

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

MILLWRIGHT REGIONAL COUNCIL OF
ONTARIO PENSION TRUST FUND ,
Individually and On Behalf Of All Others Similarly
Situated,

Plaintiff,

vs.

CELESTICA, INC., STEPHEN W. DELANEY,
and ANTHONY P. PUPPI,

Defendants.

Case No.

CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS

JURY TRIAL DEMANDED

Plaintiff alleges the following based upon the investigation of plaintiff's counsel, which included a review of United States Securities and Exchange Commission ("SEC") filings by Celestica, Inc. ("Celestica" or the "Company"), as well as regulatory filings and reports, securities analysts reports and advisories about the Company, press releases, and media reports about the Company, and plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION AND SUMMARY OF ALLEGATIONS

1. This is a class action on behalf of all persons and entities who purchased or otherwise acquired the securities of Celestica between January 27, 2005 to January 30, 2007, inclusive, (the "Class Period") and who were damaged thereby, seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

2. Celestica is a Toronto-based electronic manufacturer. The Company manufactures components used by companies that sell electronic devices in the computing, telecommunications, aerospace and defense, automotive, consumer electronics, and industrial sectors.

3. Celestica has manufacturing facilities worldwide. Prior to the beginning of the Class Period, Celestica announced a major restructuring that aimed to transfer substantial manufacturing operations away from what the Company identified as higher-cost regions to lower-cost ones in Mexico, Eastern Europe and Asia. The strategic restructuring plan was begun in 2001. A second restructuring effort was announced in late 2004.

4. This action alleges that defendants' Class Period earnings statements and SEC reports were materially false and misleading because they failed to disclose the truth regarding the problems experienced by the Company as a result of its restructuring. In particular, unbeknownst to investors, the Company' Mexican operations, which under the plan, was to receive 16 new customers that previously were provided for at more expensive locations, was simply not setup to handle the increase, resulting in massive cost overruns, productivity delays, inventory management issues, and lost customer confidence that undermined the Company's credibility.

5. The Mexican facilities could not handle the massive surge in customers that had to be served out of those facilities, a situation defendants were aware of at the beginning of the Class Period, but failed to disclose. Instead of reporting the truth, defendants misleadingly minimized the extent of the problems, representing falsely that the issues were being effectively addressed as they arose. Tellingly, it took a "changing of the guard" – the ouster of Delaney, Celestica's CEO, and Puppi, Celestica's CFO, for the Company to finally disclose the truth. As the Company's new CEO admitted in his first conference call, the accelerated transfer plan in Mexico created the "perfect storm" from its inception due to the fundamental inability of the Mexico sites to handle the substantial increase in business.

6. The Company revealed the previously concealed information on January 30, 2007. That day, after the close of ordinary trading on the NYSE, Celestica issued a press release announcing results for 2006. The results were dismal. The Company's net loss more than tripled to

\$150.6 million per share (\$0.66 per share) compared to a loss of \$46.8 million (\$0.21 per share) in 2005. Celestica's new CEO, Craig Muhlhauser, attributed the disappointing results to problems at Celestica's Mexican facilities, and warned that additional charges are expected:

While revenues for the fourth quarter came in above the high-end of the updated guidance, our financial results were extremely disappointing. The year to year growth in the consumer segment was offset by higher than expected demand reductions from several key customers in the telecommunications segment. This demand reduction along with the impact of the inventory provision taken in Mexico significantly impacted operating margins," said Craig Muhlhauser, President and Chief Executive Officer, Celestica. "We have implemented and will continue to implement aggressive actions to materially improve the performance of our Mexican facilities by standardizing our ERP platform, re-architecting our warehouse logistics and strengthening the local management team while driving more efficiency and cost reductions. In light of our current outlook, we are also reducing our overhead structures and costs globally. These actions will result in an additional \$60 to \$80 million of restructuring charges, \$40 million of which has been recorded in the fourth quarter, with the remaining charges to be incurred during 2007."

The Company also announced that defendant Puppi will be stepping down from his role as CFO. Defendant Delaney had resigned as CEO in December 2006.

7. A conference call held on January 31, 2007, at 1 P.M., further detailed the operational problems in Mexico, which stemmed from the lack of processes, controls and capacity for those facilities to handle the transfer of so many customers:

To emphasize what is different from last year, we have just returned last night from Celestica's -- with Celestica's board of directors from a meeting which was held in Monterey for the past three days. We held an in depth review of the situation, outlined our 2000 plan for recovery, both with the board and with the CMX management team, including a very extensive site tour. Why did this situation in CMX develop? ***We created the perfect storm for the Company and this site*** by attempting to implement an accelerated transfer plan, which required the transfer of over 16 customers to Mexico, which required over 50 SMT lines with multiple SMT platforms from various North American facilities, over 6,000 people in an 18-month period into a facility with two ERP systems. The complexity we introduced was over 50,000 active part numbers, over 1,500 ship codes, requiring

over 28,000 pallet locations and creating nine warehouses, seven external to the site, and manage the material required to support the customer demand here. Desire to move rapidly to Mexico and drive the required cost productivity into the Americas has come at great cost to our Company and our shareholders. [Emphasis added].

8. In response to the revelation of this new information, the price of Celestica common stock fell from \$7.73 per share on January 30, 2007, to \$5.96 per share on January 31, 2007, a drop of 23%. More than 13.3 million Celestica shares traded that day, compared with 1.2 million average daily volume in the preceding 90 days.

9. While the price of the Company's securities was artificially inflated, and before its collapse, Celestica sold US\$250 million aggregate principal amount of senior subordinated notes due 2013, which raised capital the Company needed to fund its operations. Celestica insiders also took advantage of the Company's inflated price to sell their personally held Celestica stock for more than if the truth was known. During the Class Period, Celestica insiders, including defendant Puppi, filed documents with the SEC for the sale of over 660,000 Celestica shares.

JURISDICTION AND VENUE

10. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78t(a)], and Rule 10b-5 promulgated thereunder by the SEC [17 C.F.R. § 240.10b-5].

11. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1337 and Section 27 of the Exchange Act [15 U.S.C. § 78aa].

12. Venue is proper in this District pursuant to Section 27 of the Exchange Act, and 28 U.S.C. § 1391(b) and § 1391(d) (stating that "an alien may be sued in any district"). Many of the acts charged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this District. Celestica stock trades over the NYSE, headquartered within this District.

13. In connection with the acts alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the NYSE.

PARTIES

14. Plaintiff Millwright Regional Council of Ontario Pension Trust Fund purchased Celestica common stock during the Class Period, as set forth in its certification, annexed hereto, and was injured economically as alleged herein.

15. Defendant Celestica is organized under the laws of Ontario, Canada and is headquartered at 1150 Eglinton Avenue East, Toronto, Ontario, Canada M3C 1H7.

16. Defendant Stephen W. Delaney served as Celestica's Chief Executive Officer during since before the inception of the Class Period until December 12, 2006.

17. Defendant Anthony P. Puppi served as Celestica's Chief Financial Officer since before the inception of the Class Period until January 30, 2007.

18. Defendants Delaney and Puppi are collectively referred to herein as the "Individual Defendants."

19. Because of the Individual Defendants' positions with the Company, they had access to the adverse undisclosed information about its business, operations, products, operational trends, financial statements, markets and present and future business prospects via access to internal corporate documents (including the Company's operating plans, budgets and forecasts and reports of actual operations compared thereto), conversations and connections with other corporate officers and employees, attendance at management and Board of Directors meetings and committees thereof and via reports and other information provided to them in connection therewith.

20. It is appropriate to treat the Individual Defendants as a group for pleading purposes and to presume that the false, misleading and incomplete information conveyed in the Company's

public filings, press releases and other publications as alleged herein are the collective actions of the narrowly defined group of defendants identified above. Each of the above officers of Celestica, by virtue of their high-level positions with the Company, directly participated in the management of the Company, was directly involved in the day-to-day operations of the Company at the highest levels and was privy to confidential proprietary information concerning the Company and its business, operations, products, growth, financial statements, and financial condition, as alleged herein. Said defendants were involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein, were aware or recklessly disregarded, that the false and misleading statements were being issued regarding the Company, and approved or ratified these statements, in violation of the federal securities laws.

21. As officers and controlling persons of a publicly-held company whose common stock was, and is, registered with the SEC pursuant to the Exchange Act, traded on the NYSE during the Class Period, and governed by the provisions of the federal securities laws, the Individual Defendants each had a duty to disseminate promptly, accurate and truthful information with respect to the Company's financial condition and performance, growth, operations, financial statements, business, products, markets, management, earnings and present and future business prospects, and to correct any previously-issued statements that had become materially misleading or untrue, so that the market price of the Company's publicly-traded securities would be based upon truthful and accurate information. The Individual Defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.

22. The Individual Defendants participated in the drafting, preparation, and/or approval of the various public reports and other communications complained of herein and were aware of, or recklessly disregarded, the misstatements contained therein and omissions therefrom, and were aware of their materially false and misleading nature. Because of their Board membership and/or

executive and managerial positions with Celestica, each of the Individual Defendants had access to the adverse undisclosed information about Celestica's business prospects and financial condition and performance as particularized herein and knew (or recklessly disregarded) that these adverse facts rendered the positive representations made by or about Celestica and its business issued or adopted by the Company materially false and misleading.

23. The Individual Defendants, because of their positions of control and authority as officers and/or directors of the Company, were able to and did control the content of the various SEC filings, press releases and other public statements pertaining to the Company during the Class Period. Each Individual Defendant was provided with copies of the documents alleged herein to be misleading prior to or shortly after their issuance and/or had the ability and/or opportunity to prevent their issuance or cause them to be corrected. Accordingly, each of the Individual Defendants is responsible for the accuracy of the public reports and releases detailed herein and is therefore primarily liable for the representations contained therein.

24. Each of the defendants is liable as a participant in a fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of Celestica common stock by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme: (i) deceived the investing public regarding Celestica's business, finances, financial statements and the intrinsic value of Celestica common stock; and (ii) caused plaintiff and other members of the Class to purchase Celestica securities at artificially inflated prices.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

25. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired the securities of Celestica between January 27, 2005 to January 30, 2007, inclusive, and who were damaged thereby. Excluded from the Class are defendants, the officers and directors of

the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

26. The members of the Class are so numerous that joinder of all members is impracticable. During the Class Period, there were approximately 220 million shares of Celestica common stock outstanding that were actively traded on the New York Stock Exchange. While the exact number of Class members is unknown to plaintiff at this time and can only be ascertained through appropriate discovery, plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Celestica or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

27. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law that is complained of herein.

28. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

29. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by defendants' acts as alleged herein;

(b) whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, operations and financial statements of Celestica; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

30. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

SUBSTANTIVE ALLEGATIONS

Materially False And Misleading Statements Made During The Class Period

31. The Class Period begins on January 27, 2005. On that day Celestica announced its fourth quarter 2004 results. Revenues were up for the quarter, but earnings were impacted by restructuring charges:

For fiscal 2004, revenue increased 31% to \$8,840 million compared to \$6,735 million for the same period in 2003. Net loss on a GAAP basis was (\$854) million or (\$3.85) per share compared to a net loss of (\$267) million or (\$1.23) per share last year. Adjusted net earnings for the year were \$95.8 million or \$0.43 per share compared to an adjusted net loss of (\$24) million or a loss of (\$0.11) per share for the same period in 2003.

Defendant Delaney commented on the results and announced an extension of the restructuring plan:

"Although we are very disappointed with the charges taken in the quarter, we were pleased to see that the fourth quarter delivered solid revenue growth and continued expansion of operating margins, said Steve Delaney, CEO, Celestica. Over the past few quarters, we have been focused on executing our restructuring plans while meeting our customers' needs, and I am encouraged with the progress we have made. Our revenue has shown solid growth; operating margins have shown steady improvement; we are building a vibrant lean manufacturing culture; and we have improved our operations

footprint and cost profile. All these factors have contributed to our improved operating results."

"While we have substantially strengthened our operations, further improvement is needed. We have spent the past nine months carefully reviewing the business and assessing our operating footprint and, as a result, we have made the decision to further consolidate operations, largely in the higher cost geographies. This initiative will allow us to reduce underutilized assets throughout our organization. In the future, we believe we can generate satisfactory returns while providing our customers with exceptional service."

32. In a conference call held later that day, defendant Delaney outlined the new restructuring plan, touting the "hard benefits" achieved in the previous restructuring and the benefits that will result from the new one:

We were able to drive improvements in manufacturing by growing out our lean culture throughout the global network and delivering higher customer satisfaction. We continued to improve our footprint through expansion and lower-cost geographies and the expansion of services to meeting the growing outsourcing needs of our customers. And importantly, we delivered marketing expansion every quarter in 2004. Though we are encouraged by our progress, the reality is that our returns are still below where they need to be to earn our cost of capital. As a result, after evaluating the needs of our customers and assessing the best roadmap to get back to sustainable and acceptable levels of profitability, we have made the decision to significantly reduce the amount of excess capacity in our system through a new restructuring program that will bring our utilization rates higher and accelerate margin expansion.

In the fourth quarter, our capacity utilization returned to just over 60 percent the first time in two and half years. At the completion of this major initiative, we would expect our EMS production utilization to get to the 70 percent range. At this level, the Company will be able to earn its cost of capital on a more consistent basis while still giving customers the flexibility for upside growth.

In the past year, we have delivered hard benefits from our recent restructuring activities. And upon the completion of this new initiative, we believe Celestica will have the highest proportion of capacity in the infrastructure and low-cost geographies among the Tier 1 EMS providers, while still having the necessary capacity and capability in the high-cost regions in order to offer broad-based outsourcing solutions to our customers.

33. In response to a question from an analyst, defendant Delaney represented that the Company would transition 85% of its workforce to low-cost geographies, including Mexico:

STEVE DELANEY: In terms of the detail behind your question, let me -- I guess I would comment that we expect we will take our population and low-cost geographies to about 85 percent I think is what the number turned out today as we counted it out. That is spread between Asia, Mexico and Central Europe.

34. On the conference call an analyst asked why another restructuring was needed and what would be achieved this time. Defendant Puppi answered that the Company has proven its ability to keep customers satisfied while moving significant capacity to lower-cost regions, and would do so again:

TONY PUPPI: Well, for one thing, Michael, throwing every ball up in the air at the same time and undergoing transfers is a very difficult thing to do. So there is a limited amount of restructuring you can do all at the same time and still protect your execution for your customers, which is the most important thing. So that is what we did this last year.

I was really pleased with our execution around the restructuring that we did last year. So I think we have certainly proven to you and to ourselves and to our customers that we can do this and execute at the same time.

This program was launched for a couple of reasons. One is, we expected the second half of this year to initially as we looked at the first half of last year, the second half was looking before we entered the third quarter like it was going to be pretty strong, and it got weak very fast as you all know I'm sure. And so the marketing environment is less than we were anticipating it early last year. And also factored into that is just the do-ability of all this.

35. The statements referenced above in ¶¶ 31-34 , were materially false and misleading because they failed to disclose that a substantial portion of the Company's restructuring plan involved transferring the servicing of many customers to Mexico, while, as defendants knew, Celestica's Mexican operations were wholly unsuitable for the surge in customers. Unbeknownst to investors, but well known to defendants, transferring a material number of additional customers to

Mexico was an operational disaster in the making that would have widespread negative consequences on the Company's overall results.

36. On April 21, 2005, Celestica issued a press release announcing results for the first quarter of 2005:

Revenue was \$2,151 million, up 7% from \$2,017 million in the first quarter of 2004. Net loss on a GAAP basis for the first quarter was (\$11.6) million or (\$0.05) per share, compared to a GAAP net loss for the first quarter of 2004 of (\$12.1) million or (\$0.06) per share. Included in these results is \$31.9 million in charges associated with the company's previously announced restructuring activities.

In the press release, defendant Delaney was quoted as stating that the restructuring was experiencing "steady progress" and that the Company was executing well and "driving efficiency in all areas of the operations":

"Results for the quarter were as expected and continue to demonstrate the steady progress being made at Celestica," said Steve Delaney, CEO, Celestica. "Our employees continue to execute well and are driving efficiency in all areas of the operations. For the remainder of the year, our focus will be to further improve our financial returns, complete our restructuring initiatives, and grow our revenue base through additional penetration of diversified end markets, expansion of our services offering and superior execution for our customers."

37. On June 16, 2005, Celestica announced its "intention to sell US\$250 million aggregate principal amount of senior subordinated notes due 2013". The offering was consummated on June 23, 2006.

38. On July 21, 2005, Celestica issued a press release announcing the following results for its second quarter of 2005:

Revenue was \$2,251 million, compared to \$2,314 million in the second quarter of 2004. Net earnings on a GAAP basis for the second quarter were \$12.6 million or \$0.06 per share, compared to a GAAP net loss for the second quarter of 2004 of (\$7.9) million or (\$0.04) per share. Included in GAAP earnings for the quarter is a recovery of \$13.8 million or \$0.06 per share for amounts relating to a

customer that were previously provided for in the fourth quarter of 2004.

Adjusted net earnings for the quarter were \$39.8 million or \$0.17 per share compared to \$22.8 million or \$0.10 per share for the same period last year. Adjusted net earnings is defined as net earnings before amortization of intangible assets, gains or losses on the repurchase of shares and debt, integration costs related to acquisitions, option expense, other charges net of tax (detailed GAAP financial statements and supplementary information related to adjusted net earnings appear at the end of this press release). These results compare with the company's guidance for the second quarter, announced on April 21, 2005, of revenue of \$2.1 - \$2.35 billion and adjusted net earnings per share of \$0.13 to \$0.21.

Defendant Delaney attributed the results to purportedly effective restructuring initiatives, representing as follows:

“Our second quarter results continue to show the benefits from reducing excess capacity and implementing efficiency initiatives across the organization,” said Steve Delaney, CEO, Celestica. “While the second quarter environment was stable, third quarter demand is rolling up weaker than the seasonality we would typically experience. Despite the challenges of softening demand in some of our largest segments, we will continue to aggressively focus on expanding margins and returns on capital for the balance of the year.”

39. On January 26, 2006, Celestica announced its 2005 results. In a press release, the

Company reported the following results:

For 2005, revenue was \$8,471 million compared to \$8,840 million in 2004. Net loss on a GAAP basis was (\$47) million or (\$0.21) per share compared to a net loss of (\$854) million or (\$3.85) per share last year. Adjusted net earnings for the year were \$129 million or \$0.57 per share compared to adjusted net earnings of \$96 million or \$0.43 per share in 2004.

Defendant Delaney commented on the results, noting that the Company had addressed restructuring issues in a plant in the Americas:

“Demand in the quarter showed some modest seasonal strength, particularly in our server segment,” said Steve Delaney, CEO, Celestica. “Profitability was adversely affected by the cost of supporting significant transfer activity combined with a late surge in demand in one of our Americas plants. Transition activity continues

in the site in the first quarter, but we have deployed the necessary resources to restore efficiencies by the second quarter.”

40. In a conference call held later that day, defendants admitted that the Company’s Mexican facilities experienced some difficulties in the past, but assured analysts that the situation had been remedied with the allocation of additional resources, that the “biggest challenges are behind the Company,” and that new customer orders would help the Company:

STEVE DELANEY, CEO, CELESTICA: On a sequential basis, operating margins were flat at 2.3%, while returns on invested capital increased to 8.7%, up from 8.1%. Given the stronger revenue, we typically would expect better profit performance, but this was not the case, as we incurred higher costs in our Americas region to support the major program transfers that occurred throughout the region. Specifically, the transformation of one particular plant was significant. With major growth in head count, space, and equipment as a result of transfers and demand increases. In addition to programs transferring from other sites this plant is also ramping through new wins and additional customers in the first quarter. While I won't give specific customer names these new wins include a major consumer win with a Japanese OEM that will be ramping in both the Americas and in Europe, and multiple new programs in some major aerospace and communications companies.

To support this activity we will incur ramp costs due to the learning curves and we will deploy more resources in the short term to ensure strong execution in the first quarter. This will have a moderating effect on margins for the March quarter as well. However, we are comfortable and excited with the prospects for this region as we progress through the year. Asia continued to be our strongest region for the Company and our teams continued to deliver solid results. Margins improved 20 basis points sequentially to 4% and customer satisfaction levels continue to be very high. In Europe, we continued to experience quarterly operating losses, though the completion of our restructuring over the next two quarters should get the operations back to positive operating profit later this year.

On the profitability side, we expect to continue to make steady progress on margin improvement, particularly in the second half of the year as restructuring is completed and new programs start to contribute to our top line. The first half of the year and then particularly the first quarter will show some moderating pressure as we incur the ramp expenses that I highlighted earlier, but we are

optimistic that we will be back on track by the second quarter and hit our 3.5% operating margin target and exceed our cost of capital by the December quarter. Overall we believe the biggest challenges are behind the Company, but recognize there's still substantial work to be completed this year. We will be a successful business because we will build on the improvements that we have been making over the last two years.

41. Celestica filed its 2005 annual report of Form 20-F with the SEC on March 21, 2006.

The report contained certifications signed by defendants Delaney and Puppi, respectively, representing that the information contained in the report was true, that it did not omit material facts, and that the Company's disclosure controls and procedures were adequate:

1. I have reviewed this annual report on Form 20-F of Celestica Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as

of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

42. In the Form 20-F, defendants reported on Celestica's restructuring, under the headline "key strategic initiatives", stating as follows in relevant part:

In response to the downturn in the EMS industry, we initiated restructuring plans to rebalance our global manufacturing network and reduce capacity. During the technology downturn, the EMS industry began a major transformation of its manufacturing network. OEM customers wanted their EMS providers to shift more of their production to lower-cost regions, lowering product lifecycle costs and allowing the customers to better compete in their own highly competitive markets.

In 2001, we announced our first restructuring plan. As the downturn continued, and excess capacity in higher-cost geographies remained, we announced additional restructuring plans through to 2006. The restructuring plans are focused on consolidating facilities, thereby improving capacity utilization while increasing production in lower-cost geographies and accelerating margin expansion. Our capacity utilization was approximately 62% in the fourth quarter of 2005. When all of the planned restructuring actions are completed, we expect to have more capabilities and a significant portion of our global manufacturing network in lower-cost regions. As a result of our past and current restructuring efforts, approximately 80% of our

employees as of December 31, 2005 were in lower-cost geographies, up from approximately 60% at the end of 2002.

Although our 2005 revenue decreased from 2004, we increased our operating margins and further diversified our customer base by increasing our penetration into markets beyond traditional telecommunications and computing markets. Our focus for 2005 and into 2006 is to complete our restructuring, align our capacity, improve our operating margins, increase our business in industry market sectors such as aerospace and defense, consumer, automotive and industrial, and maintain our strong customer focus by further expanding our electronic product solutions offerings to bring about even greater competitive advantage to our customers. In support of these goals, we will:

- continue to implement Lean and Six Sigma principles to enhance efficiencies and improve operating margins;
- restructure the remaining underutilized facilities by the end of 2006;
- divest unprofitable and non-strategic activities;
- acquire companies which will allow us to grow in diversified markets;
- continue to offer innovative technology solutions, such as our Green Services™ offering which enables OEMs to comply with emerging environmental legislation while maintaining their focus on their core business initiatives; and
- further grow our culture of innovation, agility, responsiveness, and leadership. Summary of 2005.

43. The statements referenced above in ¶¶ 36, 38-42 , were materially false and misleading because they failed to disclose that:

- (a) Celestica's Mexican operations were wholly unsuitable for the surge in customers;
- (b) Contrary to defendants' express representations, the Company did not correct the significant operational issues experienced in Mexico which stemmed from the fundamental shortcoming that the facilities simply were unable to handle the increased workload;

(c) Defendants' assurance that the biggest challenges posed by the new restructuring was behind the Company were wholly lacking in any basis when made. As defendants knew or recklessly disregarded, the operational problems related to the new restructuring were only beginning and could only worsen before improvements were seen;

(d) Defendants' representations made it appear that the Company's Mexican issues were a temporary glitch that was being effectively addressed, thereby misleading investors;

(e) The Company's Form 20-F failed to disclose the above problems, which defendants had a duty to disclose because of the specific discussion relating to the restructuring, and was therefore materially false and misleading;

(f) Defendants' certifications included in the Form 20-F, certifying that the report was free from misstatements, – were themselves materially false and misleading for the reasons detailed herein and provided investors with false comfort.

44. On April 27, 2006, Celestica issued a press release announcing the following results for the first quarter of 2006:

Revenue was \$1,934 million, compared to \$2,151 million in the first quarter of 2005. Net loss on a GAAP basis for the first quarter was (\$17.4) million or (\$0.08) per share, compared to a GAAP net loss for the first quarter of 2005 of (\$11.6) million or (\$0.05) per share. Included in GAAP net loss for the quarter are charges of \$17.0 million associated with previously announced restructuring plans.

Defendant Delaney attributed the results to seasonal revenue decline and restructuring costs, but did not come clean about the extent of the problems facing the Company in Mexico:

“Our results in the first quarter reflected the impact of a seasonal revenue decline from the fourth quarter as well as substantial investments being made to support our major new program launches and growth in our low-cost facilities,” said Steve Delaney, CEO, Celestica. “We continue to see a positive demand environment into the second quarter. As our new programs ramp, material flows stabilize and restructuring activities continue as planned, we expect to show improvements in our operating results in the coming quarters.”

45. On July 27, 2006, Celestica issued a press release reporting results for the second quarter of 2006, which represented sequential revenue growth:

Revenue was \$2,224 million, down 1% from \$2,251 million in the second quarter of 2005. Net loss on a GAAP basis for the second quarter was (\$30.3) million or (\$0.13) per share, compared to GAAP net earnings of \$12.6 million or \$0.06 per share for the same period last year. Included in GAAP net loss for the quarter are charges of \$20 million associated with previously announced restructuring plans and a \$33 million non-cash loss associated with the sale of the company's plastics business in the quarter.

Defendant Delaney touted the results, noting purported improved efficiencies and announcing the purported completion of restructuring activities:

“The sequential revenue growth reflects the growing benefits from our focus on revenue diversification,” said Steve Delaney, CEO, Celestica. “With a backdrop of stable end markets, improved efficiencies in our high growth facilities, ramping new programs, and the completion of our restructuring activities, we are confident in continued revenue growth and stronger margins throughout 2006.”

46. On October 26, 2006, Celestica issued a press release announcing its results for the third quarter of 2006. Revenues were up while earnings were down year-over-year:

Revenue was \$2,392 million, up 20% from \$1,994 million in the third quarter of 2005. Net loss on a GAAP basis for the third quarter was (\$42.1) million or (\$0.19) per share, compared to GAAP net loss of (\$19.6) million or (\$0.09) per share for the same period last year. Included in GAAP net loss for the quarter are charges of \$82 million associated with previously announced restructuring plans. For the same period in 2005, restructuring charges of \$41 million were incurred.

Defendant Delaney commented on the results, acknowledging some challenges but still failing to disclose the extent of the operational issues in Mexico:

“Revenues were very strong sequentially and year over year driven primarily by the growth realized in our consumer segment. Other segments were solid as well in this seasonally lower quarter,” said Steve Delaney, CEO, Celestica. “I’m pleased with the added diversification and the improvement in operating margins, despite the setbacks we’ve had in the performance of some of our facilities in the Americas and Eastern Europe. We remain focused on overcoming

these challenges and accelerating the improvement in our returns on capital.”

In the press release, the Company represented that it expects revenues in range of \$2.25 billion to \$2.45 billion, and adjusted earnings per share to range from \$0.15 to \$0.23, for the fourth quarter of 2006.

47. On November 27, 2006, Celestica announced that defendant Delaney was stepping down as CEO, to be replaced by Craig H. Muhlhauser, formerly President of Celestica’s Worldwide Sales and Business Development department. The only information provided by the Company was that Mr. Delaney resigned to “pursue other business interests.”

48. On December 12, 2006, the Company issued a press release warning that it will be unable to meet the operational targets as stated in the October 26, 2006 press release. The reduction was attributed to demand reductions and inventory writeoffs in the Monterrey, Mexico operations:

Based on its current estimates, the company now expects revenue in the range of \$2.20 to \$2.25 billion, and adjusted net earnings per share of \$0.00 to \$0.06. The company's previous guidance for the fourth quarter, which was provided on October 26, 2006, was for revenue of \$2.25 to \$2.45 billion and \$0.15 to \$0.23 adjusted net earnings per share.

The revision in revenue is due to recent demand reductions from several customers. Included in the revised adjusted net earnings per share is an expected net charge of between \$0.08 to \$0.12 resulting predominantly from an increase in inventory provisions at the Monterrey, Mexico facility.

49. Celestica’s stock price fell in response to this announcement, from \$9.37 per share on December 11, 2006 to \$8.23 per share on December 12, a one day drop of 12.1%. Volume for the day was 5.5 million shares, materially more than the average of 3.3 million shares. The Company, however, continued to conceal the truth about the Mexican operations, as alleged in ¶¶ 43.

50. The statements referenced above in ¶¶ 44-48 , were materially false and misleading for the reasons stated in ¶¶ 43, namely, the Company was still concealing the extent of the problems

at the Mexican facilities, which were not set-up to receive the heavy transfer of business from other locations. Unbeknownst to investors, the transfer was an operational disaster that was still unfinished. Defendants, instead of coming clean about the problems, maintained, as detailed above, that the worst of it was behind the Company, which they knew was untrue. Indeed, it would take a “changing of the guard” – the ouster of Delaney, and Puppi, for the Company to finally disclose the truth.

THE TRUTH BEGINS TO EMERGE

51. The Company revealed the previously concealed information on January 30, 2007. That day, after the close of ordinary trading on the NYSE, Celestica issued a press release announcing results for 2006. The results were dismal. The Company’s net loss more than tripled to \$150.6 million per share (\$0.66 per share) compared to a loss of \$46.8 million (\$0.21 per share) in 2005. Muhlhauser attributed the disappointing results to problems at Celestica’s Mexican facilities, and warned that additional charges are expected:

While revenues for the fourth quarter came in above the high-end of the updated guidance, our financial results were extremely disappointing. The year to year growth in the consumer segment was offset by higher than expected demand reductions from several key customers in the telecommunications segment. This demand reduction along with the impact of the inventory provision taken in Mexico significantly impacted operating margins," said Craig Muhlhauser, President and Chief Executive Officer, Celestica. "We have implemented and will continue to implement aggressive actions to materially improve the performance of our Mexican facilities by standardizing our ERP platform, re-architecting our warehouse logistics and strengthening the local management team while driving more efficiency and cost reductions. In light of our current outlook, we are also reducing our overhead structures and costs globally. These actions will result in an additional \$60 to \$80 million of restructuring charges, \$40 million of which has been recorded in the fourth quarter, with the remaining charges to be incurred during 2007."

The Company also announced that defendant Puppi will be stepping down from his role as Chief Financial Officer.

52. The full extent of the operational quagmire in Mexico was revealed in a conference call held the next day, January 31, 2007, at 1 P.M., during which Mulhauser, Celestica's new CEO, finally revealed what Celestica and its former CEO and CFO, respectively, have withheld from the public for almost two years: that the Mexico facilities could not possibly have sustained the massive influx of customers from other facilities, and that the situation had been a "perfect storm" from its inception:

To emphasize what is different from last year, we have just returned last night from Celestica's -- with Celestica's board of directors from a meeting which was held in Monterey for the past three days. We held an in depth review of the situation, outlined our 2000 plan for recovery, both with the board and with the CMX management team, including a very extensive site tour. ***Why did this situation in CMX develop? We created the perfect storm for the Company and this site*** by attempting to implement an accelerated transfer plan, which required the transfer of over 16 customers to Mexico, which required over 50 SMT lines with multiple SMT platforms from various North American facilities, over 6,000 people in an 18-month period into a facility with two ERP systems. The complexity we introduced was over 50,000 active part numbers, over 1,500 ship codes, requiring over 28,000 pallet locations and creating nine warehouses, seven external to the site, and manage the material required to support the customer demand here. Desire to move rapidly to Mexico and drive the required cost productivity into the Americas has come at great cost to our Company and our shareholders. [Emphasis added].

53. The situation in Mexico was so bad that it led to a loss of customers and lost confidence in the Company's ability to execute. Mulhauser stated as follows in this regard:

The impact of CMX in Mexico has hurt this Company very badly. The reality of the situation is that our operational execution issues in Mexico over the past 12 months have resulted in over \$75 million of losses for EBIT losses for 2006 and \$46 million for the fourth quarter from this one site. A loss of customer confidence and the need to get this situation under control quickly has resulted in disengagements with some customers. The failure to deliver timely resolution of the issues and deliver the projected operational and

financial results quarter after quarter have undermined our credibility and eroded shareholder value in the Company.

54. In response to the revelation of this new information, the price of Celestica common stock fell from \$7.73 per share on January 30, 2007, to \$5.96 per share on January 31, 2007, a drop of 23%. More than 13.3 million Celestica shares traded that day, compared with 1.2 million average daily volume for the preceding 3 months.

UNDISCLOSED ADVERSE INFORMATION

55. The market for Celestica's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, Celestica's common stock traded at artificially inflated prices during the Class Period. The artificial inflation continued until at least the end of the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Celestica securities relying upon the integrity of the market price of Celestica's securities and market information relating to Celestica, and have been damaged thereby.

56. During the Class Period, defendants materially misled the investing public, thereby inflating the price of Celestica's securities, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations.

57. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by plaintiff and other members of the Class. As described herein, during the Class Period, defendants made or caused to be made a series of materially false or misleading

statements about Celestica's business, prospects and operations. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Celestica and its business, prospects and operations, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

58. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the damages suffered by plaintiff and the Class.

59. During the Class Period, plaintiff and the Class purchased securities of Celestica at artificially inflated prices. The price of Celestica common stock declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

ADDITIONAL SCIENTER ALLEGATIONS

60. As alleged herein, defendants acted with scienter in that defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, defendants, by virtue of their receipt of information reflecting the true facts regarding Celestica, their control over, and/or receipt and/or modification of Celestica's allegedly materially misleading misstatements and/or their associations

with the Company that made them privy to confidential proprietary information concerning Celestica, participated in the fraudulent scheme alleged herein.

61. Defendants were motivated to engage in the wrongdoing alleged herein so that Celestica could sell securities at artificially inflated prices. While the price of the Company's securities was artificially inflated, and before its collapse, Celestica sold US\$250 million aggregate principal amount of senior subordinated notes due 2013, which raised capital the Company needed to fund its operations. Celestica insiders also took advantage of the Company's inflated price to sell their personally held Celestica stock for more than if the truth was known. During the Class Period, Celestica insiders, including defendant Puppi, filed documents with the SEC for the sale of over 660,000 Celestica shares.

FIRST CLAIM

VIOLATION OF SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 PROMULGATED THEREUNDER AGAINST ALL DEFENDANTS

62. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

63. During the Class Period, Celestica and the Individual Defendants, and each of them, carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Celestica's securities; and (iii) cause plaintiff and other members of the Class to purchase Celestica's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

64. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements

not misleading; and (iii) engaged in acts, practices, and a course of business that operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Celestica's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

65. In addition to the duties of full disclosure imposed on defendants as a result of their making of affirmative statements and reports, or participation in the making of affirmative statements and reports to the investing public, defendants had a duty to promptly disseminate truthful information that would be material to investors in compliance with the integrated disclosure provisions of the SEC as embodied in SEC Regulation S-X (17 C.F.R. Sections 210.01 *et seq.*) and Regulation S-K (17 C.F.R. Sections 229.10 *et seq.*) and other SEC regulations, including accurate and truthful information with respect to the Company's operations, financial condition and earnings so that the market price of the Company's securities would be based on truthful, complete and accurate information.

66. Celestica and the Individual Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about the business, operations and future prospects of Celestica as specified herein.

67. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Celestica's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about Celestica and its business operations and future prospects in the light of

the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business that operated as a fraud and deceit upon the purchasers of Celestica's securities during the Class Period.

68. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of his responsibilities and activities as a senior officer and/or director of the Company was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of and had access to other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public that they knew or recklessly disregarded was materially false and misleading.

69. The defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Celestica's operating condition and future business prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by defendants' overstatements and misstatements of the Company's business, operations and earnings throughout the Class Period, defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such

knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

70. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of Celestica's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of Celestica's publicly-traded securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by defendants, or upon the integrity of the market in which the securities trade, and/or on the absence of material adverse information that was known to or recklessly disregarded by defendants but not disclosed in public statements by defendants during the Class Period, plaintiff and the other members of the Class acquired Celestica securities during the Class Period at artificially high prices and were damaged thereby.

71. At the time of said misrepresentations and omissions, plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had plaintiff and the other members of the Class and the marketplace known of the true financial condition and business prospects of Celestica, which were not disclosed by defendants, plaintiff and other members of the Class would not have purchased or otherwise acquired their Celestica securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

72. By virtue of the foregoing, defendants have violated Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder.

73. As a direct and proximate result of defendants' wrongful conduct, plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM

VIOLATION OF SECTION 20(a) OF THE EXCHANGE ACT AGAINST THE INDIVIDUAL DEFENDANTS

74. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

75. The Individual Defendants acted as controlling persons of Celestica within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements that plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

76. In particular, each of these defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

77. As set forth above, Celestica and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of defendants' wrongful conduct, plaintiff and

other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

WHEREFORE, plaintiff prays for relief and judgment, as follows:

1. Determining that this action is a proper class action and appointing plaintiff as Lead Plaintiff and its counsel as Lead Counsel for the Class and certifying it as a class representative under Rule 23 of the Federal Rules of Civil Procedure;
2. Awarding compensatory damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
3. Awarding plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
4. Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

DATED: March 2, 2007

Respectfully submitted,

LABATON SUCHAROW & RUDOFF LLP

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