

Flextronics International Inc.
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 millions)

	FY 06	FY 07	FY 08	LTM
Free cash flow	\$ 298.2	\$ (293.0)	\$ 715.3	\$ 793.1
Purchases of property & equipment, net of dispositions	251.2	569.4	327.5	481.8
Net cash flows used in operating activities	\$ 549.4	\$ 276.4	\$ 1,042.8	\$ 1,274.9

Flextronics International, Ltd.
GAAP Reconciliation - EBITDA

(\$ in millions)

	FY 06	FY 07	FY 08	LTM
Income (loss) from continuing operations	\$ 110.5	\$ 320.9	\$ (639.4)	\$ (698.5)
Depreciation, amortization and interest, net	386.9	406.3	532.4	671.5
Income tax expense	54.2	4.1	705.0	711.3
Stock-based compensation	-	31.8	50.6	65.2
Restructuring and other	184.0	90.9	601.1	789.3
EBITDA	\$ 735.6	\$ 854.0	\$ 1,249.7	\$ 1,538.8

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 and Accounts Receivable Turnover less Accounts Payable Turnover. We calculate proforma Inventory Turns as annualized proforma cost of sales (before adjustments for discontinued operations, stock-based compensation expense, restructuring and other charges) divided by average inventory (including inventory attributable to discontinued operations) for the quarter. We calculate our proforma Accounts Receivable Turnover as annualized proforma revenues (before adjustments for discontinued operations) divided by average accounts receivable (including accounts receivable attributable to discontinued operations) for the quarter. We calculate proforma Accounts Payable Turnover as annualized proforma cost of sales (before adjustments for discontinued operations, stock-based compensation expense, restructuring and other charges) divided by average accounts payable (including accounts payable attributable to discontinued operations).

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 not measures of financial performance under generally accepted accounting principles in the U.S., and 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 working capital as an indicator of performance.

The following table reconciles the Cash Conversion Cycle, Inventory Turns, Accounts Receivable Turns and Accounts Payable Turns as calculated using the proforma measures described above to the same performance measure calculated using the amounts for cost of sales, inventory, accounts receivable and accounts payable as calculated in accordance with GAAP.

	FY 07				FY 08				FY 09	
	Jun 06 Qtr	Sep 06 Qtr	Dec 06 Qtr	Mar 07 Qtr	Jun 07 Qtr	Sep 07 Qtr	Dec 07 Qtr	Mar 08 Qtr	Jun 08 Qtr	Sep 08 Qtr
Cash Conversion Cycle in Days										
Based on Non-GAAP Financial Measures	12	14	12	15	13	11	21	25	26	21
Proforma Adjustments Including Discontinued Operations (1)	-	-	-	(1)	1	(1)	1	-	-	1
Based on GAAP Financial Measures	<u>12</u>	<u>14</u>	<u>12</u>	<u>14</u>	<u>14</u>	<u>10</u>	<u>22</u>	<u>25</u>	<u>26</u>	<u>22</u>
Inventory Turns in Days										
Based on Non-GAAP Financial Measures	47	50	46	53	47	46	47	53	50	49
Proforma Adjustments Including Discontinued Operations (1)	1	(1)	-	(1)	1	-	(1)	(2)	-	-
Based on GAAP Financial Measures	<u>48</u>	<u>49</u>	<u>46</u>	<u>52</u>	<u>48</u>	<u>46</u>	<u>46</u>	<u>51</u>	<u>50</u>	<u>49</u>
Accounts Receivable Turns in Days										
Based on GAAP Financial Measures	<u>37</u>	<u>35</u>	<u>32</u>	<u>36</u>	<u>33</u>	<u>33</u>	<u>36</u>	<u>42</u>	<u>41</u>	<u>37</u>
Accounts Payable Turns in Days										
Based on Non-GAAP Financial Measures	72	71	66	74	67	68	62	70	65	65
Proforma Adjustments Including Discontinued Operations (1)	-	(1)	-	-	-	-	(2)	(2)	-	(1)
Based on GAAP Financial Measures	<u>72</u>	<u>70</u>	<u>66</u>	<u>74</u>	<u>67</u>	<u>68</u>	<u>60</u>	<u>68</u>	<u>65</u>	<u>64</u>

(1) Impact from adjustments to GAAP financial measures

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Reconciliation of Non-GAAP Financial Measure
Last Twelve Months (LTM)

Last twelve months refers to the sum of the quarters ended December 31, 2007, March 31, 2008, June 26, 2008 and September 26 2008. Please refer to our website for reconciliations of GAAP to Non-GAAP measures for these quarters.