Company's meetings of stockholders (whether annual or special) held, and all information statements relating to stockholder consents, since the beginning of the first fiscal year referred to in clause (i) above, (iv) its Current Reports on Form 8-K filed since the beginning of the first fiscal year referred to in clause (i) above, (v) all other forms, reports, registration statements and other documents (other than preliminary materials if the corresponding definitive materials have been provided to Parent pursuant to, or are available through EDGAR as contemplated by, this Section 2.4) filed by the Company with the SEC since the beginning of the first fiscal year referred to in clause (i) above (the forms, reports, registration statements and other documents referred to in clauses (i), (ii), (iii), (iv) and (v) above, whether or not available through EDGAR, are, collectively, the "**Company SEC Reports**" and, to the extent available in full without redaction on the SEC's web site through EDGAR two days prior to the date of this Agreement, are, collectively, the "**Filed Company SEC Reports**"), (vi) all certifications and statements required by (x) the SEC's Order dated June 27, 2002 pursuant to Section 21(a)(1) of the Exchange Act (File No. 4-460), (y) Rule 13a-14 or 15d-14 under the Exchange Act, or (z) 18 U.S.C. §1350 (Section 906 of the Sarbanes-Oxley Act of 2002) with respect to any report referred to in clause (i) or (ii) above (collectively, the "**Certifications**"), and (vii) all comment letters received by the Company from the Staff of the SEC since December 31, 2000 and all responses to such comment letters by or on behalf of the Company. The Company SEC Reports (x) were or will be prepared in accordance with the requirements of the Securities Act and the Exchange Act, as the case may be, and the rules and regulations thereunder and (y) did not at the time they were filed with the SEC, or will not at the time they are filed with the SEC, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The Certifications (other than those containing materiality qualifications) are each true and correct in all material respects and the Certificates containing materiality qualifications are each true and correct in all respects. No Subsidiary of the Company is or has been required to file any form, report, registration statement or other document with the SEC. The Acquired Corporations maintain disclosure controls and procedures required by Rule 13a-15 or 15d-15 under the Exchange Act; such controls and procedures are designed to ensure that all material information concerning Acquired Corporations is made known on a timely basis to the individuals responsible for the preparation of the Company's filings with the SEC and other public disclosure documents. The Company is in compliance with the applicable listing rules of The New York Stock Exchange and has not since December 31, 2000 received any notice from The New York Stock Exchange asserting any non-compliance with such rules. As used in this Section 2.4, the term "**file**" shall be broadly construed to include any manner in which a document or information is furnished, supplied or otherwise made available to the SEC (regardless of whether public or confidential), but shall not include transmittal letters.

2.5 Financial Statements. The financial statements and notes contained or incorporated by reference in the Company SEC Reports fairly present the financial condition and the results of operations, changes in stockholders' equity, and cash flow of the Company, on a consolidated basis, as at the respective dates of and for the periods referred to in such financial statements, all in accordance with US GAAP and Regulation S-X of the SEC, subject, in the case of interim financial statements, to normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be materially adverse on a consolidated basis) and the omission of notes to the extent permitted by Regulation S-X of the SEC (that, if presented, would not, except as set forth in Part 2.5 of the Company Disclosure Schedule, differ materially from notes to the financial statements included in the most recent Annual Report on Form 10-K included in the Filed Company SEC Reports); the financial statements referred to in this Section 2.5 reflect the consistent application of such accounting principles throughout the periods involved, except as disclosed in the notes to such financial statements. No financial statements of any Person other than the Acquired Corporations are required by US GAAP to be included in the consolidated financial statements of the Company. Part 2.5(a) of the Company Disclosure Schedule contains a description of all non-audit services performed by the Company's auditors for the Acquired Corporations since the beginning of the immediately preceding fiscal year of the Company and the fees paid for such services; all such non-audit services performed after the effective time of Section 202 of the Sarbanes-Oxley Act of 2002 were approved as required thereby. The Acquired Corporations have designed and are using a system of internal accounting controls sufficient to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP and the Exchange Act. The Company has delivered to Parent copies of the documents creating or governing all of the securitization transactions to which the Company or any of its Subsidiaries is a party. The corporate records and minute books of the Acquired Corporations have been maintained substantially in accordance with all applicable Legal Requirements and are complete and accurate in all material respects. Financial books and records and accounts of the Acquired Corporations used in preparation of the Company's Financial Statements: (x) have been maintained in accordance with good business practices on a basis consistent with prior years, (y) are stated in reasonable detail and reflect the transactions of the Acquired Corporations in all material respects, and (z) reflect the basis for the Company's consolidated financial statements in all material respects. The projections and forecasts of the Acquired Corporations for their 2004 fiscal year prepared by the Senior Management as of the date of this Agreement and previously provided to Parent (the "**Projections**") were prepared in good faith for the Acquired Corporations on a stand alone basis (without taking into account any business combination or acquisition), were based on information deemed relevant by Senior Management, and were based upon Senior Management's good faith estimates and assumptions as of the date of this Agreement.

2.6 Property; Sufficiency of Assets; Inventories.

(a)

Except as described in Part 2.6(a) of the Company Disclosure Schedule, the Acquired Corporations (i) have good and valid title to all property material to the business of the Acquired Corporations and reflected in the latest financial statements included in the Company SEC Reports as being owned by the Acquired Corporations or acquired after the date thereof (except for property sold or otherwise disposed of in the ordinary course of business since the date thereof), free and clear of all Encumbrances except (A) statutory Encumbrances securing payments not yet due, (B) Encumbrances arising from the Company's credit agreements and the mortgage of the Acquired Corporations' facility in Spain identified in Part 2.7(a)(iii) of the Company Disclosure Schedule and (C) such imperfections or irregularities of title or Encumbrances as do not affect the use of the properties or assets subject thereto or affected thereby in any material respect or otherwise materially impair business operations at such properties, and (ii) are collectively the lessee of all property material to the business of the Acquired Corporations and reflected as leased in the latest

audited financial statements included in the Company SEC Reports (or on the books and records of the Company as of the date thereof) or acquired after the date thereof (except in each case for leases that have expired by their terms) and are in possession of the properties purported to be leased thereunder, and each such lease is valid and in full force and effect without default thereunder by the lessee or the lessor, other than defaults that would not reasonably be likely to, individually or in the aggregate, adversely affect the Acquired Corporations in any material respect.

(b)

Except as described in Part 2.6(b) of the Company Disclosure Schedule, and except for reasonable variation in the normal course of an electronics manufacturing services business, the Inventory does not include any material items of obsolete, custom or customer specific Inventory that is not supported by customer demand, customer contractual obligations to purchase such Inventory (under which the customer is obligated to repurchase at the Company's cost thereof) or appropriate forecasts communicated to the Company, the value of which has not been written down on its books of account to net realizable market value. The Inventory levels of the Acquired Corporations have been maintained since the date of the Balance Sheet at such amounts as are reasonable and required for the ongoing operation of their respective businesses.

2.7 Receivables; Customers.

(a)

All existing accounts receivable of the Acquired Corporations represent valid obligations of customers of the Acquired Corporations arising from bona fide transactions entered into in the ordinary course of business.

(b)

Part 2.7(b) of the Company Disclosure Schedule lists each customer or other Person that (i) accounted for more than $15,000,000 of the net sales of the Acquired Corporations in calendar year 2002 and continued to be a customer of the Acquired Corporation as of January 1, 2003 or (ii) accounted for more than $3,000,000 of the net sales of the Acquired Corporations in the fiscal quarter ending September 29, 2003 (each, a "**Material Customer**"). From January 1, 2003 through the date of this Agreement, there has been no termination or cancellation of, and no change or modification materially adverse to the Acquired Corporations in, any Contract with a Material Customer. As of the date of this Agreement, no Acquired Corporation has received any written notice or, to the knowledge of Senior Management, any other communication from an authorized representative of a Material Customer indicating that such Material Customer intends to (i) terminate its contract or reduce the annual volume of goods and services purchased from the Acquired Corporations by an amount greater than 20% of the product of (x) the net sales recorded for such Material Customer in the third fiscal quarter of 2003, and (y) four, (ii) purchase goods and services from the Acquired Corporations in fiscal year 2004 in an amount, measured as net sales of the Company in fiscal year 2004, which is less than 90% of the 2003 annualized net sales of such Material Customer, where annualized net sales for this clause (ii) are measured as 133% of actual net sales recorded for such Material Customer during the nine months ending September 28, 2003; (iii) generate Direct Profit Margin Dollars which are less than 90% of the 2003 annualized Direct Profit Margin Dollars generated by such Material Customer, where annualized Direct Profit Margin Dollars for this clause (iii) are measured as 133% of actual Direct Profit Margin Dollars generated by such Material Customer during the nine months ending September 28, 2003; or (iv) require that, in fiscal year 2004, the Acquired Corporations shift a material amount of the Material Customer's production to a geography where the Acquired Corporations are not currently doing business.

(c)

Part 2.7(c) of the Company Disclosure Schedule lists each customer or other Person (but excluding any Material Customer other than the Material Customers specifically identified in Part 2.7(c) of the Company Disclosure Schedule) that accounts for more than $15,000,000 of

the consolidated net sales of the Acquired Corporations in the Projections (each a "New Material Customer"). As of the date of this Agreement, no Acquired Corporation has received any written notice or, to the knowledge of Senior Management, any other communication from an authorized representative of a New Material Customer indicating that such New Material Customer intends to purchase goods and services from the Acquired Corporations in fiscal year 2004 (A) in an amount, measured as Company net sales in fiscal year 2004, less than 90% of the net sales included in the Projections for that New Material Customer or (B) generating Direct Profit Margin Dollars less than 90% of the Direct Profit Margin Dollars included in the Projections for that New Material Customer. As of the date of this Agreement, no Acquired Corporation has received any written notice or, to the knowledge of Senior Management, any other communication from an authorized representative of the Company's largest customer at its site in Charlotte, North Carolina to the effect that such customer will require that the production of goods and services being produced for that customer in the Charlotte, North Carolina site be relocated to another location.

2.8 Equipment; Real Property; Leaseholds. Except as set forth in Part 2.8 of the Disclosure Schedule, all material items of equipment and other tangible assets owned by or leased to the Acquired Corporations are adequate for the uses to which they are being put, are in good condition and repair (ordinary wear and tear excepted) and are adequate for the conduct of the business of the Acquired Corporations in the manner in which such business is currently being conducted. Except as set forth in Part 2.8 of the Company Disclosure Schedule, none of the Acquired Corporations own any material real property or any material interest in real property. Part 2.8 of the Company Disclosure Schedule contains an accurate and complete list of all the Acquired Corporations' material real property leases as of the date of this Agreement.

2.9 Proprietary Assets.

(a)

Part 2.9(a)(i) of the Company Disclosure Schedule sets forth, with respect to each Proprietary Asset owned by the Acquired Corporations and registered with any Governmental Body or for which an application has been filed with any Governmental Body and material to the business of the Acquired Corporations, (i) a brief description of such Proprietary Asset and (ii) the names of the jurisdictions covered by the applicable registration or application. Part 2.9(a)(ii) of the Company Disclosure Schedule lists any Contract containing any ongoing royalty or payment obligations in excess of $50,000 per annum with respect to each Proprietary Asset that is licensed or otherwise made available to the Acquired Corporations by any Person (except for any Proprietary Asset that is licensed to the Acquired Corporations under any third party software license generally available to the public for a one time fee). The Acquired Corporations have good and valid title to all of the Proprietary Assets owned by the Acquired Corporations and material to their business, free and clear of all Encumbrances except for Encumbrances arising from the Company's credit agreements. The Acquired Corporations have a valid right to use as a licensee all Proprietary Assets identified in Part 2.9(a)(ii) of the Company Disclosure Schedule, subject to the Bankruptcy and Equity Exception. Except as set forth in Part 2.9(a)(iii) of the Company Disclosure Schedule, none of the Acquired Corporations has developed jointly with any other Person any Proprietary Asset owned by the Acquired Corporations and material to their business with respect to which such other Person has any rights. Except as set forth in Part 2.9(a)(iv) of the Company Disclosure Schedule, there is no Acquired Corporation Contract pursuant to which any Person (other than an Acquired Corporation) has any right (whether or not currently exercisable) to use, license or otherwise exploit any Proprietary Asset owned by the Acquired Corporations and material to their business. The Company has delivered to Parent a copy of all Contracts, including all amendments thereto, which relate to the material Proprietary Assets owned or used by any Acquired Corporation.

(b)

The Acquired Corporations have taken reasonable and appropriate measures and precautions to protect and maintain the confidentiality, secrecy and value of all material Acquired Corporation Proprietary Assets. In the ordinary course of the Company's business, the Company's policy in the United States has been and continues to be to obtain an executed agreement (containing no exceptions to or exclusions from the scope of its coverage) that is substantially identical to the form of the Confidentiality Information and Inventions and Non-Competition Agreements previously delivered by the Company to Parent from each employee of the Acquired Corporations in the United States who is or was involved in, or who has contributed to, the creation or development of any material Acquired Corporation Proprietary Asset. To the Company's

knowledge, the Company's policy outside the United States has been and continues to be to obtain reasonably similar coverage to that afforded by the form of Confidential Information and Inventions Agreement in the United States, either through executed agreements or the Legal Requirements in the Relevant Jurisdiction. To the Company's knowledge, no current or former employee, officer, director, stockholder, consultant or independent contractor has any right, claim or interest in or with respect to any Acquired Corporation Proprietary Asset.

(c)

Except as set forth on Part 2.9(c) of the Company Disclosure Schedule, to the Company's knowledge, (i) all patents, trademarks, service marks and copyrights held by any of the Acquired Corporations and which are material to the business of the Acquired Corporations are valid, enforceable and subsisting, and the applicable Acquired Corporation has renewed or made application to renew all registrations of such Acquired Corporation Proprietary Assets and has paid all applicable fees, all within the applicable renewal periods; (ii) none of the material Acquired Corporation Proprietary Assets infringes, misappropriates or conflicts with any Proprietary Asset owned by any other Person; (iii) none of the products that are or have been designed, created or developed, nor any of the services that have been or are being provided, by any of the Acquired Corporations is or was infringing, misappropriating or making any unlawful or unauthorized use of any Proprietary Asset owned by any other Person, and none of the Acquired Corporations has received any written notice of or, to the Company's knowledge, any other communication or information regarding any actual or alleged infringement, misappropriation or unlawful or unauthorized use of, any Proprietary Asset owned by any other Person; and (iv) no other Person is infringing, misappropriating or making any unlawful or unauthorized use of, and no Proprietary Asset owned or used by any other Person infringes or conflicts with, any material Acquired Corporation Proprietary Asset.

(d)

To the Company's knowledge, the Acquired Corporation Proprietary Assets constitute all the Proprietary Assets necessary to enable the Acquired Corporations to conduct their business in the manner in which such business is being conducted. Except as set forth on Part 2.9(d) of the Company Disclosure Schedule, none of the Acquired Corporations has (i) licensed any of the material Proprietary Assets owned by the Acquired Corporations to any Person on an exclusive basis, or (ii) entered into any covenant not to compete or Contract limiting its ability to exploit any material Acquired Corporation Proprietary Assets or to transact business in any market or geographical area or with any Person (other than any such limit in the scope of any license granted to an Acquired Corporation for any Proprietary Asset).

(e)

The Acquired Corporations have taken reasonable measures and precautions to protect and maintain the confidentiality, secrecy and value of the Proprietary Assets of their customers, including all such measures required by the terms of any Acquired Corporation Contract with a customer.

2.10 No Undisclosed Liabilities. Except as disclosed in the Filed Company SEC Reports or as set forth in Part 2.10 of the Company Disclosure Schedule, the Acquired Corporations have no liabilities or obligations of any nature (whether absolute, accrued, contingent, choate or inchoate or otherwise) that would be required to be reflected in a balance sheet prepared in accordance with US GAAP or disclosed in the notes thereto, except for liabilities or obligations adequately and fully reflected or reserved against in the Balance Sheet in accordance with US GAAP, consistently applied, or disclosed in the notes thereto, liabilities incurred since the date of the Balance Sheet in the ordinary course of business, and contingent or inchoate liabilities that would not reasonably be likely to have a Material Adverse Effect on the Acquired Corporations.

2.11 Taxes.

(a)

Timely Filing of Tax Returns. The Acquired Corporations have filed or caused to be filed all material Tax Returns that are or were required to be filed by or with respect to any of them, either separately or as a member of a group of corporations, pursuant to applicable Legal Requirements. All material Tax Returns filed by (or that include on a consolidated basis) any of the Acquired Corporations were in all respects true, complete and correct in all material respects and filed on a timely basis. To the extent required in connection with the filing of any Tax Return or under any other Legal Requirement, including Treasury Regulation Section 1.6662-6(d)(3), the Acquired Corporations have materially satisfied any contemporaneous documentation requirements. No Taxing Authority in any jurisdiction in which any Acquired Corporation does not file Tax Returns has asserted in writing that such Acquired Corporation is, or may be, subject to any Tax (or required to file any Tax Return) in that jurisdiction.

(b)

Payment of Taxes. The Acquired Corporations have, within the time and in the manner prescribed by any applicable Legal Requirement, paid all material Taxes that are due and payable.

(c)

Withholding Taxes. Each of the Acquired Corporations has complied with all material applicable Legal Requirements relating to the withholding of Taxes (including withholding and reporting requirements under Code Sections 1441 through 1464, 3401 through 3406, 6041 and 6049 and similar provisions under any other applicable Legal Requirement) and has, within the times and in the manner prescribed by any applicable Legal Requirement, paid over such withheld amounts to the proper Taxing Authorities.

(d)

Audits. No Tax Return of any of the Acquired Corporations is under audit or examination by any Taxing Authority, no written or, to the Company's knowledge, unwritten notice of such an audit or examination has been received by any of the Acquired Corporations, the Acquired Corporations have no knowledge of any threatened audits, investigations or claims for or relating to Taxes, and, to the Company's knowledge, there are no material matters under discussion with any Taxing Authority with respect to Taxes of any of the Acquired Corporations (excluding any discussion in which the identity of the taxpayer has not been revealed to the Taxing Authority). No material issues relating to Taxes were raised in writing by the relevant Taxing Authority during any presently pending audit or examination, and no material issues relating to Taxes were raised in writing by the relevant Taxing Authority in any completed audit or examination that can reasonably be expected to recur in a later taxable period. The Company has made available to Parent copies of all examiner's or auditor's reports, notices of any material proposed adjustments or similar commissions received by any of the Acquired Corporations from any Taxing Authority. The United States federal income Tax Returns of the Acquired Corporations have never been audited by the Internal Revenue Service.

(e)

Tax Reserves. To the Company's knowledge, there exists no material proposed assessment of Taxes against any of the Acquired Corporations except as disclosed in Part 2.11(e) of the Company Disclosure Schedule. The financial statements contained in the Company's most recently Filed Company SEC Reports reflect an adequate reserve for all Taxes payable by the Company for all taxable periods and portions thereof through the date of the most recent balance sheet included in such financial statements.

(f)

Tax Sharing Agreements. The Company has made available to Parent copies of any Tax sharing agreement, Tax allocation agreement, Tax indemnity obligation or, to the Company's knowledge, any similar material written or unwritten agreement or arrangement with respect to Taxes to which any of the Acquired Corporations is a party or by which any of the Acquired Corporations is bound.

(g)

Waiver of Statutes of Limitations. None of the Acquired Corporations has executed any outstanding waivers or comparable consents regarding the application of the statute of limitations with respect to a material amount of Taxes or any material Tax Return.

(h)

Powers of Attorney. No power of attorney currently in force has been granted by any of the Acquired Corporations concerning a material amount of Taxes or any material Tax Return.

(i)

Tax Rulings. Except as disclosed on Part 2.11(i) of the Company Disclosure Schedule, (i) none of the Acquired Corporations has received or been the subject of a material Tax Ruling (as defined below) or a request for a material Tax Ruling, and (ii) none of the Acquired Corporations has entered into a material Closing Agreement (as defined below) with any Taxing Authority that would have a continuing effect after the Closing Date. "**Tax Ruling**" means a written ruling of a Taxing Authority relating to Taxes. "**Closing Agreement**" means a written and legally binding agreement with a Taxing Authority relating to Taxes (including any advance pricing agreement).

(j)

Availability of Tax Returns. The Company has made available to Parent copies of all material Tax Returns, and any amendments thereto, filed by or on behalf of, or which include, any of the Acquired Corporations, for all taxable periods ending on or after December 31, 2000 and prior to the Closing Date.

(k)

Availability of Books and Records. The Acquired Corporations have maintained all information, workpapers, schedules or any other documentation necessary for filing any required material Tax Return which has not been filed for any tax year which includes any period prior to or including the Closing Date.

(l)

Opinions of Counsel. The Company has made available to Parent copies of all material memoranda and material written opinions of Tax counsel, whether inside or outside Tax counsel, and other Tax advisors, which have been received by any of the Acquired Corporations with respect to material matters relating to Taxes within the last three taxable years.

(m)

Section 481 Adjustments. None of the Acquired Corporations is required to include in income any material amount in any taxable period ending after the Closing Date pursuant to an adjustment required under Code Section 481 by reason of a voluntary change in accounting method initiated by any of the Acquired Corporations, and the Internal Revenue Service has not proposed any such change in accounting method.

(n)

Net Operating Loss Carryovers and Tax Credit Carryovers. As of December 31, 2002, the Acquired Corporations, in the aggregate, had net operating loss carryovers available to offset United States federal income of not less than $58,000,000. As of December 31, 2002, the Acquired Corporations, in the aggregate, had foreign Tax credit carryovers available to offset

United States federal income tax liability of not less than $1,400,000. None of the Acquired Corporations has experienced an ownership change within the meaning of Sections 382 and 383 of the Code after November 3, 2000. None of the Acquired Corporations is subject to the separate return limitation year provisions of Treasury Regulation Section 1.1502.

(o)

Section 338 Election. No election under Section 338 has been made by or with respect to any of the Acquired Corporations or any of their respective assets or properties within the last three taxable years.

(p)

Intercompany Transactions. None of the Acquired Corporations has engaged in any transactions with affiliates which would require the recognition of income by any of the Acquired Corporations with respect to such transaction for any period ending on or after the Closing Date.

(q)

Section 280(G). Except as disclosed in Part 2.11(q) of the Company Disclosure Schedule, none of the Acquired Corporations is a party to any agreement, contract or arrangement that could result, separately or in the aggregate, in the payment of an "excess parachute payment" within the meaning of Section 280G of the Code.

(r)

Section 355. None of the Acquired Corporations has constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock intended to qualify for tax-free treatment under Section 355 of the Code (i) at any time during the two-year period ending immediately prior to the date of this Agreement or (ii) that could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the Contemplated Transactions.

(s)

Other Interests. None of the Acquired Corporations owns an interest in any (i) domestic international sales corporation, (ii) foreign sales corporation or (iii) passive foreign investment company.

(t)

USRPHC. The Company is not a "United States real property holding corporation" ("**USRPHC**") within the meaning of Section 897 of the Code and was not a USRPHC on any "determination date" (as defined in Section 1.897-2(c) of the Treasury Regulations under the Code) that occurred in the five-year period preceding the Closing.

(u)

Qualification as a Reorganization. None of the Acquired Corporations has taken any action, nor to the Company's knowledge is there any fact or circumstance, that could reasonably be expected to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

(v)

Section 1504. None of the Acquired Corporations has been a member of an affiliated group of corporations within the meaning of Section 1504 of the Code, other than an affiliated group of which the Company is the common parent corporation for purposes of Section 1504 of the Code.

2.12 Employee Benefits.

(a)

Part 2.12(a) of the Company Disclosure Schedule includes a complete list of, and the Company has made available to Parent a copy of (or if there is no written document, a written summary of), all employee benefit plans, programs, policies, practices and other arrangements currently providing benefits to any current or former United States employee, officer or director of any of the Acquired Corporations organized in any United States jurisdiction or beneficiary or dependent thereof, whether or not written, and whether covering one person or more than one person, sponsored or maintained by any such Acquired Corporation or to which any such Acquired Corporation contributes or is obligated to contribute ("**Plans**"). Without limiting the generality of the foregoing, the term "Plans"

includes all employee welfare benefit plans within the meaning of Section 3(1) of ERISA, all employee pension benefit plans within the meaning of Section 3(2) of ERISA, and all other employee benefit, bonus, incentive, deferred compensation, stock purchase, stock option, severance, change of control and fringe benefit plans, programs or agreements.

(b)

Except as required under this Agreement or set forth in Part 2.12(b) of the Company Disclosure Schedule, since December 31, 2002, there has not been (i) any adoption or material amendment by any of the Acquired Corporations of any Plans (whether or not legally binding) or any employment agreement providing compensation or benefits to any current or former employee, officer, director or independent contractor of the Company or any of its Subsidiaries or any beneficiary thereof, or entered into, maintained or contributed to, as the case may be, by any of the Acquired Corporations which would provide for a modification of benefits or consideration due thereunder which would exceed $1,000,000 in the aggregate under all Plans (excluding any employment agreements or amendments thereto listed in Part 2.12(b) of the Disclosure Schedule), or (ii) any adoption of, or amendment to, or change in employee participation or coverage under, any Plan which would, in either case, increase materially the expense of maintaining such Plan above the level of the expense incurred in respect thereof for the fiscal year ended on December 31, 2002. Except as expressly contemplated hereby, neither the execution and delivery of this Agreement nor the consummation of the Contemplated Transactions will (either alone or in conjunction with any other event) result in, cause the accelerated vesting or delivery of, or increase the amount or value of, any payment or benefit to any United States employee of the Acquired Corporations organized in any United States jurisdictions and all Plans permit assumption by Parent upon consummation of the Contemplated Transactions without the consent of any participant.

(c)

For purposes of this Agreement, the following definitions apply: "**Controlled Group Liability**" means any and all liabilities under (i) Title IV of ERISA, (ii) section 302 of ERISA, (iii) sections 412 and 4971 of the Code and (iv) corresponding or similar provisions of foreign laws or regulations; "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder; "**ERISA Affiliate**" means, with respect to any entity, trade or business, any other entity, trade or business that is a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes the first entity, trade or business, or that is a member of the same "controlled group" as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA.

(d)

With respect to each Plan, the Company has delivered to Parent a copy of: (i) each writing constituting a part of such Plan, including all plan documents, benefit schedules, trust agreements and insurance contracts and other funding vehicles; (ii) the three most recent Annual Reports (Form 5500 Series) and accompanying schedules, if any; (iii) the current summary plan description and any material modifications thereto, if any; (iv) the most recent annual financial report, if any; (v) the most recent actuarial report, if any; and (vi) the most recent determination letter from the Internal Revenue Service, if any.

(e)

Part 2.12(e) of the Company Disclosure Schedule identifies each Plan that is intended to be a "qualified plan" within the meaning of Section 401(a) of the Code ("**Qualified Plans**"). The Internal Revenue Service has issued a favorable determination letter with respect to each Qualified Plan that has not been revoked, and, to the knowledge of the Company,

there are no existing circumstances nor any events that have occurred that could adversely affect the qualified status of any Qualified Plan or the related trust. No Plan is intended to meet the requirements of Code Section 501(c)(9).

(f)

All contributions required to be made to any Plan by applicable Legal Requirements or by any plan document or other contractual undertaking, and all premiums due or payable with

respect to insurance policies funding any Plan, for any period through the date hereof have been made or paid in full or, to the extent not required to be made or paid on or before the date hereof, have been fully reflected on the financial statements contained in the Company SEC Reports to the extent required by US GAAP.

(g)

The Company has complied, and is now in compliance, in all material respects with all provisions of ERISA, the Code and all Legal Requirements applicable to the Plans. There is not now, nor do any circumstances exist that could give rise to, any requirement for the posting of security with respect to a Plan or the imposition of any Encumbrance on the assets of the Company under ERISA or the Code. No prohibited transaction has occurred with respect to any Plan which could result in material liability to the Company.

(h)

The Company does not now maintain, and has at no time maintained, (i) a Plan that is subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code, (ii) a "multiemployer pension plan", as defined in Section 3(37) of ERISA (a "**Multiemployer Plan**") or (iii) a funded welfare benefit plan as defined in Section 419 of the Code.

(i)

All group health plans maintained by the Company or any ERISA Affiliate have been operated in material compliance with the requirements of Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA, the provisions of law enacted by the Health Insurance Portability and Accountability Act of 1996, and any similar law.

(j)

(1) No reportable event within the meaning of Section 4043(c) of ERISA has occurred, and the consummation of the Contemplated Transactions will not result in the occurrence of any such reportable event, and (2) all liabilities in connection with the termination of any employee pension benefit plan that was sponsored, maintained or contributed to by any Acquired Corporation at any time within the past three years have been fully satisfied.

(k)

There does not now exist, nor do any circumstances exist that could result in, any Controlled Group Liability that would be a liability of any Acquired Corporation following the Closing. Without limiting the generality of the foregoing, neither any Acquired Corporation nor any ERISA Affiliate of any Acquired Corporation has engaged in any transaction described in Section 4069 or Section 4204 of ERISA.

(l)

Part 2.12(l) of the Company Disclosure Schedule identifies any liability for life, health, medical or other welfare benefits to former employees or beneficiaries or dependents thereof, except for health continuation coverage as required by Section 4980B of the Code, Part 6 of Subtitle B of Title I of ERISA or other applicable Legal Requirement and at no expense to any Acquired Corporation.

(m)

Part 2.12(m) of the Company Disclosure Schedule identifies (x) the employee benefit plans, programs, policies, practices and other arrangements currently providing benefits to any current or former employee, officer or director of any of the Acquired Corporations not organized in any United States jurisdiction, or beneficiary or dependent thereof, whether or not written, and whether covering one person or more than one person, sponsored or maintained by any such Acquired Corporation or to which any such Acquired Corporation contributes or is obligated to contribute (the "Non-US Plans"), other than those providing benefits mandated by Legal Requirements or customary in the ordinary course of business in the Relevant Jurisdiction (the "Other Non-US Plans") and (y) any agreements pursuant to which benefits are modified or triggered as a result of a change of control of the Company or any Acquired Corporation other than those providing benefits mandated by Legal Requirements. The Non-US Plans and the Other Non-US Plans (i) comply in all material respects with applicable Legal Requirements, (ii) are fully funded or reserved against in the Balance Sheet, in each case to the extent required under applicable Legal Requirements and

US GAAP, and (iii) do not provide participants any equity interest or any Option in any Acquired Corporation other than the Company.

(n)

No labor organization or group of employees of the Acquired Corporations has made a pending demand for recognition or certification, and there are no representation or certification proceedings or petitions seeking a representation proceeding presently pending, or threatened to be brought or filed, with the National Labor Relations Board or any other labor relations tribunal or authority. Each of the Acquired Corporations has complied with the Worker Adjustment and Retraining Notification Act.

(o)

There are no pending or, to the Company's knowledge, threatened claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations which have been asserted or instituted against the Plans, any fiduciaries thereof with respect to their duties to the Plans or the assets of any of the trusts under any of the Plans which could reasonably be expected to result in any material liability of any Acquired Corporation to the Pension Benefit Guaranty Corporation, the Department of Treasury, the Department of Labor or any Multiemployer Plan.

(p)

Part 2.12(p) of the Company Disclosure Schedule contains an accurate and complete list as of the date of this Agreement of all loans and advances made by any of the Acquired Corporations to any employee, director, consultant or independent contract, other than routine travel and expense advances made to employees in the ordinary course of business. The Acquired Corporations have not, since July 30, 2002, extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any director or executive officer (or equivalent thereof) of the Company. Part 2.12(p) of the Company Disclosure Schedule identifies any extension of credit maintained by the Acquired Corporations to which the second sentence of Section 13(k)(1) of the Exchange Act applies.

2.13 Compliance with Legal Requirements; Governmental Authorizations. To the Company's knowledge, the Acquired Corporations are, and at all times have been, in material compliance with each Legal Requirement that is or was applicable to any of them or to the conduct or operation of their business or the ownership or use of any of their assets and no event has occurred or circumstance exists that (with or without notice or lapse of time or both) (i) would be reasonably likely to constitute or result in a material violation by any of the Acquired Corporations of, or a substantial failure on the part of any of the Acquired Corporations to comply with, any Legal Requirement, or (ii) would be reasonably likely to give rise to any obligation on the part of any of the Acquired Corporations to undertake, or to bear all or any portion of the cost of, any substantial remedial action of any nature. Since December 31, 2001, none of the Acquired Corporations has received, at any time, any written notice or, to the Company's knowledge, any other communication from any Governmental Body or any other Person asserting (x) any actual or alleged violation of, or failure to comply with, any material Legal Requirement, or (y) any actual or alleged obligation on the part of any of the Acquired Corporations to undertake, or to bear all or any material portion of the cost of, any substantial remedial action.

2.14 Environmental Matters. Except as set forth on Part 2.14 to the Company Disclosure Schedule or identified in any report furnished under Section 2.14(g) hereunder:

(a)

Each Acquired Corporation is, and at all times has been, in material compliance with, and has not been and is not in material violation of or have any material liability under, any Environmental Law. No Acquired Corporation has any basis to expect, nor has any of them or any other Person for whose conduct they are or may be held to be responsible received, any actual or threatened order, notice, or other communication from (i) any Governmental Body or private citizen acting in the public interest, or (ii) the current or prior owner or operator of

any Facilities, of any actual or potential material violation or failure to comply with any Environmental Law, or of any actual or threatened obligation to undertake or bear material costs for any Environmental, Health and Safety Liabilities with respect to any of the Facilities or any other properties or assets (whether real, personal, or mixed) in which any Acquired Corporation had had an interest and for which any Acquired Corporation may be held responsible, or with respect to any property or Facility at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used, or processed by any Acquired Corporation, or any other Person for whose conduct they are or may be held responsible, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed of, recycled, or

received.

(b)

There are no pending or, to the knowledge of the Company, threatened claims, Encumbrances, or other restrictions of any nature, resulting from any material Environmental, Health and Safety Liabilities or arising under or pursuant to any Environmental Law, with respect to or affecting any of the Facilities or any other properties or assets (whether real, personal, or mixed) in which any Acquired Corporation had had an interest and for which any Acquired Corporation may be held responsible.

(c)

No Acquired Corporation has any basis to expect, nor has any of them or any other Person for whose conduct they are or may be held responsible, received, any written or, to the Company's knowledge, other material citation, directive, inquiry, notice, order, summons, warning or other communication that relates to Hazardous Activities or Hazardous Materials, or any alleged, actual or potential material violation or failure to comply with any Environmental Law, or of any alleged, actual or potential obligation to undertake or bear material costs for any Environmental, Health and Safety Liabilities with respect to any of the Facilities or any other properties or assets (whether real, personal, or mixed) in which any Acquired Corporation had an interest and for which any Acquired Corporation may be held responsible, or with respect to any property or facility to which Hazardous Materials generated, manufactured, refined, transferred, imported, used or processed by any Acquired Corporation, or any other Person for whose conduct they are or may be held responsible, have been transported, treated, stored, handled, transferred, disposed of, recycled or received.

(d)

No Acquired Corporation, or any other Person for whose conduct they are or may be held responsible, has any material Environmental, Health and Safety Liabilities with respect to the Facilities or, to the knowledge of the Company, with respect to any other properties and assets (whether real, personal, or mixed) in which any Acquired Corporation (or any predecessor) has or had an interest, or at any property geologically or hydrologically adjoining the Facilities.

(e)

To the knowledge of the Company, there are no Hazardous Materials present on or in the Environment at the Facilities or, which originated at the Facility when any Acquired Corporation owned or operated such Facility but are now at any geologically or hydrologically adjoining property, including any Hazardous Materials contained in barrels, above or underground storage tanks, landfills, land deposits, dumps, equipment (whether moveable or fixed) or other containers, either temporary or permanent, and deposited or located in land, water, sumps or any other part of the Facilities or such adjoining property, or incorporated into any structure therein or thereon in a condition, volume or concentration reasonably likely to result in a material Environmental Health and Safety Liability. No Acquired Corporation, any other Person for whose conduct they are or may be held responsible, or to the knowledge of the Company, any other Person, has permitted or conducted or is aware of, any Hazardous Activity conducted with respect to the Facilities or any other properties or assets (whether real, personal, or mixed) in which any Acquired Corporation has or had an interest except for instances which would not be reasonably likely to result in a material Environmental Health and Safety Liability.

(f)

To the knowledge of the Company, there has been no release or, to the knowledge of the Company, threat of release, by any Person of any Hazardous Materials at or from the Facilities or at any other locations where any Hazardous Materials were generated, used, manufactured, refined, transferred, disposed of, produced, imported, used or processed from or by the Facilities, or from or by any other properties and assets (whether real, personal, or mixed) in which any Acquired Corporation has or had an interest, or to the knowledge of the Company, any geologically or hydrologically adjoining property, except for releases that are not reasonably likely to result in a material Environmental Health and Safety Liability.

(g)

The Company has delivered to Parent copies and results of any reports, studies, analyses, tests or monitoring possessed or initiated by any Acquired Corporation pertaining to Hazardous Materials or Hazardous Activities in, on, or under the Facilities, or concerning compliance by any Acquired Corporation, or any other Person for whose conduct they are or may be held responsible, with Environmental Laws.

2.15 Legal Proceedings.

(a)

Except as disclosed in the Filed Company SEC Reports, or as set forth in Part 2.15(a) of the Company Disclosure Schedule, there is no pending Legal Proceeding (i) that has been commenced by or against any of the Acquired Corporations or that otherwise relates to or may affect the business of, or any of the assets owned or used by, any of the Acquired Corporations, except for such Legal Proceedings as are normally incident to the business carried on by the Acquired Corporations and would not reasonably be likely to, individually or in the aggregate, result in a Material Adverse Effect on the Acquired Corporations, (ii) that would prevent or materially delay the consummation of the Contemplated Transactions, or (iii) against any director or officer of any of the Acquired Corporations pursuant to Section 8A or 20(b) of the Securities Act or Section 21(d) or 21C of the Exchange Act.

(b)

Except as set forth in Part 2.15(c) of the Company Disclosure Schedule, to the knowledge of the Company, (i) no Legal Proceeding that if pending would be required to be disclosed under Section 2.15(a) has been threatened, and (ii) no event has occurred or circumstance exists that would reasonably be likely to give rise to or serve as a basis for the commencement of any such Legal Proceeding.

(c)

No Acquired Corporation is subject to any outstanding order, writ, injunction or decree which has had or is likely to have a Material Adverse Effect on the Acquired Corporations or which would prevent or materially delay the consummation of the Contemplated Transactions.

2.16 Absence of Certain Changes and Events. Except as set forth in Part 2.16 of the Company Disclosure Schedule, from the date of the Balance Sheet (or since December 31, 2002, where indicated), (1) the Acquired Corporations have conducted their businesses only in the ordinary course of business consistent with past practice and there has not been any Material Adverse Effect on the Acquired Corporations, and (2) no event has occurred or circumstance exists that would be reasonably likely, individually or in the aggregate, to result in a Material Adverse Effect on the Acquired Corporations, or:

(a)

any material loss, damage or destruction to, or any material interruption in the use of, any of the assets of any of the Acquired Corporations (whether or not covered by insurance) that has had or would reasonably be likely to have a Material Adverse Effect on the Acquired Corporations;

(b)

(i) any declaration, accrual, set aside or payment of any dividend or any other distribution in respect of any shares of capital stock of any Acquired Corporation other than dividends on the Series A Preferred and Series B Preferred and the Optional Make Whole Payment on the Series B Preferred as required by the Preferred Governing Documents, or (ii) any repurchase,

redemption or other acquisition by any Acquired Corporation of any shares of capital stock or other securities;

(c)

any sale, issuance or grant, or authorization of the issuance of, (i) any capital stock or other security of any Acquired Corporation (except for Company Common Stock issued upon the valid exercise of outstanding Options, in satisfaction of the Optional Make Whole Payment on the Series B Preferred, in payment of dividends on the Series A Preferred or Series B Preferred, upon conversion of Series A Preferred or Series B Preferred, or pursuant to the 2000 Employee Stock Purchase Plan of the Company, as amended (the "**ESPP**")), (ii) any option, warrant or right to acquire any capital stock or any other security of any Acquired Corporation (except for Company Stock Options) or (iii) any instrument convertible into or exchangeable for any capital stock or other security of any Acquired Corporation;

(d)

any amendment or waiver of any of the rights of any Acquired Corporation under, or acceleration of vesting under, (i) any provision of any of the Company's stock option plans, (ii) any provision of any Contract evidencing any outstanding Company Stock Option, or (iii) any restricted stock purchase agreement;

(e)

any amendment to any Organizational Document of any of the Acquired Corporations, any merger, consolidation, share exchange, business combination, recapitalization, reclassification of shares, stock split, reverse stock split or similar transaction involving any Acquired Corporation;

(f)

any creation of any Subsidiary of an Acquired Corporation or acquisition by any Acquired Corporation of any equity interest or other interest in any other Person;

(g)

since December 31, 2002, any capital expenditure by any Acquired Corporation which, when added to all other capital expenditures made on behalf of the Acquired Corporations since the date of the Balance Sheet (other than those permitted by Section 4.2(b)(vi) of this Agreement), exceeds $12,000,000 in the aggregate;

(h)

any waiver of any material right or remedy under, any Contract with any Material Customer or any New Material Customer;

(i)

any (i) acquisition, lease or license by any Acquired Corporation of any material right or other material asset from any other Person, (ii) sale or other disposal or lease or license by any Acquired Corporation of any material right or other material asset to any other Person, or (iii) waiver or relinquishment by any Acquired Corporation of any material claim, except for rights or other assets acquired, leased, licensed or disposed of in the ordinary course of business and consistent with past practices;

(j)

since December 31, 2002, except as disclosed in the Filed Company SEC Reports, any write-off, prior to the date of this Agreement, of any accounts receivable as uncollectible, or establishment of any extraordinary reserve with respect to any account receivable or other indebtedness of an Acquired Corporation;

(k)

any pledge of any assets of, or sufferance of any of the assets of, an Acquired Corporation to become subject to any Encumbrance, except for pledges of immaterial assets made in the ordinary course of business and consistent with past practices;

(l)

any (i) loan by an Acquired Corporation to any Person other than another Acquired Corporation, or (ii) incurrence or guarantee by an Acquired Corporation of any indebtedness for borrowed money on behalf of any Person other than an Acquired Corporation;

(m)

since December 31, 2002, any (i) adoption, establishment, entry into or amendment by an Acquired Corporation of any Plan or (ii) payment of any bonus or any profit sharing or

similar payment to, or material increase in the amount of the wages, salary, commissions, fringe benefits or other compensation or remuneration payable to, any of the directors or executive officers of the Company, or, other than in the ordinary course of business consistent with past practice, any other employees of any Acquired Corporation;

(n)

any material change of the methods of accounting or accounting policies of any Acquired Corporation;

(o)

any material Tax election by any Acquired Corporation;

(p)

any settlement of any material Legal Proceeding by any Acquired Corporation; or

(q)

any agreement or commitment to take any of the actions referred to in clauses (c) through (p) above.

2.17 Contracts; No Defaults.

(a)

Part 2.17(a) of the Company Disclosure Schedule lists, and, except to the extent filed in full without redaction as an exhibit to a Filed Company SEC Report, the Company has made available (or, in the case of clause (iv) below, delivered) to Parent

copies of, each Acquired Corporation Contract (including any amendment to any of the foregoing):

(i) required to be filed pursuant to paragraphs (b)(9) or (b)(10) of Item 601 of Regulation S-K of the SEC;

(ii) with any director or officer of the Company (other than any Plans applicable generally to employees, copies of which were made available to Parent, or Contracts executed pursuant to, and in accordance with, such Plans), or with any affiliate of the Company and required to be disclosed pursuant to Item 404 of Regulation S-K of the SEC;

(iii) evidencing, governing or relating to indebtedness incurred by any Acquired Corporation for borrowed money or any guarantee by any Acquired Corporation of indebtedness of any other Person;

(iv) any Contract with any Material Customer or any New Material Customer or with any other Person which constituted one of the top ten customers of the Acquired Corporations, measured by revenue, for the six months ended June 30, 2003;

(v) that in any material way purports to restrict the business activity of any Acquired Corporation or any of their affiliates or to limit the freedom of any Acquired Corporation or any of their affiliates to engage in any line of business or to compete with any Person or in any geographic area or to retain any Person (other than any such limit in the scope of any license granted to an Acquired Corporation for any Proprietary Asset or any non-compete, non-solicitation or similar restriction applicable to any director, officer or employee of an Acquired Corporation, in his or her individual capacity);

(vi) providing for indemnification of any officer, director, employee or agent (but, as to agents, excluding customary commercial indemnifications such as those contained in credit agreements with institutional lenders);

(vii) except for Contracts evidencing Company Options, (A) relating to the acquisition, issuance, voting, registration, sale or transfer of any securities, (B) providing any Person with any preemptive right, right of participation, right of maintenance or any similar right with respect to any Acquired Corporation securities, or (C) providing any of the Acquired Corporations with any right of first refusal with respect to, or right to repurchase or redeem, any securities;

(viii) any warranty of the type referred to in Section 2.18, except for Contracts substantially identical to the standard forms previously delivered by the Company to Parent or as set forth in a Contract referred to in clause (iv), above;

(ix) relating to any currency hedging;

(x) to which any Acquired Corporation and any Governmental Body is a party or constituting any subcontract or other Contract between any Acquired Corporation and any contractor or subcontractor to any Governmental Body and relating to a Contract between such contractor or subcontractor and such Governmental Body;

(xi) requiring that any of the Acquired Corporations give any notice or provide any information to any Person prior to considering or accepting any Acquisition Proposal or similar proposal, or prior to entering into any discussions, agreement, arrangement or understanding relating to any Acquisition Transaction or similar transaction; or

(xii) contemplating or involving the payment or delivery of cash or other consideration to any supplier of materials or components used by any Acquired Corporation in the manufacturing process in an amount or having a value in

excess of $1,000,000 during the twelve month periods prior to and following the date of this Agreement.

Each of the foregoing is a "**Material Contract**."

(b)

Each Material Contract is valid and in full force and effect, and is enforceable in accordance with its terms, subject to the Bankruptcy and Equity Exception.

(c)

Except as set forth in Part 2.17(c) of the Company Disclosure Schedule: (i) none of the Acquired Corporations has violated or breached, or committed any default under, any Material Contract, except for violations, breaches and defaults that have not had and would not reasonably be likely to have a Material Adverse Effect on the Acquired Corporations; and, to the knowledge of the Company, no other Person has violated or breached, or committed any default under, any Material Contract, except for violations, breaches and defaults that have not had and would not reasonably be likely to have a Material Adverse Effect on the Acquired Corporations; (ii) to the knowledge of the Company, no event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time) will or would reasonably be likely to, (A) result in a violation or breach of any of the provisions of any Material Contract, (B) give any Person the right to declare a default or exercise any remedy under any Material Contract, (C) give any Person the right to receive or require a rebate, chargeback, penalty or change in delivery schedule under any Material Contract, (D) give any Person the right to accelerate the maturity or performance of any Material Contract, or (E) give any Person the right to cancel, terminate or modify any Material Contract, except in each such case for defaults, acceleration rights, termination rights and other rights that have not had and would not reasonably be likely to have a Material Adverse Effect on the Acquired Corporations; and (iii) none of the Acquired Corporations has received any written notice or, to the knowledge of the Company, other communication asserting any actual or alleged violation or breach of, or default under, any Material Contract, except in each such case for defaults, acceleration rights, termination rights and other rights that have not had and would not reasonably be likely to have a Material Adverse Effect on the Acquired Corporations.

2.18 Sale of Products; Performance of Services. Except as set forth in Part 2.18 of the Company Disclosure Schedule, no customer or other Person has asserted or threatened to assert in writing, and/to the Company's knowledge, none of the Acquired Corporations have received any other communication or information asserting any claim against any of the Acquired Corporations (i) under or based upon any warranty provided by or on behalf of any of the Acquired Corporations, or

(ii) under or based upon any other warranty relating to any product, system, program, Proprietary Asset or other asset, manufactured, assembled, sold, repaired, or otherwise made available by any of the Acquired Corporations or any services performed by any of the Acquired Corporations, in any case that individually, or in the aggregate with claims relating to the same or similar products or services, (A) would reasonably be likely to result in liabilities to the Acquired Corporations of $500,000 or more or (B) reflect a significant and continuing defect in the Acquired Corporation's workmanship.

2.19 Insurance. Part 2.19 of the Company Disclosure Schedule sets forth a list of each insurance policy maintained by the Acquired Corporations. All such policies are in full force and effect, all premiums due thereon have been paid, and the Acquired Corporations have complied with the provisions of such policies and, except as set forth in Part 2.19 of the Company Disclosure Schedule, will remain in full force and effect after consummation of the Contemplated Transactions. The Acquired Corporations have not been advised of any defense to coverage in connection with any claim to coverage asserted or noticed by the Acquired Corporations under or in connection with any of their extant insurance policies. The Acquired Corporations have not received any written notice from or on behalf of any insurance carrier issuing policies or binders relating to or covering any of the Acquired Corporations that there will be a cancellation or non-renewal of existing policies or binders, or that alteration of any equipment or any improvements to real estate occupied by or leased to or by the Acquired Corporations, purchase of additional equipment, or material modification of any of the methods of doing business, will be required.

2.20 Labor Matters. Except as set forth on Part 2.20 of the Company Disclosure Schedule: (a) none of the Acquired Corporations is a party to, or bound by, any collective bargaining agreement, contract or other agreement or understanding with a labor union or labor organization; nor is any application for certification with respect to a union-organizing campaign outstanding; (b) to the knowledge of the Company, none of the Acquired Corporations is the subject of any Legal Proceeding asserting that any of the Acquired Corporations has committed an unfair labor practice or seeking to compel it to bargain with any labor organization as to wages or conditions of employment; (c) there is no strike, work stoppage or other labor dispute involving any of the Acquired Corporations pending or, to the Company's knowledge, threatened; (d) to the knowledge of the Company, no complaint, charge or Legal Proceeding by or before any Governmental Body brought by or on behalf of any employee, prospective employee, former employee, retiree, labor organization or other representative of its employees is

pending or threatened against any of the Acquired Corporations; (e) to the knowledge of the Company, no grievance is pending or threatened against any of the Acquired Corporations; and (f) none of the Acquired Corporations is a party to, or otherwise bound by, any consent decree with, or citation by, any Governmental Body relating to employees or employment practices. Except as set forth in Part 2.20 of the Company Disclosure Schedule, there are no grants or subsidies from any Governmental Body to any Acquired Corporation related to employment, employee training and/or employment practices that are subject to any repayment obligation on the part of any Acquired Corporation.

2.21 Interests of Officers and Directors. Except as set forth in Part 2.21 of the Company Disclosure Schedule or disclosed in the Filed Company SEC Reports and other than the normal rights of a stockholder and rights under the Plans and the Company Stock Options, none of the officers or directors of any of the Acquired Corporations has any interest in any property, real or personal, tangible or intangible, used in the business of the Acquired Corporations or in any supplier, distributor or customer of the Acquired Corporations (but excluding ownership of publicly-traded securities), or any relationship, contract, agreement, arrangement or understanding with the Acquired Corporations that would be required to be disclosed in a Company SEC Report.

2.22 Rights Plan; State Antitakeover Laws; DGCL. The Company has not entered into, and its Board of Directors has not adopted or authorized the adoption of, a stockholder rights plan or similar arrangement. Other than Section 203 of the DGCL, no state takeover statute or similar statute or

regulation of the State of Delaware (and, to the knowledge of the Company, of any other state or jurisdiction) applies or purports to apply to this Agreement or the Contemplated Transactions and no provision of the certificate of incorporation, bylaws or other Organizational Documents of the Company or any of its Subsidiaries or the terms of any plan or agreement of the Company would, directly or indirectly, restrict or impair the ability of Parent to vote, or otherwise to exercise the rights of a stockholder with respect to, securities of the Company and its Subsidiaries that may be acquired or controlled by Parent or permit any stockholder to acquire securities of the Company or of Parent or any of their respective Subsidiaries on a basis not available to Parent in the event that Parent were to acquire securities of the Company. Subject to Section 3.12 hereof, the Company has taken all appropriate actions (including approval by its Board of Directors of the execution and delivery of each Stockholder Agreement) so that the restrictions on business combinations contained in Section 203 of the DGCL will not apply to Parent or Merger Sub with respect to or as a result of any of the Contemplated Transactions, including all transactions contemplated by each Stockholder Agreement.

2.23 Certain Payments. Since December 31, 2000, none of the Company or any of its Subsidiaries, nor any director, officer, designated agent or employee of the Company or any of its Subsidiaries, or to the Company's knowledge, any other Person acting for or on behalf of the Company or any of its Subsidiaries, has directly or indirectly (a) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback or other payment to any person, private or public, regardless of form, whether in money, property or services (i) to obtain favorable treatment in securing business, (ii) to pay for favorable treatment for business secured or (iii) to obtain special concessions or for special concessions already obtained, for or in respect of the Company or any of its subsidiaries, in each case which is in violation of any Legal Requirement or order or decree of any Governmental Body or (b) established or maintained any fund or asset that is required by the Exchange Act to be recorded in the books and records of the Company which has not been so recorded.

2.24 Opinion of Financial Advisor. The Company's Board of Directors has received the opinions of each of Credit Suisse First Boston LLC ("**CSFB**") and Sonenshine Pastor & Co. LLC ("**Sonenshine**"), each dated as of October 14, 2003, each to the effect that, as of the date of such opinion and based upon and subject to the matters stated in the opinion, the Share Exchange Ratio is fair from a financial point of view to the holders of Company Common Stock (other than, in the case of the opinion of CSFB, those certain private equity funds affiliated or associated with CSFB that own shares of Company Common Stock and the Stockholders and their respective affiliates. Copies of such opinions and the respective engagement letters for CSFB and Sonenshine have been delivered to Parent).

2.25 Brokers. No broker, finder, investment banker or other Person is entitled to any brokerage, finder's or other fee or commission in connection with the Merger and the Contemplated Transactions based upon arrangements made by or on behalf of any Acquired Corporation. The Company has heretofore furnished to Parent a copy of all Acquired Corporation Contracts between the Company and each of CSFB and Sonenshine pursuant to which such firm would be entitled to any payment relating to the Contemplated Transactions.

2.26 Board Recommendation. The Board of Directors of the Company, at a meeting duly called and held, has by unanimous vote of those directors present (who constituted all of the directors then in office) (a) determined that this Agreement and the transactions contemplated hereby, including the Merger, are advisable and are fair to and in the best interests of the stockholders of the Company, and (b) resolved to recommend that the holders of shares of capital stock of the Company adopt this Agreement.

2.27 F-4/Proxy Statement. None of the information supplied or to be supplied by or on behalf of the Company for inclusion or incorporation by reference in the Form F-4 Registration Statement will, at the time the Form F-4 Registration Statement is filed with the SEC or at the time it becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. None of the information supplied or to be supplied by or on behalf of the Company for inclusion or incorporation by reference in the Proxy Statement will, at the time the Proxy Statement is mailed to the stockholders of the Company or at the time of the Company Stockholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. The Proxy Statement will comply as to form in all material respects with the provisions of the Exchange Act and the rules and regulations promulgated by the SEC thereunder.

SECTION 3: Representations and Warranties of Parent and Merger Sub.

Parent and Merger Sub represent and warrant to the Company as follows:

3.1 Organization and Good Standing. Parent and each of its Subsidiaries are corporations duly organized, validly existing and in good standing under the laws of their respective jurisdictions of incorporation, with all requisite corporate power and authority to conduct their respective businesses as now being conducted, to own or use the respective properties and assets that they purport to own or use, and to perform all their respective obligations under Contracts to which Parent or any of its Subsidiaries is party or by which Parent or any of its Subsidiaries or any of their respective assets are bound. Parent and each of its Subsidiaries are duly qualified to do business as a foreign corporation and are in good standing under the laws of each state or other jurisdiction in which either the ownership or use of the properties owned or used by them or the nature of the activities conducted by them requires such qualifications, except where the failure to be so qualified would not be reasonably likely to, individually or in the aggregate, have a Material Adverse Effect on Parent.

3.2 Authority; No Conflict.

(a)

Parent and Merger Sub each have all necessary corporate power and authority to execute and deliver this Agreement and the other agreements referred to in this Agreement, to perform their respective obligations hereunder and to consummate the Contemplated Transactions. The execution and delivery of this Agreement by each of Parent and Merger Sub and the consummation by each of Parent and Merger Sub of the Contemplated Transactions have been duly and validly authorized by all necessary corporate action on its part and no other corporate proceedings on the part of Parent or Merger Sub are necessary to authorize this Agreement or to consummate the Contemplated Transactions (other than, with respect to the Merger, the filing of a certificate of merger required by the DGCL). This Agreement has been duly and validly executed and delivered by Parent and Merger Sub and constitutes the legal, valid and binding obligation of Parent and Merger Sub, enforceable against Parent and Merger Sub in accordance with its terms, subject to the Bankruptcy and Equity Exception.

(b)

Except as set forth in Part 3.2(b) of the Parent Disclosure Schedule, neither the execution and delivery of this Agreement nor the consummation of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time or both): (i) contravene, conflict with, or result in a violation of (A) any provision of the Organizational Documents of Parent or any of its Subsidiaries, or (B) any resolution adopted by the Board of Directors or the shareholders of Parent or any of its Subsidiaries; or (ii) subject to compliance with the requirements specified in clauses (A) through (D) of Section 3.2(c), contravene, conflict with, or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief

under, any Legal Requirement or any order, injunction, writ or decree to which Parent or any of its Subsidiaries, or any of the assets owned or used by Parent or any of its Subsidiaries, may be subject, except, in the case of clause (ii), for any such conflicts or violations that would not be reasonably likely to prevent or delay consummation of the Merger in any material respect, or otherwise would not prevent Parent from performing any of its material obligations under this Agreement in any material respect.

(c)

The execution and delivery of this Agreement by Parent do not, and the performance of this Agreement and the consummation of the Contemplated Transactions by Parent will not, require any Consent of, or filing with or notification to, any Governmental Body, except (i) for (A) applicable requirements, if any, of the Securities Act, the Exchange Act, The New York Stock Exchange or the Toronto Stock Exchange, (B) the pre-merger notification requirements of the HSR Act, (C) filing of appropriate merger documents as required by the DGCL and (D) the non-United States competition, antitrust and investment laws set forth in Part 3.2(c) of the Parent Disclosure Schedule and (ii) where failure to obtain such Consents, or to make such filings or notifications, would not prevent or delay consummation of the Merger in any material respect, or otherwise prevent Parent from performing any of its material obligations under this Agreement in any material respect, and would not reasonably be likely to, individually or in the aggregate, result in a Material Adverse Effect on Parent.

3.3 Capital Structure. The authorized capital stock of Parent consists of an unlimited number of Parent Subordinate Voting Shares, an unlimited number of Multiple Voting Shares and an unlimited number of Preference Shares, issuable in series. As of the date of this Agreement (except as otherwise noted), (i) 170,327,693 Parent Subordinate Voting Shares (plus any Parent Subordinate Voting Shares issued since October 10, 2003 pursuant to outstanding grants under Parent employee benefit plans ("Parent Plans")) and 39,065,950 Multiple Voting Shares are issued and outstanding, (ii) 23,420,224 Parent Subordinate Voting Shares are reserved for issuance pursuant to outstanding grants under Parent Plans (less any Parent Subordinate Voting Shares issued since October 10, 2003, pursuant to outstanding grants under the Parent Plans, and plus any grants made after September 29, 2003 under the Parent Plans), 13,309,349 Parent Subordinate Voting Shares are reserved for issuance upon exercise of authorized but unissued stock options under Parent Plans (less any grants made after September 29, 2003 under the Parent Plans), and 6,722,992 Parent Subordinate Voting Shares have been reserved for issuance upon conversion of Parent's outstanding Liquid Yield Option Notes[1] Due 2020 ("**LYONs**"), (iii) 39,065,950 Parent Subordinate Voting Shares are reserved for issuance upon conversion of outstanding Multiple Voting Shares and (iv) no Preference Shares are issued, reserved for issuance or outstanding. Except as set forth above, and except as contemplated by the parenthetical in clause (ii), no shares of capital stock or other equity or voting securities of Parent are issued, reserved for issuance or outstanding. All outstanding shares of capital stock of Parent are, and all Parent Subordinate Voting Shares which may be issued pursuant to the Parent Plans will, when issued, be duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. Other than the LYONs, there are not any bonds, debentures, notes or other indebtedness or securities of Parent having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of Parent may vote. Other than the Parent Subordinate Voting Shares issuable in

(1) Trademark of Merrill Lynch & Co., Inc.

connection with the Merger and the capital stock described in the second sentence of this Section 3.3, there are not any Options of any kind to which Parent is a party or by which it is bound obligating Parent to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other equity or voting securities of Parent or obligating Parent to issue, grant, extend or enter into any such Option. Except for repurchase obligations pursuant to the indenture governing the LYONs, there are no outstanding rights, commitments, agreements, arrangements or undertakings of any kind obligating Parent to repurchase, redeem or otherwise acquire or dispose of any shares of capital stock or other equity or voting securities of Parent or any securities of the type described in the two immediately preceding sentences. None of the outstanding equity securities of Parent was issued in violation of the Securities Act or any Legal Requirement.

3.4 SEC Reports. Parent has on a timely basis filed all forms, reports and documents required to be filed by it with the SEC since December 31, 2000. Part 3.4 of the Parent Disclosure Schedule lists and Parent has delivered to the Company copies in the form filed with the SEC of all of the following, except to the extent available in full without redaction (other than redaction as to which confidential treatment has been requested or granted) on the SEC's web site through EDGAR two days prior to the date of this Agreement: (i) Parent's Annual Reports on Form 20-F for each fiscal year of Parent beginning since December 31, 2000, (ii) all proxy statements relating to Parent's meetings of stockholders (whether annual or special) held, and all information statements relating to stockholder consents, since the beginning of the first fiscal year referred to in clause (i) above, (iii) its Current Reports on Form 6-K filed since the beginning of the first fiscal year referred to in clause (i) above, (iv) all other forms, reports, registration statements and other documents (other than preliminary materials if the corresponding definitive materials have been provided to the Company pursuant to, or are available through EDGAR as contemplated by, this Section 3.4) filed by Parent with the SEC since the beginning of the first fiscal year referred to in clause (i) above (the forms, reports, registration statements and other documents referred to in clauses (i), (ii), (iii) and (iv) above, whether or not available through EDGAR, are, collectively, the "**Parent SEC Reports**"), and (v) all certifications and statements required by (x) the SEC's Order dated June 27, 2002 pursuant to Section 21(a)(1) of the Exchange Act (File No. 4-460), (y) Rule 13a-14 or 15d-14 under the Exchange Act, or (z) 18 U.S.C. §1350 (Section 906 of the Sarbanes-Oxley Act of 2002) with respect to any report referred to in clause (i) or (ii) above (collectively, the "**Certifications**"), and (vi) all comment letters received by Parent from the Staff of the SEC since December 31, 2000 and all responses to such comment letters by or on behalf of Parent. The Parent SEC Reports (x) were or will be prepared in accordance with the requirements of the Securities Act and the Exchange Act, as the case may be, and the rules and regulations thereunder and (y) did not at the time they were filed with the SEC, or will not at the time they are filed

with the SEC, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The Certifications (other than those containing materiality qualifications) are each true and correct in all material respects and the Certificates containing materiality qualifications are each true and correct in all respects. No Subsidiary of Parent is or has been required to file any form, report, registration statement or other document with the SEC. The Parent and its Subsidiaries maintain disclosure controls and procedures required by Rule 13a-15 or 15d-15 under the Exchange Act; such controls and procedures are designed to ensure that all material information concerning Parent and its Subsidiaries is made known on a timely basis to the individuals responsible for the preparation of Parent's filings with the SEC and other public disclosure documents. Parent is in compliance with the applicable listing rules of The New York Stock Exchange and the Toronto Stock Exchange and has not since December 31, 2000 received any notice from The New York Stock Exchange or the Toronto Stock Exchange asserting any non-compliance with such rules. As used in this Section 3.4, the term "**file**" has the meaning given to it in Section 2.4.

3.5 Financial Statements. The financial statements and notes contained or incorporated by reference in the Parent SEC Reports fairly present the financial condition and the results of operations,

changes in stockholders' equity, and cash flow of Parent and its Subsidiaries as at the respective dates of and for the periods referred to in such financial statements, all in accordance with generally accepted Canadian accounting principles (and, in the case of the Parent's annual financial statements included in its Annual Reports on Form 20-F, with a reconciliation to US GAAP), subject, in the case of interim financial statements, to normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be materially adverse) and the omission of notes (that, if presented, would not differ materially from notes to the financial statements included in Parent's Annual Report on Form 20-F for the year ended December 31, 2002); the financial statements referred to in this Section 3.5 reflect the consistent application of such accounting principles throughout the periods involved, except as disclosed in the notes to such financial statements. No financial statements of any Person other than Parent and its Subsidiaries are required by generally accepted Canadian accounting principles to be included in the consolidated financial statements of the Company. Parent has designed and is using a system of internal accounting controls sufficient to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with Canadian generally accepted accounting principles and the Exchange Act.

3.6 Tax Matters. Neither Parent nor Merger Sub has taken any action, nor to Parent's or Merger Sub's knowledge is there any fact or circumstance, that could reasonably be expected to prevent the Merger from qualifying as a reorganization under Section 368(a) of the Code.

3.7 No Undisclosed Liabilities. Except as disclosed in the Parent SEC Reports, at the date of this Agreement, Parent has no liabilities or obligations of any nature (whether absolute, accrued, contingent, choate or inchoate or otherwise) that would be required to be reflected in a balance sheet prepared in accordance with Canadian generally accepted accounting principles or disclosed in the notes thereto, except for liabilities or obligations adequately and fully reflected or reserved against in the balance sheet, or disclosed in the notes thereto, included in Parent's balance sheet dated June 30, 2003 as filed with Parent's Form 6-K filed with the SEC, liabilities incurred since June 30, 2003 in the ordinary course of business, and contingent or inchoate liabilities that would not reasonably be likely to have a Material Adverse Effect on Parent.

3.8 Legal Proceedings. Except as disclosed in the Parent SEC Reports, at the date of this Agreement, there is no pending Legal Proceeding (a) that has been commenced by or against Parent or its Subsidiaries or that otherwise relates to or may affect the business of, or any of the assets owned or used by, Parent or its Subsidiaries, except for such Legal Proceedings as are normally incident to the business carried on by Parent and its Subsidiaries and would not reasonably be likely to, individually or in the aggregate, result in a Material Adverse Effect on Parent, (b) that would prevent or materially delay the consummation of the Contemplated Transactions or (c) against any director or officer of Parent pursuant to Section 8A or 20(b) of the Securities Act or Section 21(d) or 21C of the Exchange Act. Neither Parent nor any Subsidiary is subject to any outstanding order, writ, injunction or decree which has had or is reasonably likely to have a Material Adverse Effect on Parent or which would prevent or materially delay the consummation of the Contemplated Transactions.

3.9 Absence of Certain Changes and Events. Except as disclosed in the Parent SEC Reports, from June 30, 2003 to the date of this Agreement, (a) Parent has conducted its business only in the ordinary course of business consistent with past practice and there has not been any Material Adverse Effect on Parent, and (b) no event has occurred or circumstance exists that would be reasonably likely, individually or in the aggregate, to result in a Material Adverse Effect on Parent.

3.10 Brokers. No broker, finder, investment banker or other Person is entitled to any brokerage, finder's or other fee or commission in connection with the Merger and the Contemplated Transactions based upon arrangements made by or on behalf of Parent.

3.11 F-4/Proxy Statement. None of the information supplied or to be supplied by or on behalf of Parent for inclusion or incorporation by reference in the Form F-4 Registration Statement will, at the time the Form F-4 Registration Statement is filed with the SEC or at the time it becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. None of the information supplied or to be supplied by or on behalf of Parent for inclusion or incorporation by reference in the Proxy Statement will, at the time the Proxy Statement is mailed to the stockholders of the Company or at the time of the Company Stockholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. The Form F-4 Registration Statement will comply as to form in all material respects with the provisions of the Securities Act and the rules and regulations promulgated by the SEC thereunder.

3.12 Company Stock. Parent and Merger Sub are not, nor at any time during the last three years have either been, an "interested stockholder" of the Company as defined in Section 203 of the DGCL. Neither Parent nor Merger Sub owns (directly or indirectly, beneficially or of record), or is a party to, any agreement, arrangement or