FLEXTRONICS INTERNATIONAL LTD.
Form 10-K/A
July 30, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K/A
Amendment No. 1

(Mark One)

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended March 31, 2007

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 000-23354

FLEXTRONICS INTERNATIONAL LTD.
(Exact name of registrant as specified in its charter)

Singapore	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
One Marina Boulevard, #28-00 Singapore	**018989**
(Address of registrant s principal executive offices)	*(Zip Code)*

Registrant s telephone number, including area code
(65) 6890 7188

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on Which Registered**
Ordinary Shares, No Par Value	The NASDAQ Stock Market LLC (NASDAQ Global Select Market)

Securities registered pursuant to Section 12(g) of the Act NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ Accelerated filer o Non-accelerated filer o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ

As of September 29, 2006, the last business day of the registrant s most recently completed second fiscal quarter, there were 579,770,419 shares of the registrant s ordinary shares outstanding, and the aggregate market value of such shares held by non-affiliates of the registrant (based upon the closing sale price of such shares on the NASDAQ Global Select Market on September 29, 2006) was approximately $7.3 billion.

As of July 26, 2007, there were 609,221,308 shares of the registrant s ordinary shares outstanding.

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EXPLANATORY NOTE

The Registrant is filing this Amendment No. 1 on Form 10-K/A to amend its Annual Report on Form 10-K for the fiscal year ended March 31, 2007, as filed with the Securities and Exchange Commission on May 29, 2007, for the purpose of providing the information required by Part II Securities Authorized For Issuance Under Equity Compensation Plans and Part III of Form 10-K. The information required by Part II Securities Authorized For Issuance Under Equity Compensation Plans and Part III of Form 10-K is no longer being incorporated by reference from the Registrant s Proxy Statement. Except as set forth in Part II and Part III below, no other changes are made to the original Form 10-K for the fiscal year ended March 31, 2007. Unless expressly stated, this Amendment No. 1 does not reflect events occurring after the filing of the original Form 10-K, nor does it modify or update in any way the disclosures contained in the original Form 10-K. Throughout this report, references to the company, we, our, or us refer to Flextronics International Ltd. and its consolidated subsidiaries, taken as a whole, unless the context otherwise indicates.

PART II

ITEM 5. *MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES*

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As of March 31, 2007, we maintained, in addition to our 2001 Equity Incentive Plan, which we refer to as the 2001 Plan, the 2004 Award Plan for New Employees, which we refer to as the 2004 Plan, and the 2002 Interim Incentive Plan, which we refer to as the 2002 Plan. Neither the 2004 Plan nor the 2002 Plan has been approved by our shareholders.

The following table gives information about equity awards under these plans as of March 31, 2007.

Plan Category	(A) Number of Ordinary Shares to be Issued Upon Exercise of Options and Vesting of Share Bonus Awards	(B) Weighted-Average Exercise Price of Outstanding Options(1)	(C) Number of Ordinary Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Ordinary Shares Reflected in Column (A))
Equity compensation plans approved by shareholders	31,766,018(2)	$ 12.65	24,730,806(3)
Equity compensation plans not approved by shareholders(4),(5),(6)	20,142,679(7)	$ 11.17	4,324,530(8)

Total	51,908,697	$ 12.11	29,055,336

(1) The weighted-average exercise price does not take into account ordinary shares issuable upon vesting of outstanding share bonus awards, which have no exercise price.

(2) Includes 1,697,000 ordinary shares issuable upon vesting of share bonus awards granted under the 2001 Plan. The remaining balance consists of ordinary shares issuable upon exercise of outstanding stock options.

(3) Consists entirely of ordinary shares available for grant under the 2001 Plan, including shares available under prior company plans and assumed plans consolidated into the 2001 Plan. The 2001 Plan provides for grants of up to 32,000,000 shares after our shareholders approved an increase in the shares available under the 2001 Plan by 5.0 million shares on October 4, 2006.

(4) The 2004 Plan was established in October 2004. The purpose of the 2004 Plan is to provide incentives to attract, retain and motivate eligible persons whose potential contributions are important to our success by offering such persons an opportunity to participate in our future performance through stock awards. Grants under the 2004 Plan may be granted only to persons who: (a) were not previously an employee or director of our company or a subsidiary of our company or (b) have either (i) completed a period of bona fide non-employment by us, and any subsidiary of our company, of at least one year, or (ii) are returning to service as an employee of our company, or

any subsidiary of our company, after a period of bona fide non-employment of less than one year due to our acquisition of such person s employer; and then only as an incentive to such persons entering into employment with us or any subsidiary of our company. We may only grant nonqualified stock options or share bonus awards under the 2004 Plan. The 2004 Plan is administered by our Compensation Committee, which is comprised of two independent directors. The 2004 Plan provides for grants of up to 10,000,000 shares. The exercise price of options granted under the 2004 Plan is determined by the Compensation Committee and may not be less than the fair market value of the underlying stock on the date of grant. Options granted under the 2004 Plan generally vest over four years, generally expire 10 years from the date of grant and unvested options are forfeited upon termination of employment. Share bonus awards generally vest in installments over a three- to five-year period and unvested share bonus awards are forfeited upon termination of employment.

(5) Our 2002 Plan was adopted by our board in May 2002. The adoption of the 2002 Plan was necessitated by our internal growth, our multiple acquisitions and the requirement to provide equity compensation for employees consistent with competitors and peer companies. The board reserved an aggregate of 20,000,000 ordinary shares for issuance under the 2002 Plan. The 2002 Plan provides for the grant to qualified persons of non-statutory stock options to purchase our ordinary shares and share bonus awards. Shares subject to options granted pursuant to the 2002 Plan that expire or terminate for any reason without being exercised or share bonus awards that do not vest will again become available for grant and issuance pursuant to awards under the 2002 Plan. Options granted under the 2002 Plan generally have an exercise price of not less than the fair market value of the underlying ordinary shares on the date of grant. Options granted under the 2002 Plan generally vest over four years, generally expire 10 years from the date of grant and unvested options are forfeited upon termination of employment. Share bonus awards generally vest in installments over a three- to five-year period and unvested share bonus awards are forfeited upon termination of employment. The other general terms of the 2002 Plan are similar to the 2001 Plan.

(6) We have assumed option plans in connection with the acquisition of certain companies, which we refer to as the Assumed Plans. Options to purchase a total of 4,245,718 ordinary shares under the Assumed Plans remained outstanding. These options have a weighted-average exercise price of $6.30 per share. These options have been converted into options to purchase our ordinary shares on the terms specified in the applicable acquisition agreement, but are otherwise administered in accordance with terms of the Assumed Plans. Options under the Assumed Plans generally vest over four years and expire 10 years from the date of grant. No further awards may be made under the Assumed Plans. Options outstanding under the Assumed Plans are not included in the above table.

(7) Includes 2,635,500 ordinary shares issuable upon vesting of share bonus awards granted under the 2002 and the 2004 Plans. The remaining balance consists of ordinary shares issuable upon exercise of outstanding stock options.

(8) Of these, 1,910,418 ordinary shares remained available for grant under the 2002 Plan and 2,414,112 ordinary shares remained available for grant under the 2004 Plan. On February 1, 2007 our board of directors approved an increase of 2.5 million ordinary shares available for grant under the 2004 Plan.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

OUR BOARD OF DIRECTORS

Article 95 of our Articles of Association requires that at each annual general meeting one-third of the directors (or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the directors), are required to retire from office. The directors required to retire in each year are those who have been in office longest since their last re-election or appointment. As between persons who became or were last re-elected directors on the same day, those required to retire are (unless they otherwise agree among themselves) determined by lot. Under Article 91 of our Articles of Association, any director holding office as a Chief Executive Officer shall not, unless the board of directors determines otherwise, be subject to retirement by rotation or be taken into account in determining the number of directors to retire by rotation. Retiring directors are eligible for re-election. Mr. Davidson and Mr. Tan are the members of the board of directors who will retire by rotation at our 2007 annual general meeting. They are both eligible for re-election and have been nominated to stand for re-election at the 2007 annual general meeting.

The Singapore Companies Act, Cap. 50, which we refer to as the Companies Act, requires that we must have at all times at least one director ordinarily resident in Singapore. In addition, the Companies Act provides that any purported vacation of office by such director shall be deemed to be invalid unless there is at least one director remaining on the board who is ordinarily resident in Singapore. As Mr. Tan is currently the only member of our board of directors who is ordinarily resident in Singapore, any purported vacation of his office at the 2007 annual general meeting shall be deemed to be invalid absent a prior appointment of another director to the board who is ordinarily resident in Singapore.

Under Section 153(2) of the Companies Act, the office of a director of a public company or of a subsidiary of a public company becomes vacant at the conclusion of the annual general meeting commencing next after such director attains the age of 70 years. However, under Section 153(6) of the Companies Act, a person 70 years old or older may, by ordinary resolution be appointed or re-appointed as a director of that company to hold office until the next annual general meeting of shareholders of the company or be authorized to continue in office as a director until the next annual general meeting of shareholders of the company. Mr. Schnabel turned 70 in December 2006, and, under Singapore law, his office as a director will become vacant at the conclusion of the 2007 annual general meeting. Accordingly, we are proposing that a resolution be passed at the 2007 annual general meeting, pursuant to Section 153(6) of the Companies Act, to re-appoint Mr. Schnabel as a director to hold office from the date of the 2007 annual general meeting until the 2008 annual general meeting.

Members of Our Board of Directors

H. Raymond Bingham (age 61) Mr. Bingham has served as a member of our board of directors since October 2005. He is a Managing Director of General Atlantic LLC, a global private equity firm. Previously, Mr. Bingham served in various positions with Cadence Design Systems, Inc., a supplier of electronic design automation software and services, from 1997 through 2005, most recently as its Executive Chairman from May 2004 to July 2005, Director from November 1997 to April 2004, President and Chief Executive Officer from April 1999 to May 2004, and Executive Vice President and Chief Financial Officer from April 1993 to April 1999. Mr. Bingham also serves on the boards of STMicroelectronics, KLA-Tencor Corporation, and Oracle Corporation.

James A. Davidson (age 47) Mr. Davidson has served as a member of our board of directors since March 2003. He is a co-founder and managing director of Silver Lake, a private equity investment firm. From June 1990 to November 1998, he was an investment banker with Hambrecht & Quist, most recently serving as Managing Director and Head of Technology Investment Banking. From 1984 to 1990, Mr. Davidson was a corporate and securities lawyer with Pillsbury, Madison & Sutro. Mr. Davidson also serves on the board of Seagate Technology.

Michael E. Marks (age 56) Mr. Marks has served as our Chairman of the Board since January 1, 2006, when he retired from his position as Chief Executive Officer, a position he had held since January 1994. Mr. Marks has been a member of our board of directors since 1991, and previously served as Chairman from July 1993 to

January 2003. Mr. Marks joined the Menlo Park, CA office of Kohlberg Kravis Roberts & Co., a private equity firm which specializes in large, complex buyouts and which we refer to as KKR, in January 2006 as a Member and transitioned to the role of Senior Advisor in January 2007. Mr. Marks serves on the boards of four KKR portfolio companies: Aricent (as Chairman of the Board), Avago Technologies Ltd., Accellent, and Sun Microsystems. Mr. Marks also sits on the boards of SanDisk Corporation (Sunnyvale, CA), Crocs, Inc. (Boulder, CO), Schlumberger Limited (New York, NY) and the V Foundation for Cancer Research (Cary, NC).

Michael M. McNamara (age 50) Mr. McNamara has served as a member of our board of directors since October 2005, and as our Chief Executive Officer since January 1, 2006. Prior to his appointment as Chief Executive Officer, Mr. McNamara served as our Chief Operating Officer from January 2002 through January 2006 and as President, Americas Operations from April 1997 to December 2001, and as Vice President, North American Operations from April 1994 to April 1997.

Rockwell A. Schnabel (age 70) Mr. Schnabel has served as a member of our board of directors since February 2006. Mr. Schnabel is founding partner and advisory director of Trident Capital Partners, a venture capital firm, where he also served as a managing director from its inception in 1993 until 2001. From 2001 to 2005, Mr. Schnabel served as the U.S. Representative to the European Union. Prior to that time, he served at the U.S. Department of Commerce as Undersecretary, Deputy Secretary and Acting Secretary of Commerce in the administration of President George H.W. Bush, and under President Reagan as U.S. Ambassador to Finland.

Ajay B. Shah (age 47) Mr. Shah has served as a member of our board of directors since October 2005. Mr. Shah is a Managing Director of Silver Lake Sumeru and the Managing Partner of the Shah Capital Partners Fund. Mr. Shah was President of the Technology Solutions unit of Solectron Corporation and a member of the board of directors. Previously, he co-founded SMART Modular Technologies, Inc. and was its CEO. Mr. Shah also serves as Chairman of the board of Directors of Smart Modular Technologies.

Richard L. Sharp (age 60) Mr. Sharp has served as a member of our board of directors since July 1993, and served as our Chairman of the Board from January 2003 until January 2006. Mr. Sharp is currently the Chairman of the Board of Crocs, Inc. Mr. Sharp served in various positions with Circuit City Stores, Inc., a consumer electronics and personal computer retailer, from 1982 to 2002, most recently as President from 1984 to 1997, Chief Executive Officer from 1986 to 2000 and Chairman of the Board from 1994 to 2002.

Lip-Bu Tan (age 47) Mr. Tan has served as a member of our board of directors since April 2003. In 1987, he founded and since that time has served as Chairman of Walden International, a venture capital fund. Mr. Tan also serves on the boards of Cadence Design Systems, Inc., Creative Technology Ltd., Integrated Silicon Solution, Inc., Semiconductor Manufacturing International Corporation, SINA Corporation and Mindtree Consulting.

Board Committees

The standing committees of our board of directors are the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Finance Committee. The table below provides current membership for each of these committees.

Name	**Audit Committee**	**Compensation Committee**	**Nominating and Corporate Governance Committee**	**Finance Committee**

H. Raymond Bingham	X*			
James A. Davidson		X*		
Michael E. Marks				X
Michael M. McNamara				X
Rockwell A. Schnabel		X	X*	
Ajay B. Shah	X			
Richard L. Sharp				
Lip-Bu Tan	X		X	

* Committee Chair

OUR EXECUTIVE OFFICERS

The names, ages and positions of our executive officers as of July 30, 2007 are as follows:

Name	Age	Position
Michael M. McNamara	50	Chief Executive Officer
Thomas J. Smach	47	Chief Financial Officer
Christopher Collier	39	Senior Vice President, Finance
Carrie L. Schiff	41	Senior Vice President and General Counsel
Werner Widmann	55	President, Multek

Michael M. McNamara. Mr. McNamara has served as our Chief Executive Officer since January 2006, and as a member of our board of directors since October 2005. Prior to his promotion, Mr. McNamara served as our Chief Operating Officer from January 2002 through January 2006, as President, Americas Operations from April 1997 to December 2001, and as Vice President, North American Operations from April 1994 to April 1997. Mr. McNamara received a B.S. from the University of Cincinnati and an M.B.A. from Santa Clara University.

Thomas J. Smach. Mr. Smach has served as our Chief Financial Officer since December 2004. Prior to his promotion, he served as Senior Vice President, Finance from April 2000 to December 2004 following our acquisition of the Dii Group, Inc., a provider of electronics manufacturing services. From August 1997 to April 2000, he served as the Senior Vice President, Chief Financial Officer and Treasurer of the Dii Group, Inc. Mr. Smach is a certified public accountant and he received a B.S. in Accounting from State University of New York at Binghamton.

Christopher Collier. Mr. Collier, our Principal Accounting Officer since May 1, 2007, has served as our Senior Vice President of Finance since December 2004. Prior to his appointment as Senior Vice President of Finance in 2004, Mr. Collier served as Vice President of Finance and Corporate Controller since he joined us in April 2000. Mr. Collier is a certified public accountant and he received a B.S. in Accounting from State University of New York at Buffalo.

Carrie L. Schiff. Ms. Schiff has served as our Senior Vice President and General Counsel since June 1, 2006. Prior to her appointment as Senior Vice President and General Counsel, Ms. Schiff served as Vice President, General Counsel from February 1, 2004 to June 1, 2006 and as Associate General Counsel from July 2001 through January 2004. Prior to joining us, Ms. Schiff was the Senior Vice President, Corporate Development of USA.Net, Inc. from April 1999 until June 2001. Preceding USA.Net, Inc., Ms. Schiff was a partner with the firm of Cooley Godward. Ms. Schiff received an A.B. from the University of Chicago and her law degree from the University of California, Los Angeles.

Werner Widmann. Mr. Widmann has served as President, Multek since January 2004. Prior to his promotion, he served as General Manager of Multek Germany beginning in October 2002. Prior to joining Multek, Mr. Widmann was Managing Director of Inboard from 1999 to 2002 and held various technical and managerial positions with STP, NPI, Siemens AG and IBM Sindelfingen throughout his 33 year-career in the PCB industry. Mr. Widmann received his degree in mechanical/electrical engineering from the University for Applied Sciences (Fachhochschule), Karlsruhe.

AUDIT COMMITTEE

The Audit Committee of our board of directors is currently composed of Mr. Bingham, Mr. Shah and Mr. Tan, each of whom the board has determined to be independent and to meet the financial experience requirements under both the rules of the U.S. Securities and Exchange Commission, which we refer to as the SEC, and the listing standards of the NASDAQ Global Select Market. The board has also determined that Mr. Bingham is an audit committee financial expert within the meaning of the rules of the SEC and is financially sophisticated within the meaning of the rules of The NASDAQ Stock Market LLC, which we refer to as Nasdaq. The Audit Committee held six meetings during fiscal year 2007. The Committee s principal functions are to:

monitor and evaluate periodic reviews of the adequacy of the accounting and financial reporting processes and systems of internal control that are conducted by our financial and senior management, and our independent registered public accounting firm;

be directly responsible for the appointment, compensation and oversight of the work of our independent registered public accounting firm (including resolution of any disagreements between our management and the auditors regarding financial reporting); and

facilitate communication among our independent registered public accounting firm, our financial and senior management and our board.

Our board of directors has adopted an Audit Committee Charter that is available on our website at *www.flextronics.com/en/Investors/CorporateGovernance/tabid/67/Default.aspx.*

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of our ordinary shares to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms that they file. Based solely on our review of the copies of such forms furnished to us and written representations from our executive officers and directors, we believe that all Section 16(a) filing requirements for the fiscal year ended March 31, 2007 were met, except that a Form 4 for Mr. Smach was filed on April 19, 2007, reporting a grant of stock options on September 21, 2001, and a Form 4 for Mr. McNamara was filed on January 17, 2007, reporting grants of stock options on each of September 21, 2001 and July 1, 2002.

CODE OF BUSINESS CONDUCT AND ETHICS

We have adopted a Code of Business Conduct and Ethics that applies to all of our employees and our directors. The Code is available on our website at *www.flextronics.com/en/Investors/CorporateGovernance/tabid/67/Default.aspx*. Any amendment (other than technical, administrative or other non-substantive amendments) to or material waiver (as defined by the SEC) of a provision of the Code that applies to our principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions and relates to elements of the Code specified in the rules of the SEC will be posted on our website.

ITEM 11. *EXECUTIVE COMPENSATION*

COMPENSATION COMMITTEE REPORT

The information contained under this Compensation Committee Report, shall not be deemed to be soliciting material or to be filed with the SEC, nor shall such information be incorporated by reference into any filings under the U.S. Securities Act of 1933, as amended, or under the U.S. Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, or be subject to the liabilities of Section 18 of the Exchange Act, except to the extent that Flextronics specifically incorporates this information by reference into any such filing.

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis which follows this Report. Based on this review and discussion, the Committee recommended to the board of directors that the Compensation Discussion and Analysis be included in the company s proxy statement for the 2007 Annual General Meeting of Shareholders and its Form 10-K/A for the fiscal year ended March 31, 2007.

Submitted by the Compensation Committee
of the board of directors:

James A. Davidson
Rockwell A. Schnabel

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

In this section, we discuss the material elements of our compensation programs and policies, including the objectives of our compensation programs and the reasons why we pay each element of our executives compensation. Following this discussion, you will find a series of tables containing more specific details about the compensation earned by or awarded to the following individuals, whom we refer to as our named executive officers:

Name	Title
Michael M. McNamara	Chief Executive Officer
Thomas J. Smach	Chief Financial Officer
Nicholas E. Brathwaite	Chief Technology Officer
Werner Widmann	President, Multek
Peter Tan	President and Managing Director, Flextronics Asia

This discussion focuses on compensation and practices relating to our named executive officers for our 2007 fiscal year.

Compensation Committee

The Compensation Committee of our board of directors (referred to in this discussion as the Committee) approves the goals and objectives relating to executive compensation, and determines the compensation of the Chief Executive Officer and all other executive officers. The Committee also oversees management s decisions concerning the performance and compensation of other company officers, administers the equity compensation plans, and evaluates the effectiveness of our overall executive compensation program.

Independent Consultants and Advisors

The Committee has the authority to retain and terminate any independent, third-party compensation consultant and to obtain advice and assistance from internal and external legal, accounting and other advisors. During our 2007 fiscal year, the Committee engaged Pearl Meyer & Partners to advise on certain executive compensation matters. Pearl Meyer has not provided any other services to us and has received no compensation other than with respect to the services provided to the Committee. The Committee has continued to engage Pearl Meyer on fiscal year 2008 executive compensation matters and expects that it will continue to retain an independent compensation consultant on future executive compensation matters.

Compensation Philosophy and Objectives

We believe that the quality, skills and dedication of our executive officers are critical factors affecting our performance and shareholder value. Our key compensation goals are to:

- attract superior executive talent;
- retain and motivate our executives;

reward past performance;

provide incentives for future performance; and

align the executives interests with those of our shareholders.

Accordingly, in determining the amount and mix of compensation, the Committee seeks both to provide a competitive compensation package and to structure annual and long-term incentive programs that reward achievement of performance goals that directly correlate to the enhancement of shareholder value, as well as

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to promote executive retention. To accomplish these objectives, the Committee has structured the compensation program to include the following key features:

annual and long-term cash bonuses and certain share bonus awards are earned only if we achieve pre-established earnings per share and revenue growth targets (and in the cases of certain executives in charge of business units, if similar business unit performance targets are achieved);

stock-based compensation directly aligns executives interests with those of our shareholders; and

deferred cash bonus awards and certain stock-based compensation are designed to promote executive retention, as these elements of compensation only vest over a period of years if the executive remains in our employment.

The Committee does not maintain policies for allocating among current and long-term compensation or among cash and non-cash compensation. Instead, the Committee maintains flexibility and adjusts different elements of compensation based upon its evaluation of our key compensation goals set forth above. However, as a general matter, the Committee seeks to allocate a substantial majority of our named executive officers compensation to components that are performance-based and at-risk.

None of our named executive officers serves pursuant to an employment agreement, and each serves at the will of our board of directors. Similarly, we generally do not enter into severance agreements with our executive officers. This enables our board to remove an executive officer, if necessary, prior to retirement or resignation whenever it is in the best interests of our company. When an executive officer retires, resigns or is terminated, the Committee exercises its business judgment in approving an appropriate separation or severance arrangement in light of all relevant circumstances, including the individual s term of employment, past accomplishments and reasons for separation from the company.

Competitive Positioning

In determining the amounts and components of compensation for our Chief Executive Officer and Chief Financial Officer, the Committee reviews the compensation levels of companies in both an industry peer group and a peer group of high technology companies with comparable revenues and market capitalization. The companies in the industry peer group consisted of: Arrow Electronics, Inc., Avnet, Inc., Celestica Inc., Jabil Circuit, Inc., Sanmina-SCI Corporation and Solectron Corporation. The companies in the high technology peer group consisted of: Advanced Micro Devices, Inc., Harris Corporation, Intuit Inc., Juniper Networks, Inc., Micron Technology, Inc. and Seagate Technology. The Committee also reviews data of a high technology survey group, which reflects data from a broader group of technology companies with comparable revenues and an industry survey group, which reflects data from a broader group of manufacturing companies with comparable revenues.

The Committee seeks to set overall target compensation for our Chief Executive Officer and Chief Financial Officer at or above the 75th percentile of such compensation for the composite of the high technology peer group and the high technology survey group. In setting this benchmark, the Committee has considered that our revenues are at the 100th percentile of our industry and high technology peer groups.

In determining the amounts and components of compensation for our other executive officers, the Committee seeks to structure competitive compensation arrangements based, in part, upon the nature and scope of these executives responsibilities and leadership roles in relation to the Chief Executive Officer and Chief Financial Officer. The Committee also considers the recommendations of the Chief Executive Officer, who based his recommendations for fiscal year 2007 compensation, in part, on the following sources of market data:

1. Hay Group s 2006 Executive Compensation Report which represents 496 parent organizations and 626 independent operating units of US-based companies, general industry; and

2. Radford s 2006 Executive Compensation Report which represents 700 organizations in the technology industry.

In this process, the Committee seeks to set overall target compensation for our other executive officers at or above the 75th percentile of such compensation of the composite of these two survey sources.

Role of Executive Officers in Compensation Decisions

The Committee makes all compensation decisions for our executive officers. In making its determinations, the Committee meets with the Chief Executive Officer and Chief Financial Officer to obtain recommendations with respect to the structure of our compensation programs and compensation decisions, including the performance of individual executives.

Fiscal Year 2007 Executive Compensation Components

We allocate compensation among the following components for our named executive officers:

- base salary;
- annual incentive cash bonus;
- long-term incentive cash bonus;
- stock-based compensation;
- deferred compensation; and
- other benefits.

Base Salary

Base salaries for the executive officers are established based on the scope of their responsibilities, taking into account competitive market compensation paid by other companies for similar positions, as well as salaries paid to the executives peers within our company. The Committee typically reviews base salaries every fiscal year and adjusts base salaries from time to time to take into account competitive market data, individual performance and promotions or changed responsibilities. Mr. McNamara s annual base salary was increased from $800,000 to $1,000,000 effective January 1, 2006 upon Mr. McNamara s appointment as our Chief Executive Officer. Base salary levels for the other named executive officers increased between 5.3% and 22.6% in fiscal year 2007 as compared to fiscal year 2006 base salary levels.

Annual Incentive Bonuses

Our annual cash bonus program provides our executive officers with the opportunity to earn annual cash bonuses based upon our achievement of pre-established performance goals. The program allocates 50% of the bonus opportunity to achievement of annual targets and 50% to achievement of quarterly targets, provided that if one or more quarterly targets are not met, the executive may recoup the missed quarterly bonus if the annual target is achieved. For Messrs. McNamara, Smach, and Tan, the Committee established fiscal year 2007 bonus opportunities based upon the achievement of year-over-year quarterly and annual earnings per share growth targets, which the Committee believes correlate to enhancement of shareholder value. In the case of Mr. Brathwaite, the Committee established an annual bonus opportunity based upon the achievement of year-over-year quarterly and annual EPS growth and the achievement of revenue and operating profit growth at our components business unit. In the case of Mr. Widmann, the Committee established an annual bonus opportunity based upon the achievement of revenue and operating profit growth at our Multek business unit.

For purposes of determining achievement of these targets, the Committee uses adjusted, non-GAAP diluted earnings per share (and non-GAAP operating profit at the business unit level), which is calculated by excluding after-tax intangible amortization, stock-based compensation expense, gains and losses from divestitures, and restructuring and certain other charges that are included in GAAP earnings per share.

Under the annual bonus program, the Committee sets various bonus levels as a percentage of base salary based on the performance measures described above. Generally, the Committee sets target performance measures so that the maximum bonus awards only will be paid if we achieve exceptional results, and so that the threshold bonus awards will be paid unless we perform poorly. If we fail to achieve the threshold level, no bonus is awarded.

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For fiscal year 2007, depending upon attainment of EPS targets (and, in the case of Messrs. Brathwaite and Widmann, the additional business unit performance metrics described above), Messrs. McNamara, Smach, Brathwaite, Tan and Widmann were eligible for maximum bonuses of 300%, 200%, 200%, 150% and 150% of their respective base annual salaries, and threshold bonuses of 37.5%, 25%, 25%, 18.75% and 18.75% of their respective base salaries. Based upon our year-over-year quarterly and annual EPS growth (and, in the case of Messrs. Brathwaite and Widmann, the additional business unit performance metrics described above), Messrs. McNamara, Smach, Brathwaite, Tan and Widmann received annual incentive bonuses ranging between 122% and 300% of their annual base salaries.

For additional information about the annual incentive bonus program, please refer to the Grants of Plan-Based Awards in Fiscal Year 2007 table beginning on page 17, which shows the threshold, target and maximum amounts that were payable under the annual incentive bonus program for fiscal year 2007, and the Summary Compensation Table for Fiscal Year 2007 beginning on page 15, which shows the actual amounts of bonuses paid to our named executive officers for fiscal year 2007.

One-Year Special Performance Bonus Plan for Werner Widmann and Peter Tan

In fiscal year 2007, the Committee established a one-year special performance bonus program for Messrs. Widmann and Tan and certain other senior officers. This program provided for a one-time bonus of $250,000 based upon our achievement of pre-established annual EPS and revenue growth targets. For purposes of determining achievement of these targets, the Committee uses non-GAAP measures on the basis discussed above. Based on fiscal year 2007 results, the targets were not achieved and the bonuses were not paid. However, the Committee awarded a bonus of $125,000 to Mr. Widmann based upon its overall evaluation of Mr. Widmann s fiscal year 2007 compensation and performance of Mr. Widmann s Multek business unit.

Long-Term Incentive Bonuses

Three-Year Performance Plan

In fiscal year 2007, the Committee established a three-year cash incentive bonus plan. The three-year performance plan is designed to reward our named executive officers and certain other senior officers based upon our achievement of a three-year compounded annual revenue growth rate and a three-year compounded annual EPS growth rate, provided that the individual receiving the bonus remains employed by us or one of our affiliates at the time the bonus is paid. Under this plan, each of our named executive officers (other than Mr. Tan, who has retired) will be eligible for a bonus of up to $1,000,000 if certain pre-established targets are achieved. For purposes of determining achievement of these targets, the Committee uses non-GAAP measures on the basis discussed above. The Committee established the three-year cash incentive bonus plan to focus senior management on achievement of sustained EPS and revenue growth at levels which result in payment of the $1,000,000 maximum bonus only if we perform significantly better than internal targets, with a lesser bonus opportunity if we achieve our internal growth targets. If we fail to achieve the target performance level required for the lesser bonus, no bonus will be awarded.

For additional information about the three-year cash incentive bonus plan, please refer to the Grants of Plan-Based Awards in Fiscal Year 2007 table beginning on page 17, which shows the target and maximum amounts payable under the plan.

Stock-Based Compensation

Stock Options and Share Bonus Awards.

The Committee grants stock options and share bonus awards (the equivalent of restricted stock units), which are designed to align the interests of our named executive officers with those of our shareholders and provide each individual with a significant incentive to manage our company from the perspective of an owner, with an equity stake in the business. These awards are also intended to promote executive retention, as unvested stock options and share bonus awards generally are forfeited if the executive voluntarily leaves the company. Each stock option allows the executive officer to acquire our ordinary shares at a fixed price per share (the market price on the grant date) over a period of up to 10 years, thus providing a return to the officer only if the market price of the shares appreciates over the option term. Share bonus awards are structured as either service-based awards, which vest if the executive remains employed through the vesting period, or performance-based awards, which vest only if we achieve pre-established performance measures. Before the share bonus award vests, the executive has no ownership rights in our ordinary shares.

The size of the option grant or share bonus award to each executive officer generally is set at a level that is intended to create a meaningful opportunity for share ownership based upon the individual s current position with the company, but the Committee also takes into account (i) the individual s potential for future responsibility and promotion over the term of the award, (ii) the individual s personal performance in recent periods, and (iii) the number of options and share bonus awards held by the individual at the time of grant. In addition, the Committee considers competitive equity award data from our peer group.

Administration of Equity Award Grants

The Committee grants options with exercise prices set at the market price on the date of grant, based on the closing market price. The Committee s current policy is that options and share bonus awards granted to executive officers are only made during open trading windows. Awards are not timed in relation to the release of material information. Our current policy provides that grants to non-executive new hires and follow on grants to non-executives are made on pre-determined dates in each fiscal quarter.

Grants During Fiscal Year 2007

The number of stock options and share bonus awards granted to our named executive officers in fiscal year 2007, and the grant-date fair value of these awards determined in accordance with SFAS 123(R), are shown in the Grants of Plan-Based Awards in Fiscal Year 2007 beginning on page 17.

Option Exchange Program During Fiscal Year 2007

In April 2006, the Committee authorized the grant of share bonus awards to our named executive officers in exchange for the cancellation of certain stock option awards. The number of options cancelled and share bonus awards issued in exchange for each of our named executive officers is set forth in the following table:

Name	**Aggregate Number of Options Cancelled**	**Share Bonus Award**
Michael M. McNamara	650,000	200,000
Thomas J. Smach	625,000	200,000
Nicholas E. Brathwaite	750,000	350,000
Peter Tan	100,000	100,000
Werner Widmann	50,000	100,000

Our exchange program was designed to retain and motivate our named executive officers. In order to both achieve retention and to have a substantial portion of this compensation be at risk based on key performance measures aligned with the enhancement of shareholder value:

50% of the share bonus awards vest in equal annual installments over three years in the cases of Messrs. McNamara, Smach and Brathwaite and over five years in the cases of Messrs. Widmann and Tan (in the case of Mr. Tan, his award was cancelled for periods following his termination date pursuant to his separation agreement discussed under the section entitled Termination and Change of Control Arrangements Peter Tan Separation Agreement beginning on page 14); and

50% of the share bonus awards vest in equal annual installments if we achieve year-over-year, pre-established EPS growth rates, provided that if one or more of the annual EPS growth targets is not met, the unvested portion may be recouped if the subsequent period s cumulative target is met. For purposes of determining achievement of these targets, the Committee uses non-GAAP measures on the basis discussed under the section entitled Annual Incentive Bonuses beginning on page 10. The performance period for Messrs. McNamara, Smach and Brathwaite is three years, and is five years for Messrs. Widmann and Tan (in the case of Mr. Tan, his award was cancelled for periods following his termination date pursuant to his separation agreement discussed under the section entitled Termination and Change of Control Arrangements Peter Tan Separation Agreement beginning on page 14).

Deferred Compensation

Each of our named executive officers participates in a deferred compensation plan or arrangement. These plans and arrangements are intended to promote retention by providing a long-term savings opportunity on a tax-efficient basis. Messrs. McNamara, Smach and Brathwaite participate in our senior executive deferred compensation plan (which we refer to as the senior executive plan), and Messrs. Tan and Widmann participate in individual deferral arrangements. As discussed below, we have made deferred long-term incentive bonuses so that a significant component of our named executive officers compensation serves a retentive purpose. In structuring the executive deferred compensation arrangements, the Committee also sought to provide an additional long-term savings plan for the executives in recognition that we do not otherwise provide the executives with a pension plan or any supplemental executive retirement benefits.

Deferred Compensation for Messrs. McNamara, Smach and Brathwaite. Under the senior executive plan, a participant may defer up to 80% of his or her base salary and up to 100% of his or her cash bonuses. In addition, at the Committee s discretion, awards for deferred long-term incentive bonuses may be awarded in return for services to be performed in the future. During fiscal year 2006, the Committee approved deferred bonuses for Mr. McNamara of $5,000,000, Mr. Smach of $3,000,000 and Mr. Brathwaite of $3,000,000. The deferred bonuses (together with earnings) for Mr. McNamara and Mr. Smach vest as follows: (i) 10% vested on April 1, 2006; (ii) 15% vested on April 1, 2007; (iii) an additional 20% will vest on April 1, 2008; (iv) an additional 25% will vest on April 1, 2009; and (v) an additional 30% will vest on April 1, 2010. The deferred bonus (together with earnings) for Mr. Brathwaite vests as follows: (i) 20% vested on April 1, 2006; (ii) 20% vested on April 1, 2007; and (iii) 20% will vest on each of April 1, 2008, 2009 and 2010. Any unvested portions of the deferred bonuses for Messrs. McNamara, Smach and Brathwaite will become 100% vested upon a change of control (as defined in the senior executive plan) if they are employed at that time or if their employment is terminated as a result of death or disability. Other than in cases of death or disability or a change of control, any unvested amounts will be forfeited if the executive s employment is terminated. Mr. Smach also participates in the Dii Group deferred compensation plan. This plan had been established by the Dii Group, which we acquired in 2000. No further employer or employee contributions have been made under this plan.

Peter Tan Deferred Compensation. In fiscal year 2006, the Committee approved a deferred bonus for Peter Tan of $3,200,000 in return for services to be performed in the future. The deferred bonus for Mr. Tan was credited to a brokerage account. The deferred bonus (together with earnings) for Mr. Tan originally was scheduled to vest so that 50% would be paid if Mr. Tan s employment was terminated (other than as a result of death or disability) on or after April 1, 2008, and 100% would be paid if Mr. Tan s employment was terminated on or after April 1, 2009. On March 31, 2007, Mr. Tan retired as President and Managing Director, Flextronics Asia. Under the terms of Mr. Tan s separation agreement, the vesting of $2,634,099 of his deferral account was accelerated; the remaining $1,000,000 of the deferral account (together with earnings) will vest 50% on June 30, 2008 and 50% on June 30, 2009, subject to compliance with certain non-solicitation and non-competition covenants.

Werner Widmann Deferred Compensation. In fiscal years 2006 and 2007, Mr. Widmann was awarded aggregate deferred bonuses of $3,000,000 in return for services to be performed in the future. These deferred bonuses were credited to a brokerage account. The deferred bonuses (together with earnings) for Mr. Widmann vest as follows: (i) 10% vested on July 1, 2007; (ii) an additional 15% will vest on July 1, 2008; (iii) an additional 20% will vest on July 1, 2009; (iv) an additional 25% will vest on July 1, 2010; and (v) an additional 30% will vest on July 1, 2011, provided Mr. Widmann continues to be employed by us. 100% of the deferred bonus will be paid to Mr. Widmann if his employment is terminated as a result of his death. In the event of a change of control of our company, any unvested deferred bonus will vest based on the percentage of his completed months of service with us during the six-year period from July 1, 2005 through July 1, 2011.

For additional information about (i) executive contributions to our named executive officers deferral accounts, (ii) company contributions to the deferral accounts, (iii) earnings on the deferral accounts, and (iv) deferral account balances as of the end of fiscal year 2007, see our Nonqualified Deferred Compensation in Fiscal Year 2007 table.

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The deferral accounts are unfunded and unsecured obligations of our company, receive no preferential standing, and are subject to the same risks as any of our other general obligations.

Benefits

Executive Perquisites

Perquisites represent a small part of the overall compensation program for our named executive officers. In fiscal year 2007, we paid the premiums on life insurance or disability insurance for Messrs. McNamara, Smach and Tan, and reimbursed Messrs. McNamara, Smach and Brathwaite for taxes due upon vesting of a portion of their deferred bonuses. We also provide a vehicle allowance for Messrs. Widmann and Tan. These benefits are quantified under the All Other Compensation column in the Summary Compensation Table for Fiscal Year 2007 beginning on page 15.

401(k) Plan; Multek Pension Plan

Under our 401(k) Plan, all of our employees are eligible to receive matching contributions. The matching contribution for the fiscal year 2007 was dollar for dollar on the first 3% of each participant s pre-tax contributions, plus $0.50 for each dollar on the next 2% of each participant s pre-tax contributions, subject to maximum limits under the Internal Revenue Code. We do not provide an excess 401(k) plan for our executive officers.

Mr. Widmann participates in the Multek pension plan. These benefits are described in the section entitled Executive Compensation Pension Benefits in Fiscal Year 2007 beginning on page 22. None of our other named executive officers participate in any pension plan.

Other Benefits

Executive officers are eligible to participate in all of our employee benefit plans, such as medical, dental, vision, group life, disability, and accidental death and dismemberment insurance, in each case on the same basis as other employees, subject to applicable law.

Termination and Change of Control Arrangements

Our named executive officers are entitled to certain termination and change of control benefits under their deferred compensation plans and under certain of their stock options. These benefits are described and quantified under the section entitled Executive Compensation Potential Payments Upon Termination or Change of Control beginning on page 24. As described in that section, if there is a change of control of our company, the entire unvested portion of the deferred compensation accounts of Messrs. McNamara, Smach and Brathwaite will accelerate, and a percentage of the unvested portion of Mr. Widmann s deferred compensation account will accelerate based on his period of service. The vesting of Mr. Tan s deferral account is governed by his separation agreement, which is discussed in the section entitled Peter Tan Separation Agreement below. Certain of Messrs. McNamara s, Smach s and Brathwaite s options are subject to acceleration if there is a change of control and such executive s employment is terminated or his duties are substantially changed. These arrangements are intended to attract and retain qualified executives who could have other job alternatives that might offer greater security absent these arrangements. In addition, these arrangements serve to assure the retention of our key executives in order to successfully execute a change of control transaction. To this end, the acceleration of vesting of options only occurs if the executive remains with us through the change of control and is terminated or his duties are substantially changed, or a double trigger. The Committee determined that a single trigger for acceleration of the executives deferred compensation accounts was appropriate in order to provide certainty of vesting for benefits that represent the executives primary source of retirement benefits.

Peter Tan Separation Agreement

On March 31, 2007, Peter Tan, a named executive officer, retired as President and Managing Director, Flextronics Asia. Pursuant to Mr. Tan s separation agreement, Mr. Tan continued as an employee until June 30, 2007. In addition to continuation of salary, eligibility for performance-based bonuses, and continuation of benefits

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through June 30, 2007, the vesting of $2,634,099 of his deferral account was accelerated; the remaining $1,000,000 of the deferral account (together with earnings) will vest 50% on June 30, 2008 and 50% on June 30, 2009, subject to compliance with certain non-solicitation and non-competition covenants.

EXECUTIVE COMPENSATION

The following table sets forth the fiscal year 2007 compensation for:

- our chief executive officer;
- our chief financial officer; and
- the three other most highly compensated executive officers serving as executive officers at the ened of the 2007 fiscal year.

The executive officers included in the Summary Compensation Table for Fiscal Year 2007 are referred to as our named executive officers. A detailed description of the plans and programs under which our named executive officers received the following compensation can be found in the section entitled Compensation Discussion and Analysis beginning on page 8. Additional information about these plans and programs is included in the additional tables and discussions which follow the Summary Compensation Table for Fiscal Year 2007.

Summary Compensation Table for Fiscal Year 2007

Principal	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(4)	Non-Equity Incentive Plan Compensation ($)(5)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(6)	All Other Compensation ($)	
. a cutive	2007	$ 1,000,000	$ 750,000	$	$ 2,347,360	$ 3,000,000	$ 144,444	$ 365,304(7)	$ 7
Smach ncial Officer	2007	$ 650,000	$ 450,000	$	$ 1,390,831	$ 1,300,000	$ 111,714	$ 246,137(8)	$ 4
. Brathwaite nology	2007	$ 650,000	$ 600,000	$ 324,398	$ 836,180	$ 856,376	$ 92,089	$ 169,791(9)	$ 3
dmann(10) Multek	2007	$ 412,977	$ 125,000	$ 291,906	$ 326,789	$ 502,247	$ 126,730	$ 132,295(11)	$ 1
12) nd Director, s Asia	2007	$ 400,000	$	$ 267,409	$ 370,571	$ 600,000	$ 52,766	$ 233,363(13)	$ 1

(1) Messrs. Smach and Brathwaite deferred a portion of their salaries under our senior executive deferred compensation plan, which amounts are included in the Nonqualified Deferred Compensation in Fiscal Year 2007 table beginning on page 23. Messrs. McNamara, Smach and Brathwaite also contributed a portion of their salaries to their 401(k) savings plan accounts. All amounts deferred are included under this column.

(2) For Messrs. McNamara, Smach and Brathwaite, this column shows the portions of such named executive officers deferred long-term bonuses which vested on April 1, 2007. For additional information about the deferred long-term bonuses, see the sections entitled Compensation Discussion and Analysis Fiscal Year 2007 Executive Compensation Components Deferred Compensation beginning on page 13 and the discussion under the section entitled Nonqualified Deferred Compensation in Fiscal Year 2007 beginning on page 23.

(3) Stock awards consist of service-vested and performance-based share bonus awards. The amounts in this column do not reflect compensation actually received by our named executive officers nor do they reflect the actual value that will be recognized by our named executive officers. Instead, the amounts reflect the compensation cost recognized by us in fiscal year 2007 for financial statement reporting purposes in accordance with SFAS 123(R) for share bonus awards granted in and prior to fiscal year 2007. The amounts in this column exclude the impact of estimated forfeitures related to service-based vesting conditions. For share bonus awards, fair value is the closing price of our ordinary shares on the date of grant. Such amounts are

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reduced by the aggregate fair value of stock options surrendered in exchange for the share bonus awards. For additional information about the fiscal year 2007 grant of share bonus awards in exchange for options, see the section entitled Compensation Discussion and Analysis Fiscal Year 2007 Executive Compensation Components Stock-Based Compensation Option Exchange Program during Fiscal Year 2007 beginning on page 12. The full grant-date fair value of share bonus awards granted in fiscal year 2007 is reflected in the Grants of Plan-Based Awards in 2007 table beginning on page 17. For information regarding the assumptions made in calculating the amounts reflected in this column, see the section entitled Stock-Based Compensation under Note 2 to our audited consolidated financial statements for the fiscal year ended March 31, 2007, included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2007.

(4) The amounts in this column do not reflect compensation actually received by our named executive officers nor do they reflect the actual value that will be recognized by our named executive officers. Instead, the amounts reflect the compensation cost recognized by us in fiscal year 2007 for financial statement reporting purposes in accordance with SFAS 123(R) for stock options granted in and prior to fiscal year 2007. The amounts in this column exclude the impact of estimated forfeitures related to service-based vesting conditions. The full grant-date fair value of stock options granted in fiscal year 2007 is reflected in the Grants of Plan-Based Awards in 2007 table beginning on page 17. For information regarding the assumptions made in calculating the amounts reflected in this column for grants made in fiscal years 2007, 2006 and 2005, see the section entitled Stock-Based Compensation under Note 2 to our audited consolidated financial statements for the fiscal year ended March 31, 2007, included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2007. For information regarding the assumptions made in calculating the amounts reflected in this column for grants made prior to fiscal year 2005, see the section entitled Accounting for Stock-Based Compensation under Note 2 to our audited consolidated financial statements for the respective fiscal years included in our Annual Report on Form 10-K for those respective fiscal years.

(5) The amounts in this column represent quarterly and annual incentive cash bonuses based on fiscal year 2007 performance. Messrs. McNamara, Smach and Brathwaite deferred a portion of their quarterly and annual incentive bonuses under our senior executive deferred compensation plan, which amounts are included in the Nonqualified Deferred Compensation in Fiscal Year 2007 table beginning on page 23. All amounts deferred are included under this column.

(6) The amounts in this column represent, in the case of Mr. Widmann, the sum of (A) the increase in the actuarial present value of his accrued pension benefits and (B) above-market earnings on his nonqualified deferred compensation account in fiscal year 2007. In the cases of Messrs. McNamara, Smach, Brathwaite and Tan, the amounts in this column represent above-market earnings on their nonqualified deferred compensation accounts in fiscal year 2007. In the case of Mr. Smach, the amount does not include above-market earnings of $262,767 on his account under the Dii Group deferred compensation plan (which had been established by the Dii Group, which we acquired in 2000; no further employer or employee contributions have been made under this plan). As discussed under the section entitled Pension Benefits in Fiscal Year 2007 beginning on page 22, Mr. Widmann participates in the Multek Multilayer Technology GmbH & Co. KG Pension Plan. During fiscal year 2007, the actuarial present value of Mr. Widmann s pension benefits increased by $21,281. None of our other named executive officers participate in any defined benefit or pension plans. The Pension Benefits in Fiscal Year 2007 table beginning on page 22 includes the assumptions used to calculate the increase in the actuarial present value of pension benefits. Above-market earnings represent the difference between market interest rates determined pursuant to SEC rules and earnings credited to our named executive officers deferred compensation accounts. See the Nonqualified Deferred Compensation in Fiscal Year 2007 table beginning on page 23 for additional information.

(7)

This amount represents the sum of (A) our matching contributions to Mr. McNamara s 401(k) saving plan account of $12,550, (B) life insurance premium payments of $564, (C) $7,621 for the reimbursement of taxes with respect to taxes due on Mr. McNamara s vested deferred compensation amounts for the 2007 fiscal year, and (D) $344,569, representing earnings on the unvested portion of Mr. McNamara s deferred compensation account.

(8) This amount represents the sum of (A) our matching contributions to Mr. Smach s 401(k) saving plan account of $9,925, (B) individual disability premium payments of $845, (C) $4,101 for the reimbursement of taxes

with respect to taxes due on Mr. Smach s vested deferred compensation amounts for the 2007 fiscal year, and (D) $231,266, representing earnings on the unvested portion of Mr. Smach s deferred compensation account.

(9) This amount represents the sum of (A) our matching contributions to Mr. Brathwaite s 401(k) saving plan account of $7,965, (B) $9,132 for the reimbursement of taxes with respect to taxes due on Mr. Brathwaite s vested deferred compensation amounts for the 2007 fiscal year, and (C) $152,694, representing earnings on the unvested portion of Mr. Brathwaite s deferred compensation account.

(10) All compensation paid to and benefits for Mr. Widmann, other than stock awards and option awards were paid in Euros. The amounts have been converted into dollars based on the prevailing exchange rate at the end of the fiscal year.

(11) This amount represents the sum of (A) a vehicle allowance in the amount of $20,480 and (B) $111,815 representing earnings on the unvested portion of Mr. Widmann s deferred compensation account. This amount excludes an unvested deferred long-term bonus of $2,412,733 contributed to Mr. Widmann s deferred compensation account during fiscal year 2007. As the deferred long-term bonus vests, the vested amount will be reported as a bonus in the Summary Compensation Table for Fiscal Year 2007 in future years. Such amount is reflected in the Flextronics Contributions in Last Fiscal Year column under the Nonqualified Deferred Compensation in Fiscal Year 2007 table beginning on page 23.

(12) On March 31, 2007, Mr. Tan, a named executive officer, retired as President and Managing Director, Flextronics Asia.

(13) This amount represents the sum of (A) life insurance premium payments of $1,141, (B) a vehicle allowance in the amount of $25,250, (C) vehicle-related expenses of $1,984 and (D) $204,988 representing earnings on the unvested portion of Mr. Tan s deferred compensation account. This amount excludes termination benefits of $2,634,099, representing the acceleration of a previously-awarded deferred bonus, plus accumulated earnings through June 30, 2007, which was not payable until June 30, 2007. For additional information about the termination benefits, see the section entitled Potential Payments upon Termination or Change of Control beginning on page 24.

Grants of Plan-Based Awards in Fiscal Year 2007

The following table presents information about equity and non-equity awards granted in our 2007 fiscal year to our named executive officers. The awards included in this table consist of:

awards under our three-year cash incentive bonus plan;

awards under our annual incentive cash bonus program;

awards under our special 2007 incentive cash bonus plan;

performance-based share bonus awards;

service-based share bonus awards; and

stock options.

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	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards(1) Target (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)(2)	All Other Option Awards: Number of Securities Underlying Options (#)(3)	Exercise or Base Price of Option Awards ($/Sh)(4)	Gr V an A
I.									
a		$	$ 750,000(6)	$ 1,000,000(6)					$
		$ 375,000(7)	$ 1,500,000(7)	$ 3,000,000(7)					$
	04/17/2006	$	$	$	100,000				$
	04/17/2006	$	$	$		100,000			$
	04/17/2006	$	$	$			700,000	$ 11.23	$ 3
Smach		$	$ 750,000(6)	$ 1,000,000(6)					$
		$ 162,500(7)	$ 650,000(7)	$ 1,300,000(7)					$
	04/17/2006	$	$	$	100,000				$
	04/17/2006	$	$	$		100,000			$
	04/17/2006	$	$	$			400,000	$ 11.23	$ 1
E.									
e		$	$ 750,000(6)	$ 1,000,000(6)					$
		$ 162,500(7)	$ 650,000(7)	$ 1,300,000(7)					$
	04/17/2006	$	$	$	175,000				$
	04/17/2006	$	$	$		175,000			$
	04/17/2006	$	$	$			650,000	$ 11.23	$ 3
idmann		$	$ 750,000(6)	$ 1,000,000(6)					$
		$ 77,433(7)	$ 309,733(7)	$ 619,466(7)					$
		$	$ 250,000(8)	$					$
	04/17/2006	$	$	$	50,000				$
	04/17/2006	$	$	$		50,000			$
		$	$	$					$
9)		$	$ 750,000(6)	$ 1,000,000(6)					