FLEXTRONICS INTERNATIONAL LTD. Form 10-Q November 04, 2011 <u>Table of Contents</u>

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

or

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

For the transition period from

to

Commission file number 0-23354

FLEXTRONICS INTERNATIONAL LTD.

(Exact name of registrant as specified in its charter)

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Singapore (State or other jurisdiction of incorporation or organization)

2 Changi South Lane, Singapore (Address of registrant s principal executive offices) Not Applicable (I.R.S. Employer Identification No.)

> **486123** (Zip Code)

Registrant s telephone number, including area code

(65) 6890 7188

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 x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x

Non-accelerated filer o (Do not check if a smaller reporting company) Accelerated filer o

Smaller reporting company 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 x

Indicate the number of shares outstanding of each of the registrant s classes of common stock, as of the latest practicable date.

Class Ordinary Shares, No Par Value **Outstanding at October 26, 2011** 713,189,067

FLEXTRONICS INTERNATIONAL LTD.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Flextronics International Ltd. Singapore

We have reviewed the accompanying condensed consolidated balance sheet of Flextronics International Ltd. and subsidiaries (the Company) as of September 30, 2011, and the related condensed consolidated statements of operations for the three-month and six-month periods ended September 30, 2011 and October 1, 2010, and of cash flows for the six-month periods ended September 30, 2011 and October 1, 2010. These interim financial statements are the responsibility of the Company s management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such condensed consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Flextronics International Ltd. and subsidiaries as of March 31, 2011, and the related consolidated statements of operations, shareholders equity, and cash flows for the year then ended (not presented herein); and in our report dated May 23, 2011, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of March 31, 2011 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ DELOITTE & TOUCHE LLP

San Jose, California

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November 4, 2011

FLEXTRONICS INTERNATIONAL LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS Current assets: Cash and cash equivalents \$ 1,595,709 \$ 1,748,471 Accounts receivable, net of allowance for doubtful accounts of \$13,073 and 5 1,729,707 2,629,633 S13,388 as of September 30, 2011 and March 31, 2011, respectively 2,753,207 2,629,633 Inventories 3,866,084 3,550,286 Other current assets 1,721,409 1,125,809 Property and equipment, net 2,198,907 2,141,063 Goodwill and other intangible assets, net 193,623 213,083 Other assets 214,229 224,807 Total assets \$ 12,543,198 \$ 11,633,152 Current liabilities: Bank borrowings, current portion of long-term debt and capital lease obligations \$ 19,705 \$ 21,179 Accounts payable 5,827,469 5,081,898 Accounts payable 5,827,469 5,081,898 Accounts payable 5,827,469 5,081,898 Accounts payable 7,880,134 6,828,931 Long-term debt and capital lease obligations, net of current portion 2,189,19			As of September 30, 2011 (In thou except share (Unaud	amoun	/		
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Total shareholders equity 2,203,346 2,294,696							
	Total liabilities and shareholders equity	\$	12,543,198	\$	11,633,152		

The accompanying notes are an integral part of these condensed consolidated financial statements.

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FLEXTRONICS INTERNATIONAL LTD.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three-Month Periods Ended					Six-Month Periods Ended			
	Septe	ember 30, 2011	tember 30, 2011 re amounts)	Oc	ctober 1, 2010				
Net sales	\$	8,044,342	\$	7,422,338	\$	15,592,093	\$	13,988,218	
Cost of sales		7,668,956		7,024,691		14,816,485		13,219,753	
Gross profit		375,386		397,647		775,608		768,465	
Selling, general and administrative									
expenses		214,069		198,954		429,984		394,672	
Intangible amortization		14,540		21,439		27,842		39,429	
Interest and other expense, net		1,467		22,838		23,643		50,367	