

Flextronics International, Ltd.
GAAP Reconciliation - Gross Profit and Gross Margins

(\$ in thousands)

	FY 08		FY 09		
	Mar 08 Qtr	Jun 08 Qtr	Sep 08 Qtr	Dec 08 Qtr	Mar 09 Qtr
GAAP Gross Profit	\$ 263,883	\$ 456,767	\$ 417,461	\$ 297,339	\$ 108,863
Stock-based compensation expense	2,400	2,298	2,290	2,803	2,662
Distressed customer charges	-	-	96,700	97,996	(5,232)
Restructuring and other charges	217,786	47,822	-	-	128,817
Non-GAAP Gross Profit	<u>\$ 484,069</u>	<u>\$ 506,887</u>	<u>\$ 516,451</u>	<u>\$ 398,138</u>	<u>\$ 235,110</u>
Net Sales	\$ 7,775,352	\$ 8,350,246	\$ 8,862,516	\$ 8,153,289	\$ 5,582,524
GAAP Gross Margin	3.4%	5.5%	4.7%	3.6%	2.0%
Stock-based compensation expense	0.0%	0.0%	0.0%	0.0%	0.0%
Distressed customer charges	0.0%	0.0%	1.1%	1.2%	-0.1%
Restructuring and other charges	2.8%	0.6%	0.0%	0.0%	2.3%
Non-GAAP Gross Margin	<u>6.2%</u>	<u>6.1%</u>	<u>5.8%</u>	<u>4.9%</u>	<u>4.2%</u>

Flextronics International, Ltd.

GAAP Reconciliation - SG&A and SG&A as a % of Net Sales

(\$ in thousands)

	FY 08		FY 09		
	Mar 08 Qtr	Jun 08 Qtr	Sep 08 Qtr	Dec 08 Qtr	Mar 09 Qtr
GAAP SG&A	\$ 246,304	\$ 248,626	\$ 258,687	\$ 275,922	\$ 195,825
Stock-based compensation expense	(12,869)	(13,061)	(16,340)	(16,203)	(6,092)
Distressed customer charges	-	-	(20,686)	(47,336)	(5,232)
Restructuring and other charges	(11,913)	(8,700)	-	-	-
Non-GAAP SG&A	\$ 221,522	\$ 226,865	\$ 221,661	\$ 212,383	\$ 184,501
Net Sales	\$ 7,775,352	\$ 8,350,246	\$ 8,862,516	\$ 8,153,289	\$ 5,582,524
GAAP SG&A as a % of Net Sales	3.2%	3.0%	2.9%	3.4%	3.5%
Stock-based compensation expense	-0.2%	-0.2%	-0.2%	-0.2%	-0.1%
Distressed customer charges	0.0%	0.0%	-0.2%	-0.6%	-0.1%
Restructuring and other charges	-0.2%	-0.1%	0.0%	0.0%	0.0%
Non-GAAP SG&A as a % of Net Sales	2.8%	2.7%	2.5%	2.6%	3.3%

Flextronics International, Ltd.

GAAP Reconciliation - Operating Income and Operating Margins

(\$ in thousands)

	FY 08		FY 09		
	Mar 08 Qtr	Jun 08 Qtr	Sep 08 Qtr	Dec 08 Qtr	Mar 09 Qtr
GAAP Operating Income	\$ 13,809	\$ 205,243	\$ 158,774	\$ 21,417	\$ (108,715)
Stock-based compensation expense	15,269	15,359	18,630	19,006	8,754
Distressed customer charges	-	-	117,386	145,332	
Restructuring and other charges	233,469	59,420	-	-	150,570
Non-GAAP Operating Profit	\$ 262,547	\$ 280,022	\$ 294,790	\$ 185,755	\$ 50,609
Net Sales	\$ 7,775,352	\$ 8,350,246	\$ 8,862,516	\$ 8,153,289	\$ 5,582,524
GAAP Operating Margin	0.2%	2.5%	1.8%	0.3%	-1.9%
Stock-based compensation expense	0.2%	0.2%	0.2%	0.2%	0.2%
Distressed customer charges	0.0%	0.0%	1.3%	1.8%	0.0%
Restructuring and other charges	3.0%	0.7%	0.0%	0.0%	2.7%
Non-GAAP Operating Margin	3.4%	3.4%	3.3%	2.3%	0.9%

Flextronics International Inc.
Reconciliation of Non-GAAP Financial Measure
Quarterly Cash Conversion Cycle

We define our Cash Conversion Cycle as the sum of proforma inventory turns in days and days sales outstanding in accounts receivable less proforma days payable outstanding in accounts payable. We calculate proforma inventory turns as annualized proforma cost of sales (before adjustments for financially distressed customers, stock-based compensation expense, restructuring and other charges) divided by average inventory for the quarter. We calculate our days sales outstanding as annualized revenues divided by average accounts receivable for the quarter. We calculate proforma days payable outstanding as annualized proforma cost of sales (before adjustments for financially distressed customers, stock-based compensation expense, restructuring and other charges) divided by average accounts payable.

We believe the Cash Conversion Cycle is a useful measure in providing investors with information regarding our cash management performance and is a widely accepted measure of working capital management efficiency. These are measures of financial performance under generally accepted accounting principles in the U.S. when calculated using GAAP operating measures, but may not be defined and calculated by other companies in the same manner. These should not be considered in isolation or as an alternative to other GAAP metrics as an indicator of performance.

The following table reconciles the Cash Conversion Cycle, inventory turns in days, and days payable outstanding as calculated using the proforma measures described above to the same performance measure calculated using the amounts for cost of sales as calculated in accordance with GAAP.

	FY 08		FY 09		
	Mar 08 Qtr	Jun 08 Qtr	Sep 08 Qtr	Dec 08 Qtr	Mar 09 Qtr
Cash Conversion Cycle in Days					
Based on GAAP Financial Measures	25	26	22	19	23
Proforma Adjustments (1)	-	-	(1)	(1)	(1)
Based on Non-GAAP Financial Measures	<u>25</u>	<u>26</u>	<u>21</u>	<u>18</u>	<u>22</u>
Inventory Turns in Days					
Based on GAAP Financial Measures	51	50	49	47	54
Proforma Adjustments (1)	2	0	0	0	1
Based on Non-GAAP Financial Measures	<u>53</u>	<u>50</u>	<u>49</u>	<u>47</u>	<u>55</u>
Accounts Receivable Turns in Days					
Based on Non-GAAP Financial Measures	42	41	37	35	35
Proforma Adjustments	-	-	-	-	-
Based on GAAP & Non-GAAP Financial Measures	<u>42</u>	<u>41</u>	<u>37</u>	<u>35</u>	<u>43</u>
Accounts Payable Turns in Days					
Based on GAAP Financial Measures	68	65	64	63	74
Proforma Adjustments (1)	2	-	1	1	2
Based on Non-GAAP Financial Measures	<u>70</u>	<u>65</u>	<u>65</u>	<u>64</u>	<u>76</u>
GAAP CASH CONVERSION CYCLE (DAYS)	<u>25</u>	<u>26</u>	<u>22</u>	<u>19</u>	<u>23</u>

(1) Impact from adjustments to GAAP gross profit

Reconciliation of Non-GAAP Financial Measure Free Cash Flow

We define free cash flow as "Net cash flows from operating activities" less "Purchases of property and equipment, net of dispositions" as shown on our Condensed Consolidated Statements of Cash Flows. We believe Free Cash Flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repay debt obligations, make investments, fund acquisitions and for certain other activities. Free Cash Flow is not a measure determined in accordance with generally accepted accounting principles in the U.S., and may not be defined and calculated by other companies in the same manner. Free Cash Flow should not be considered a substitute for "Operating income," "Net income," "Net cash flows provided by operating activities" or any other measure determined in accordance with GAAP. Since Free Cash Flow includes investments in operating assets, we believe this non-GAAP liquidity measure is useful in addition to the most directly comparable GAAP measure — "Net cash flows provided by operating activities."

The following table reconciles Free Cash Flow to "net cash flows provided by operating activities:"

(\$ in thousands)

	FY 08			FY 09		
	Mar 08 Qtr	Jun 08 Qtr	Sep 08 Qtr	Dec 08 Qtr	Mar 09 Qtr	YTD
Free cash flow	\$ (154,707)	\$ (163,225)	\$ 610,826	\$ 210,368	\$ 196,731	\$ 854,700
Purchases of property & equipment, net of dispositions	117,112	154,741	145,669	72,856	88,813	462,079
Net cash flows provided by (used in) operating activities	\$ (37,595)	\$ (8,484)	\$ 756,495	\$ 283,224	\$ 285,544	\$ 1,316,779