



FLEXTRONICS

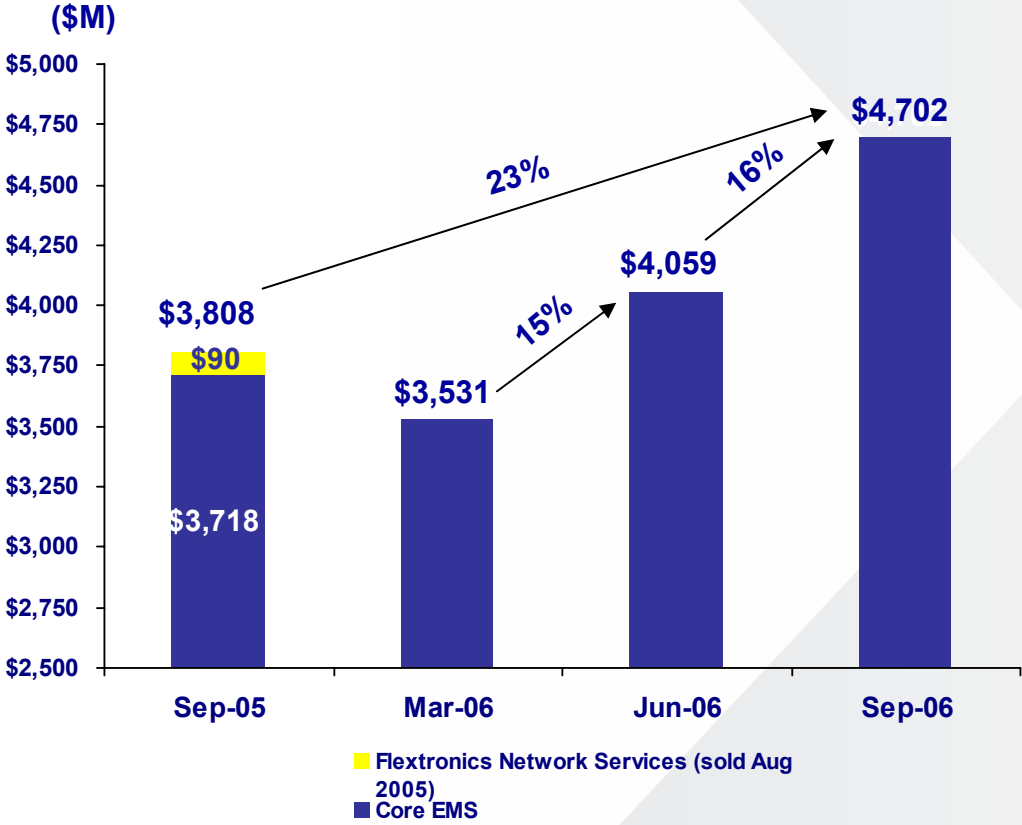
**Financial Results for the Second
Quarter Ended September 30, 2006**

Risks and Non-GAAP Disclosures

Please note that this conference call contains forward-looking statements within the meaning of the U.S. securities laws, including statements related to positive net cash generation from our disposal and leasing activities; demand trends; revenue and earnings growth; expected improvements in our inventory turns and levels; the success of our vertical-integration and broad-based growth strategies; our ability to add capacity and develop our design capabilities; the expected returns from the cash received from the divestiture of our software development and solutions business; and the success of our long-term initiatives and related investments. These statements are subject to risks that can cause actual results to differ materially. Information about these risks is noted in the earnings press release, on slide 14 of this presentation, and in the Risk Factors and MD&A sections of our latest annual report filed with the SEC, as well as in our other SEC filings. These forward-looking statements are based on our current expectations and we assume no obligation to update these forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements.

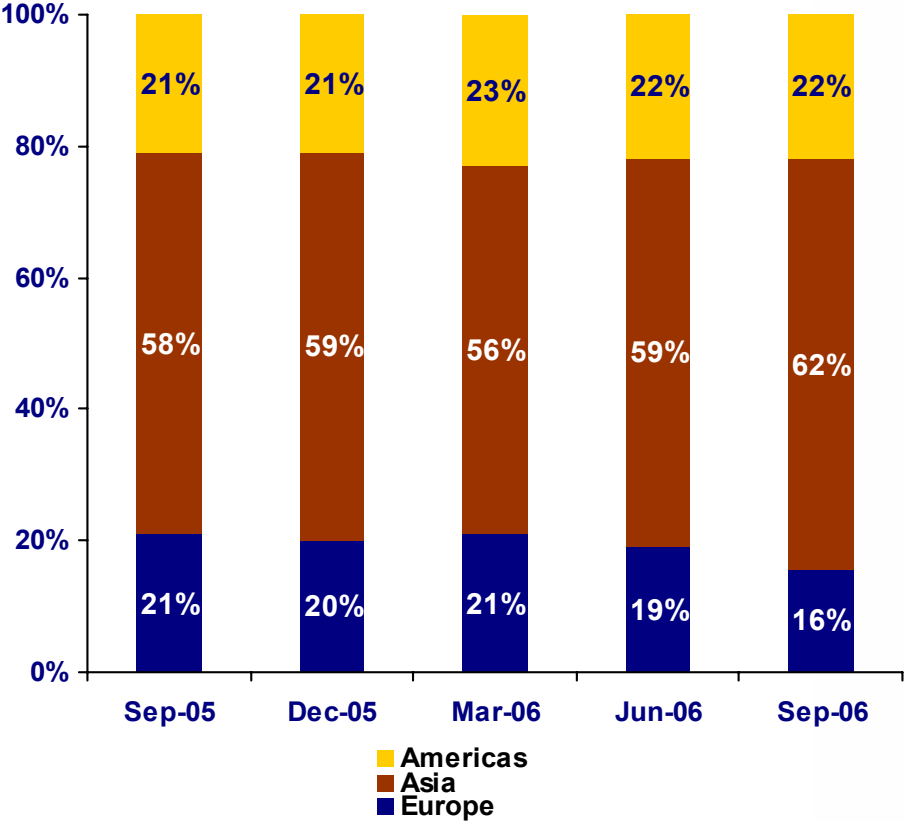
In addition, this presentation uses non-GAAP financial measures. Please refer to the schedules to the earnings press release, slide 7 of this presentation, and the GAAP vs. Non-GAAP Reconciliation in the Investors section of our website, which contain the reconciliation to the most directly comparable GAAP measures.

Revenue from Continuing Operations

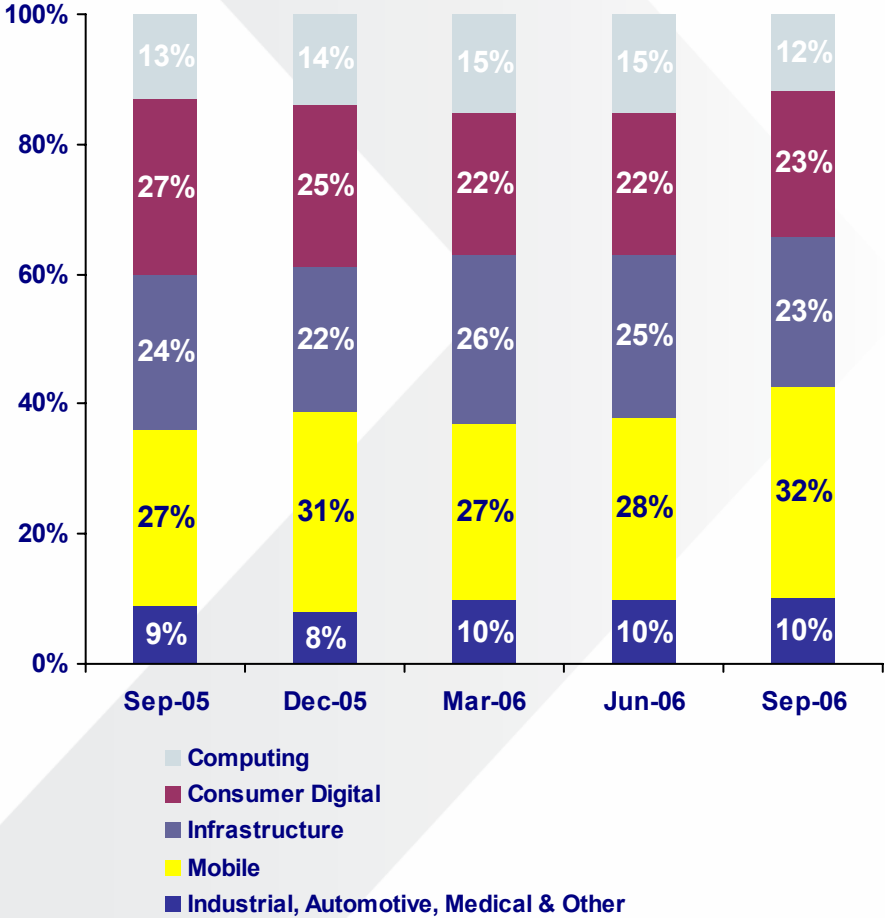


Revenue by Segment

Geographic Segment



Market Segment



Margins

(\$ in thousands)

	Core EMS	FNS	Continuing Operations Non-GAAP (1)
September 30, 2005 Quarter			
Revenues	\$ 3,718,443	\$ 89,632	\$ 3,808,075
Gross profit	217,674	15,955	233,629
<i>Gross margin</i>	5.9%	17.8%	6.1%
SG&A	104,808	9,528	114,336
<i>SG&A as a % of sales</i>	2.8%	10.6%	3.0%
Operating profit	112,866	6,427	119,293
<i>Operating margin</i>	3.0%	7.2%	3.1%
June 30, 2006 Quarter			
Revenues	\$ 4,059,143		\$ 4,059,143
Gross profit	236,616		236,616
<i>Gross margin</i>	5.8%		5.8%
SG&A	112,696		112,696
<i>SG&A as a % of sales</i>	2.8%		2.8%
Operating profit	123,920		123,920
<i>Operating margin</i>	3.1%		3.1%
September 30, 2006 Quarter			
Revenues	\$ 4,702,333		\$ 4,702,333
Gross profit	275,286		275,286
<i>Gross margin</i>	5.9%		5.9%
SG&A	131,755		131,755
<i>SG&A as a % of sales</i>	2.8%		2.8%
Operating profit	143,531		143,531
<i>Operating margin</i>	3.1%		3.1%

(1) Revenue from continuing operations represents GAAP results. Non-GAAP measures are reconciled to the comparable GAAP measures in the GAAP vs. Non-GAAP Reconciliation in the Investors section of our website.

Quarterly Net Income and EPS

(\$ in millions, except EPS)

Quarter Ended

	Sep-06	Sep-05
Non-GAAP Net Income	\$ 117	\$ 101
Non-GAAP EPS	\$ 0.20	\$ 0.17
GAAP Net Income (Loss)	\$ 185	\$ (2)
GAAP EPS	\$ 0.31	\$ -

The non-GAAP financial measures exclude certain amounts that are included in the most directly comparable measures under GAAP. Non-GAAP results exclude after-tax gains or losses on divestitures, intangible amortization, stock-based compensation expense, restructuring and other charges. Please refer to the schedules to the earnings press release and slide 7 of this presentation, which contain the reconciliation to the most directly comparable GAAP measures.

GAAP Reconciliation

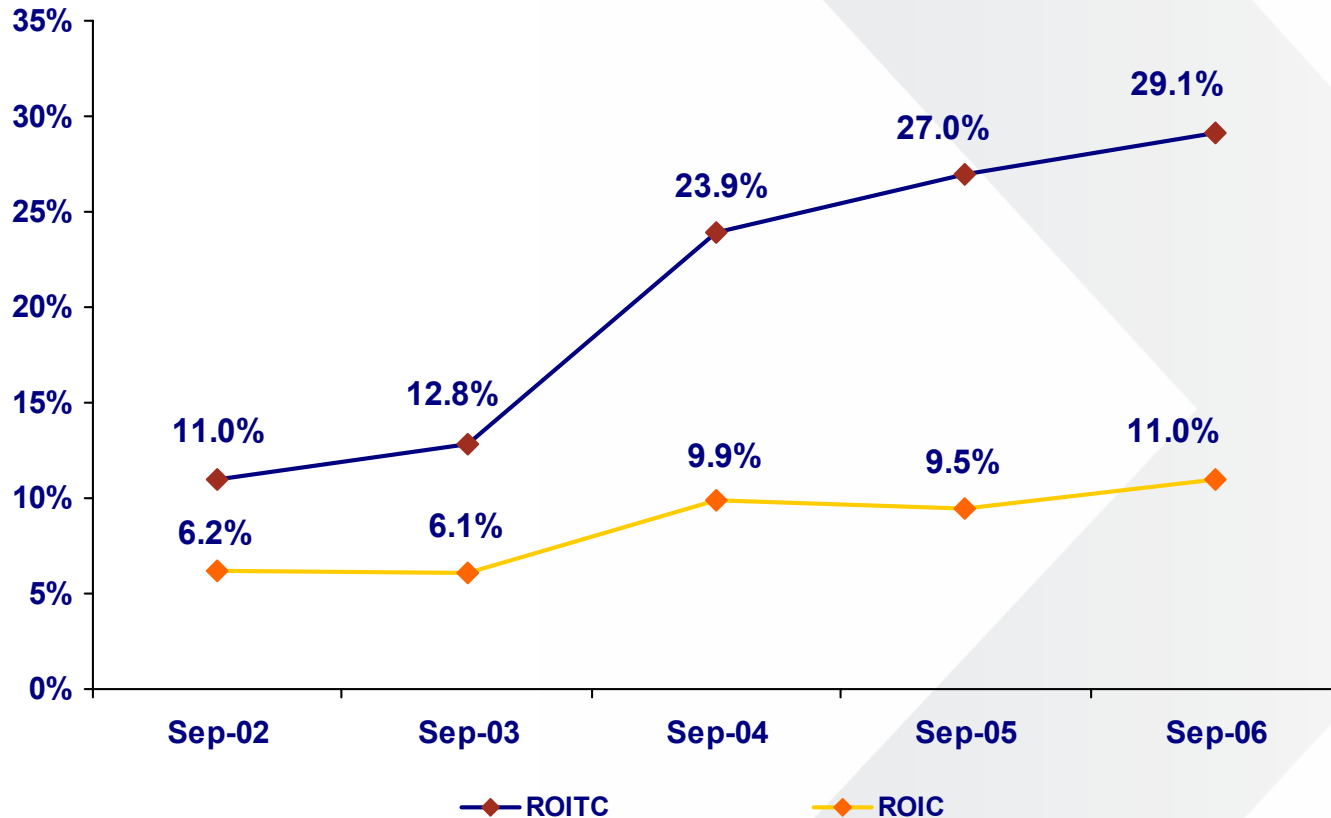
(\$ in thousands, except EPS)

	Quarter Ended September 30, 2006					
	Continuing Operations		Discontinued Operations		Total After Tax	Diluted EPS
	Pretax	Taxes	Pretax	Taxes		
Non-GAAP Net Income	\$ 114,251	\$ 7,056	\$ 11,216	\$ 1,726	\$ 116,685	\$ 0.20
Amortization	(10,290)	(103)	(2,137)	(544)	(11,780)	
Stock-based compensation	(8,205)	-	(203)	-	(8,408)	
Impairment and other exit charges	(105,867)	(23,012)	-	-	(82,855)	
Gain on divestiture of operations	-	-	181,228	10,000	171,228	
GAAP Net Income	<u>\$ (10,111)</u>	<u>\$ (16,059)</u>	<u>\$ 190,104</u>	<u>\$ 11,182</u>	<u>\$ 184,870</u>	\$ 0.31

	Quarter Ended September 30, 2005					
	Continuing Operations		Discontinued Operations		Total After Tax	Diluted EPS
	Pretax	Taxes	Pretax	Taxes		
Non-GAAP Net Income	\$ 97,351	\$ 3,885	\$ 9,862	\$ 2,011	\$ 101,317	\$ 0.17
Amortization	(11,045)	1,360	(3,584)	(581)	(15,408)	
Restructuring and other charges	(50,346)	(5,210)	-	-	(45,136)	
Gain (loss) on divestitures of operations	26,945	68,652	43,750	30,263	(28,220)	
Delphi bad debt reserve	(15,000)	-	-	-	(15,000)	
GAAP Net Income	<u>\$ 47,905</u>	<u>\$ 68,687</u>	<u>\$ 50,028</u>	<u>\$ 31,693</u>	<u>\$ (2,447)</u>	\$ -

The non-GAAP financial measures exclude certain amounts that are included in the most directly comparable measures under Generally Accepted Accounting Principles ("GAAP"). Non-GAAP results exclude after-tax gains or losses on divestitures, intangible amortization, stock-based compensation expense, restructuring and other charges. The divestiture of the Company's Software Development and Solutions business resulted in pre-tax income of \$181.2 million during the quarter ended September 30, 2006, which is included in discontinued operations. The divestiture of the Semiconductor and Network Services divisions resulted in pre-tax income of \$70.7 million for the quarter ended September 30, 2005 (including \$43.8 million attributable to discontinued operations). The Company recorded pre-tax charges of \$105.9 million during the quarter ended September 30, 2006 related to the impairment, lease termination, exit costs and other charges primarily related to the disposal and exit of certain real estate owned and leased by the Company in order to reduce its investment in property, plant and equipment. The Company also recognized pre-tax restructuring charges of \$50.3 million during the quarter ended September 30, 2005, which were primarily related to the closures and consolidations of various manufacturing facilities. The Company recorded pre-tax intangible amortization expense of \$12.4 million (including \$2.1 million attributable to discontinued operations) and \$14.6 million (including \$3.6 million attributable to discontinued operations) during the quarters ended September 30, 2006 and 2005, respectively. The Company recognized \$8.4 million (including \$0.2 million attributable to discontinued operations) of stock-based compensation expense during the quarter ended September 30, 2006 as a result of its adoption of SFAS 123(R) beginning on April 1, 2006. The Company recorded a \$15.0 million bad debt reserve in the quarter ended September 30, 2005 associated with accounts receivable with Delphi who filed for bankruptcy during October 2005. The Company reversed this provision during the quarter ended December 31, 2005 as the receivables were subsequently collected. The tax impacts related to all of these items amounted to a tax benefit of \$13.7 million and a tax provision of \$94.5 million in the quarters ended September 30, 2006 and 2005, respectively.

Quarterly Return on Capital



The ROITC and ROIC metrics are based on non-GAAP financial measures, which exclude certain amounts that are included in the most directly comparable measures under Generally Accepted Accounting Principles (“GAAP”). Non-GAAP results include continuing and discontinued operations. Non-GAAP results exclude after-tax gains or losses on divestitures, intangible amortization, stock-based compensation expense, gains and losses from divestitures, restructuring and other charges attributable to continued and discontinued operations. The non-GAAP measures are reconciled to the same performance measure calculated using the nearest GAAP measure in the GAAP vs. Non-GAAP Reconciliation in the Investors section of our website.

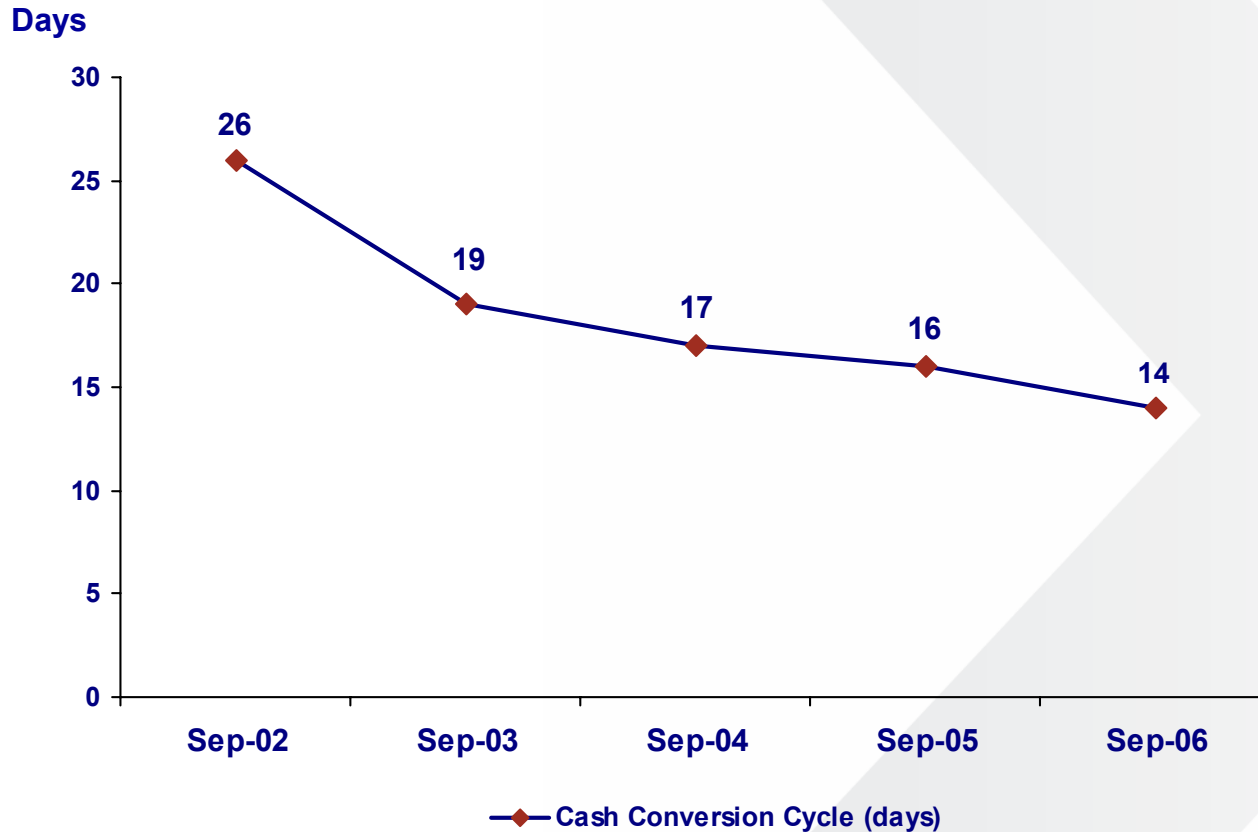
Cash and Liquidity

(\$ in millions)

	Quarter Ended		
	Sep-06	Jun-06	Sep-05
Cash	\$ 1,040	\$ 886	\$ 1,150
Total Debt	1,741	1,807	1,590
Net Debt	701	921	440
Leverage Ratio	24%	25%	23%
Liquidity	\$ 2,390	\$ 2,045	\$ 2,500

Note : Leverage Ratio calculated as follows: Total Debt / (Debt + Equity)

Cash Conversion Cycle



The cash conversion cycle metric is based on non-GAAP financial measures, which exclude certain amounts that are included in the most directly comparable measures under Generally Accepted Accounting Principles (“GAAP”). Non-GAAP results include continuing and discontinued operations. Non-GAAP results exclude after-tax gains or losses on divestitures, intangible amortization, stock-based compensation expense, gains and losses from divestitures, restructuring and other charges attributable to continued and discontinued operations. The non-GAAP measures are reconciled to the comparable GAAP measures in the GAAP vs. Non-GAAP Reconciliation in the Investors section of our website.

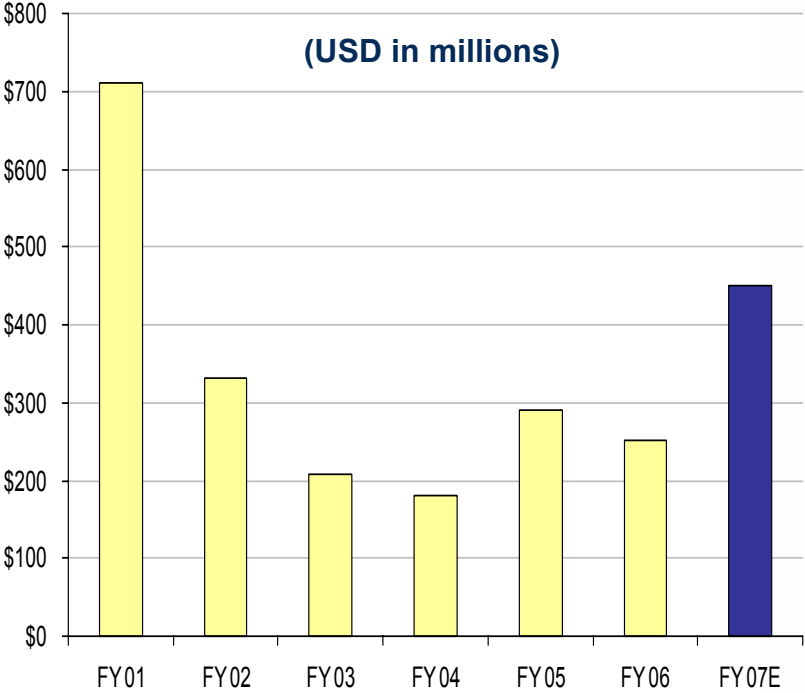
Summary Statement of Cash Flows

(\$ in thousands)

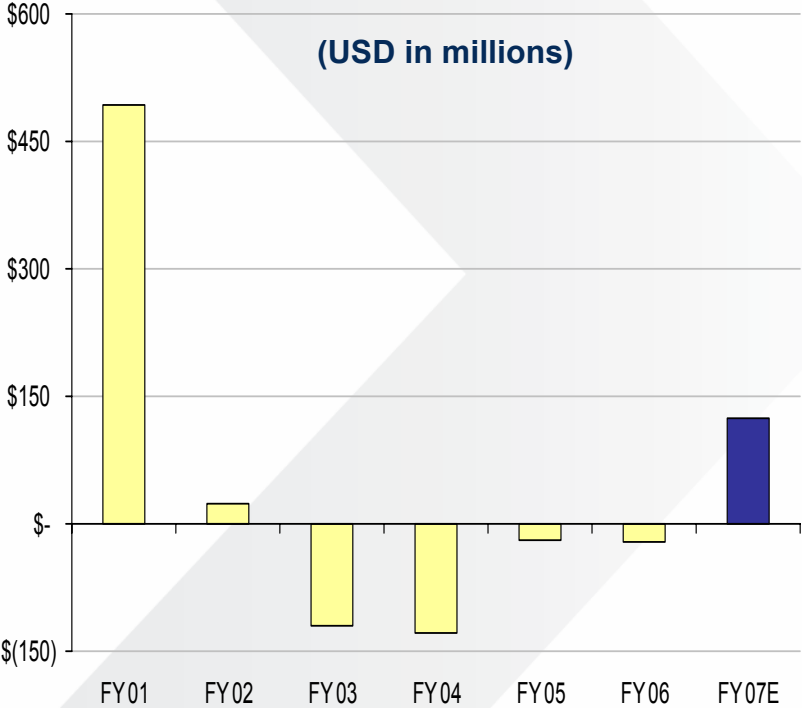
	Three Months Ended Sep 30, 2006	Three Months Ended Sep 30, 2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
GAAP net income (loss)	\$ 184,870	\$ (2,447)
Depreciation and amortization	82,263	84,609
Change in sales of accounts receivable	188,573	79,264
Gain on divestiture of operations	(181,228)	(70,695)
Change in working capital and other	(225,769)	290,443
Net cash provided by operating activities	48,709	381,174
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property & equipment, net of dispositions	(194,965)	(54,237)
Payments for acquired businesses, net of cash acquired	(156,448)	(338,748)
Proceeds from divestitures, net of cash sold	579,850	518,505
Change in notes receivable and other investments	(37,094)	(3)
Net cash provided by investing activities	191,343	125,517
CASH FLOWS FROM FINANCING ACTIVITIES:		
Debt payments, net of borrowings	(81,231)	(139,095)
Net proceeds from issuance of ordinary shares	6,122	11,561
Net cash used in financing activities	(75,109)	(127,534)
Effect on cash from exchange rate changes	(10,907)	(58,909)
Net increase in cash and cash equivalents	154,036	320,248
Cash and cash equivalents at beginning of period	885,709	830,208
Cash and cash equivalents at end of period	\$ 1,039,745	\$ 1,150,456

Commentary

CAP EX



NET CAP EX (1)



(1) Net Cap Ex = Cap Ex less Depreciation

Guidance

	<u>Dec-06</u>	<u>Fiscal Year 2007</u>
Revenue from Continuing Operations	\$5.1 billion - \$5.3 billion	~ \$19 billion
Non-GAAP Diluted EPS	\$0.22 - \$0.23	~ \$0.80

Note: Guidance excludes amortization and stock-based compensation expense. GAAP earnings per diluted share are expected to be lower than the guidance provided herein by approximately \$0.03 per diluted share per quarter reflecting quarterly amortization expense and stock-based compensation. Fiscal year 2007 guidance also excludes after tax gains on divestitures and charges related to impairment and other exit costs.

Risk Factors

RISKS INCLUDE:

- Our dependence on industries that continually produce technologically advanced projects with short life cycles.
- Our ability to respond to changes in economic trends, to fluctuations in demand for customers' products and to the short term nature of our customers' commitments.
- Competition in our industry, particularly from ODM suppliers in Asia.
- The challenges of effectively managing our operations, including our ability to manage manufacturing processes, control costs and manage changes in our operations.
- Not obtaining anticipated new customer programs, or if we do obtain them, their delay or inability to contribute to our revenue or profitability as expected or at all.
- That revenue and earnings growth may not occur as expected or at all.
- The challenges of integrating acquired companies and assets.
- Not realizing expected returns from our retained interests in divested businesses.
- Our ability to redeploy cash proceeds from our recent divestitures in a manner that achieves improved profitability.
- Our dependence on a small number of customers for the majority of our sales and our reliance on strategic relationships with major customers.
- Our ability to design and quickly introduce world-class components products that offer significant price and/or performance advantages over competitive products.
- The impact on our margins and profitability resulting from substantial investments, start-up and integration costs in our components, design and ODM businesses.
- Production difficulties, especially with new products.
- Changes in government regulations and tax laws.
- Our ability to utilize available manufacturing capacity and the risk of future restructuring charges that could be material to the Company's financial condition and results of operations.
- Our exposure to potential litigation relating to intellectual property rights, product warranty and product liability.
- Potential impairment of our intangible assets.
- Our dependence on the continued trend of outsourcing by OEMs.
- Our need to take reserves for doubtful accounts of customers and the effects of customer bankruptcies.
- Supply shortages of required electronic components.
- The challenges of international operations, including fluctuations in exchange rates beyond hedged boundaries leading to unexpected charges.
- Our dependence on our key personnel.
- Our ability to comply with environmental laws.

Further information concerning these and other risk factors that could cause actual results to differ materially from those in the forward looking statements is contained in the Risk Factors and Management's Discussion and Analysis sections of our reports on forms 10-Q, 10-K and 8-K as well as the other reports that we file with the US. Securities and Exchange Commission.



THANK YOU