

Flextronics International, Ltd.

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

(\$ in thousands)

	Fiscal Year Ended March 31, 2005	Fiscal Year Ended March 31, 2006	Fiscal Year Ended March 31, 2007
Non-GAAP SG&A	\$ 525,607	\$ 463,946	\$ 510,035
Stock-based compensation expense	-	-	27,884
Restructuring and other charges	-	-	11,696
GAAP SG&A	\$ 525,607	\$ 463,946	\$ 549,615
Net Sales	\$ 15,730,717	\$ 15,287,976	\$ 18,853,688
Non-GAAP SG&A as a % of Net Sales	3.3%	3.0%	2.7%
Stock-based compensation expense	0.0%	0.0%	0.1%
Restructuring and other charges	0.0%	0.0%	0.1%
GAAP SG&A as a % of Net Sales	3.3%	3.0%	2.9%

Flextronics International, Ltd.

GAAP Reconciliation - Operating Income and Operating Margins

(\$ in thousands)

	Quarter Ended March 31, 2006	Quarter Ended March 31, 2007
Non-GAAP Operating Profit	\$ 103,982	\$ 140,908
Stock-based compensation expense	-	(8,450)
Restructuring and other charges	(64,149)	(57,686)
GAAP Operating Income	\$ 39,833	\$ 74,772
Net Sales	\$ 3,530,889	\$ 4,676,752
Non-GAAP Operating Margin	2.9%	3.0%
Stock-based compensation expense	0.0%	-0.2%
Restructuring and other charges	-1.8%	-1.2%
GAAP Operating Margin	1.1%	1.6%

Flextronics International Inc.
Reconciliation of Non-GAAP Financial Measure
Annual Return on Invested Capital

We define return on invested capital (ROIC) as proforma after tax operating income (after tax operating income before adjustments for after tax discontinued operations, intangible amortization, stock-based compensation expense, restructuring and other charges) divided by a two month average of net invested capital. Net invested capital is defined as total assets less current non-interest bearing liabilities and nonoperating assets. We define non-operating assets as cash and cash equivalents, short term investments in marketable securities, notes receivable, deferred income tax assets, net hedging assets, and other investments.

We believe ROIC is a useful measure in providing investors with information regarding our performance. ROIC is a widely accepted measure of earnings efficiency in relation to total capital employed. We believe that increasing the return on total capital employed, as measured by ROIC, is an effective method to sustain and increase shareholder value. ROIC is not a measure 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. ROIC should not be considered in isolation or as an alternative to net earnings as an indicator of performance.

The following table reconciles ROIC as calculated using proforma after tax operating income to the same performance measure calculated using the nearest GAAP measure, which is operating income from continuing operations adjusted for taxes:

	Fiscal Years Ended:			
	<u>Mar-04</u>	<u>Mar-05</u>	<u>Mar-06</u>	<u>Mar-07</u>
ROIC				
Non-GAAP	6.5%	9.5%	9.8%	10.4%
Restructuring and other charges	-10.1%	-1.8%	-4.2%	-3.4%
Discontinued operations	-0.1%	-0.5%	-0.9%	-0.4%
GAAP	<u>-3.8%</u>	<u>7.2%</u>	<u>4.7%</u>	<u>6.6%</u>