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 26, 2014

Or

o 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)

Singapore (State or other jurisdiction of incorporation or organization)	**Not Applicable** (I.R.S. Employer Identification No.)
2 Changi South Lane, **Singapore** (Address of registrant s principal executive offices)	**486123** (Zip Code)

Registrant s telephone number, including area code

(65) 6876-9899

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	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	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	**Outstanding at October 24, 2014**
Ordinary Shares, No Par Value	578,974,187

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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 26, 2014, and the related condensed consolidated statements of operations and of comprehensive income for the three-month and six-month periods ended September 26, 2014, and September 27, 2013, and the condensed consolidated statements of cash flows for the six-month periods ended September 26, 2014 and September 27, 2013. 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, 2014, and the related consolidated statements of operations, comprehensive income, shareholders equity, and cash flows for the year then ended (not presented herein); and in our report dated May 20, 2014, 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, 2014 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
October 30, 2014

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FLEXTRONICS INTERNATIONAL LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS

	As of September 26, 2014	As of March 31, 2014
	(In thousands, except share amounts) (Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,514,352	$ 1,593,728
Accounts receivable, net of allowance for doubtful accounts of $7,735 and $5,529 as of September 26, 2014 and March 31, 2014, respectively	2,526,880	2,697,985
Inventories	3,626,640	3,599,008
Other current assets	1,211,188	1,509,605
Total current assets	8,879,060	9,400,326
Property and equipment, net	2,193,966	2,288,656
Goodwill and other intangible assets, net	413,237	377,218
Other assets	433,610	433,950
Total assets	$ 11,919,873	$ 12,500,150
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Bank borrowings and current portion of long-term debt	$ 45,579	$ 32,575
Accounts payable	4,693,526	4,747,779
Accrued payroll	381,266	354,889
Other current liabilities	1,935,904	2,521,444
Total current liabilities	7,056,275	7,656,687
Long-term debt, net of current portion	2,062,926	2,070,020
Other liabilities	457,818	571,764
Commitments and contingencies (Note 13)		
Shareholders equity		
Flextronics International Ltd. shareholders equity		
Ordinary shares, no par value; 630,671,476 and 641,666,347 issued, and 580,432,121 and 591,426,992 outstanding as of September 26, 2014 and March 31, 2014, respectively	7,444,765	7,614,515
Treasury shares, at cost; 50,239,355 shares as of September 26, 2014 and March 31, 2014	(388,215)	(388,215)
Accumulated deficit	(4,624,304)	(4,937,094)
Accumulated other comprehensive loss	(127,692)	(126,156)
Total Flextronics International Ltd. shareholders equity	2,304,554	2,163,050
Noncontrolling interests	38,300	38,629
Total shareholders equity	2,342,854	2,201,679
Total liabilities and shareholders equity	$ 11,919,873	$ 12,500,150

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	
	September 26, 2014	September 27, 2013	September 26, 2014	September 27, 2013
	(In thousands, except per share amounts) (Unaudited)			
Net sales	$ 6,528,517	$ 6,410,106	$ 13,171,262	$ 12,201,231
Cost of sales	6,151,436	6,041,683	12,413,396	11,521,773
Gross profit	377,081	368,423	757,866	679,458
Selling, general and administrative expenses	204,590	218,500	413,867	442,119
Intangible amortization	8,232	7,718	15,183	15,920
Interest and other, net	12,506	14,601	31,143	27,174
Other charges (income), net	(2,584)	(1,000)	(46,593)	6,111
Income before income taxes	154,337	128,604	344,266	188,134
Provision for income taxes	15,434	10,399	31,476	10,672
Net income	$ 138,903	$ 118,205	$ 312,790	$ 177,462
Earnings per share:				
Basic	$ 0.24	$ 0.19	$ 0.53	$ 0.29
Diluted	$ 0.23	$ 0.19	$ 0.52	$ 0.28
Weighted-average shares used in computing per share amounts:				
Basic	585,760	610,775	586,497	618,447
Diluted	595,871	623,620	598,586	631,760

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

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FLEXTRONICS INTERNATIONAL LTD.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three-Month Periods Ended		Six-Month Periods Ended	
	September 26, 2014	September 27, 2013	September 26, 2014	September 27, 2013
		(In thousands) (Unaudited)		
Net income	$ 138,903	$ 118,205	$ 312,790	$ 177,462
Other comprehensive income (loss):				
Foreign currency translation adjustments, net of zero tax	(5,683)	(11,988)	(9,828)	(29,497)
Unrealized gain (loss) on derivative instruments and other, net of zero tax	(2,433)	9,553	8,292	(581)
Comprehensive income	$ 130,787	$ 115,770	$ 311,254	$ 147,384

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

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FLEXTRONICS INTERNATIONAL LTD.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six-Month Periods Ended September 26, 2014	Six-Month Periods Ended September 27, 2013
	(In thousands) (Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 312,790	$ 177,462
Depreciation, amortization and other impairment charges	260,328	227,407
Changes in working capital and other	(266,873)	(51,111)
Net cash provided by operating activities	306,245	353,758
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(167,204)	(321,449)
Proceeds from the disposition of property and equipment	28,809	10,468
Acquisition of businesses, net of cash acquired	(32,589)	(187,543)
Proceeds from divesture of business, net of cash held in divested business	(5,493)	1,000
Other investing activities, net	(28,855)	7,436
Net cash used in investing activities	(205,332)	(490,088)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bank borrowings and long-term debt	11,387	933,447
Repayments of bank borrowings, long-term debt and capital lease obligations	(9,185)	(404,801)
Payments for early retirement of long-term debt		(544,840)
Payments for repurchases of ordinary shares	(206,771)	(324,594)
Net proceeds from issuance of ordinary shares	11,412	19,637
Other financing activities, net	3,382	14,743
Net cash used in financing activities	(189,775)	(306,408)
Effect of exchange rates on cash and cash equivalents	9,486	(17,283)
Net decrease in cash and cash equivalents	(79,376)	(460,021)
Cash and cash equivalents, beginning of period	1,593,728	1,587,087
Cash and cash equivalents, end of period	$ 1,514,352	$ 1,127,066
Non-cash investing activity:		
Accounts payable for fixed assets purchases	$ 51,814	$ 155,109

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

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. ORGANIZATION OF THE COMPANY AND BASIS OF PRESENTATION

Organization of the Company

Flextronics International Ltd. (Flextronics or the Company) was incorporated in the Republic of Singapore in May 1990. The Company s operations have expanded over the years through a combination of organic growth and acquisitions. The Company is a globally-recognized leading provider of supply chain solutions that span from concept through consumption. The Company designs, builds, ships and services a complete packaged electronic product for original equipment manufacturers (OEMs) in the following business groups: High Reliability Solutions (HRS), which is comprised of our medical, automotive, and defense and aerospace businesses; Consumer Technology Group (CTG), which includes our mobile devices business, including smart phones; our consumer electronics business, including game consoles and wearable electronics; and our high-volume computing business, including various supply chain solutions for notebook personal computing (PC), tablets, and printers; Industrial and Emerging Industries (IEI), which is comprised of our household appliances, semi-cap equipment, kiosks, energy and emerging industries businesses; and Integrated Network Solutions (INS), which includes our telecommunications infrastructure, data networking, connected home, and server and storage businesses. The Company s strategy is to provide customers with a full range of cost competitive, vertically integrated global supply chain solutions through which the Company can design, build, ship and service complete packaged products for its OEM customers. This enables our OEM customers to leverage the Company s supply chain solutions to meet their product requirements throughout the entire product life cycle.

The Company s service offerings include a comprehensive range of value-added design and engineering services that are tailored to the various markets and needs of its customers. Other focused service offerings relate to manufacturing (including enclosures, metals, plastic injection molding, precision plastics, machining, and mechanicals), system integration and assembly and test services, materials procurement, inventory management, logistics and after-sales services (including product repair, warranty services, re-manufacturing and maintenance), supply chain management software solutions and component product offerings (including rigid and flexible printed circuit boards and power adapters and chargers).

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP or GAAP) for interim financial information and in accordance with the requirements of Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements, and should be read in conjunction with the Company s audited consolidated financial statements as of and for the fiscal year ended March 31, 2014 contained in the Company s Annual Report on Form 10-K. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three and six-month periods ended September 26, 2014 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2015.

The first quarters for fiscal year 2015 and fiscal year 2014 ended on June 27, 2014, which is comprised of 88 days in the period, and June 28, 2013, which is comprised of 89 days in period, respectively. The second quarter for fiscal year 2015 and fiscal year 2014 ended on September 26, 2014 and September 27, 2013, which are comprised of 91 days in both periods, respectively.

The accompanying unaudited condensed consolidated financial statements include the financial position and results of operations of a majority owned subsidiary of the Company. Non-controlling interests are presented as a separate component of total shareholders equity in the condensed consolidated balance sheets. The operating results of the subsidiary attributable to the non-controlling interests are immaterial for all of the periods presented, and are included in interest and other, net in the condensed consolidated statements of operations.

Recent Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board (FASB) issued guidance which requires an entity to report a disposal of a component of an entity in discontinued operations if the disposal represents a strategic shift that has a major effect on an entity s operations and financial results when the component of an entity meets certain criteria to be classified as held for sale, or when the component of an entity is disposed of by a sale or disposed of other than by a sale. Further, additional disclosures about discontinued operations should include the following for the periods in which the results of operations of the discontinued operations are presented in the statement of operations: the major classes of line items constituting pretax profit or loss of discontinued operations; total

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operating and investing cash flows of discontinued operations; depreciation, amortization, capital expenditures, and significant operating and investing noncash items of discontinued operations; pretax profit or loss attributable to the parent if a discontinued operation includes a non-controlling interest; a reconciliation of major classes of assets, liabilities of the discontinued operation classified as held for sale; and a reconciliation of major classes of line items constituting the pretax profit or loss of the discontinued operation. The Company early adopted this accounting standard update in the first quarter of fiscal year 2015. During the first quarter of fiscal 2015, the Company disposed of a manufacturing facility in Western Europe which did not meet the criteria of discontinued operations under this accounting standard, as further discussed in note 6 to the condensed consolidated financial statements.

In May 2014, the FASB issued new guidance related to revenue recognition which requires an entity to recognize revenue relating to contracts with customers that depicts the transfer of promised goods or services to customers in an amount reflecting the consideration to which the entity expects to be entitled in exchange for such goods or services. In order to meet this requirement, the entity must apply the following steps: (i) identify the contracts with the customers; (ii) identify performance obligations in the contracts; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations per the contracts; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. Additionally, disclosures required for revenue recognition will include qualitative and quantitative information about contracts with customers, significant judgments and changes in judgments, and assets recognized from costs to obtain or fulfill a contract. This guidance is effective for the Company beginning in the first quarter of fiscal year 2018 and the Company is in the process of assessing the impact on its consolidated financial statements.

2. BALANCE SHEET ITEMS

Inventories

The components of inventories, net of applicable lower of cost or market write-downs, were as follows:

	As of September 26, 2014	As of March 31, 2014
	(In thousands)	
Raw materials	$ 2,422,415	$ 2,349,278
Work-in-progress	578,211	608,284
Finished goods	626,014	641,446
	$ 3,626,640	$ 3,599,008

Goodwill and Other Intangibles

The following table summarizes the activity in the Company s goodwill account during the six-month period ended September 26, 2014:

	Amount (In thousands)

Balance, beginning of the year	$	292,758
Additions (1)		21,707
Purchase accounting adjustments (2)		8,651
Foreign currency translation adjustments		(2,059)
Balance, end of the period	$	321,057

(1) The goodwill generated from the Company s business combinations completed during the six-month period ended September 26, 2014 is primarily related to value placed on the acquired employee workforces, service offerings and capabilities of the acquired businesses and expected synergies. The goodwill is not deductible for income tax purposes. See note 12 to the condensed consolidated financial statements for additional information.

(2) Fair value adjustment made to certain assets acquired in connection with the Company s acquisition of Riwisa AG.

The components of acquired intangible assets are as follows:

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	As of September 26, 2014			As of March 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In thousands)					
Intangible assets:						
Customer-related intangibles	$ 211,852	$ (152,259)	$ 59,593	$ 204,369	$ (140,713)	$ 63,656
Licenses and other intangibles	47,789	(15,202)	32,587	32,564	(11,760)	20,804
Total	$ 259,641	$ (167,461)	$ 92,180	$ 236,933	$ (152,473)	$ 84,460

The gross carrying amounts of intangible assets are removed when the recorded amounts have been fully amortized. During the six-month period ended September 26, 2014, the value of customer-related intangible assets increased by $8.5 million in connection with the Company s acquisitions, and licenses and other intangibles increased by $15.7 million primarily as a result of the purchase of certain technology rights. The estimated future annual amortization expense for intangible assets is as follows:

Fiscal Year Ending March 31,	Amount (In thousands)
2015 (1)	$ 15,741
2016	27,133
2017	18,786
2018	12,825
2019	8,498
Thereafter	9,197
Total amortization expense	$ 92,180

(1) Represents estimated amortization for the remaining six-month period ending March 31, 2015.

Other Current Assets / Liabilities

Other current assets include certain assets purchased on behalf of a customer and financed by a third party banking institution of $267.5 million as of both September 26, 2014 and March 31, 2014, respectively, with a corresponding liability recorded to other current liabilities of $289.6 million and $286.5 million as of September 26, 2014 and March 31, 2014, respectively.

Other current liabilities also includes customer working capital advances of $213.2 million and $754.7 million as of September 26, 2014 and March 31, 2014, respectively. The customer working capital advances are not interest bearing, do not have fixed repayment dates and are generally reduced as the underlying working capital is consumed in production.

3. SHARE-BASED COMPENSATION

The following table summarizes the Company s share-based compensation expense:

	Three-Month Periods Ended		Six-Month Periods Ended	
	September 26, 2014	September 27, 2013	September 26, 2014	September 27, 2013
	(In thousands)			
Cost of sales	$ 1,868	$ 1,866	$ 3,478	$ 3,218
Selling, general and administrative expenses	9,051	6,851	19,122	14,088
Total stock-based compensation expense	$ 10,919	$ 8,717	$ 22,600	$ 17,306

Total unrecognized compensation expense related to share options is $0.3 million, net of estimated forfeitures, and will be recognized over a weighted-average remaining vesting period of one year. As of September 26, 2014, the number of options outstanding and exercisable was 18.3 million and 18.2 million, respectively, both at a weighted-average exercise price of $8.06 per share.

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During the six-month period ended September 26, 2014, the Company granted 6.0 million unvested share bonus awards at an average grant date price of $11.75 per share, under its 2010 Equity Incentive Plan. Of this amount, approximately 0.9 million represents the target amount of grants made to certain key employees whereby vesting is contingent on certain market conditions. The number of shares that ultimately will vest range from zero up to a maximum of 1.8 million based on a measurement of the percentile rank of the Company s total shareholder return over a certain specified period against the Standard and Poor s (S&P) 500 Composite Index and will cliff vest after a period of three years, if such market conditions have been met. The average grant-date fair value of these awards was estimated to be $15.81 per share and was calculated using a Monte Carlo simulation.

As of September 26, 2014, approximately 19.3 million unvested share bonus awards were outstanding, of which vesting for a targeted amount of 5.0 million is contingent primarily on meeting certain market conditions. The number of shares that will ultimately be issued can range from zero to 9.7 million based on the achievement levels of the respective conditions. During the six-month period ended September 26, 2014, 0.3 million shares vested in connection with the remaining number of share bonus awards with market conditions granted in fiscal 2011, and 0.4 million shares vested in connection with half of the share bonus awards with market conditions granted in fiscal 2012.

As of September 26, 2014, total unrecognized compensation expense related to unvested share bonus awards is $107.7 million, net of estimated forfeitures, and will be recognized over a weighted-average remaining vesting period of 2.8 years. Approximately $20.8 million of the total unrecognized compensation cost, net of estimated forfeitures, is related to awards whereby vesting is contingent on meeting certain market conditions.

4. EARNINGS PER SHARE

The following table reflects the basic weighted-average ordinary shares outstanding and diluted weighted-average ordinary share equivalents used to calculate basic and diluted earnings per share:

	Three-Month Periods Ended		Six-Month Periods Ended	
	September 26, 2014	September 27, 2013	September 26, 2014	September 27, 2013
	(In thousands, except per share amounts)			
Basic earnings per share:				
Net income	$ 138,903	$ 118,205	$ 312,790	$ 177,462
Shares used in computation:				
Weighted-average ordinary shares outstanding	585,760	610,775	586,497	618,447
Basic earnings per share	$ 0.24	$ 0.19	$ 0.53	$ 0.29
Diluted earnings per share:				
Net income	$ 138,903	$ 118,205	$ 312,790	$ 177,462
Shares used in computation:				
Weighted-average ordinary shares outstanding	585,760	610,775	586,497	618,447
Weighted-average ordinary share equivalents from stock options and awards (1) (2)	10,111	12,845	12,089	13,313
Weighted-average ordinary shares and ordinary share equivalents outstanding	595,871	623,620	598,586	631,760

Diluted earnings per share	$	0.23	$	0.19	$	0.52	$	0.28

(1) Options to purchase ordinary shares of 7.0 million and 18.1 million during the three-month periods ended September 26, 2014 and September 27, 2013, respectively, and share bonus awards of 0.8 million and 1.0 million during the three-month periods ended September 26, 2014 and September 27, 2013, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted average ordinary share equivalents.

(2) Options to purchase ordinary shares of 12.1 million and 18.7 million during the six-month periods ended September 26, 2014 and September 27, 2013, respectively, and share bonus awards of 0.4 million and 2.4 million during the six-month periods ended September 26, 2014 and September 27, 2013, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted average ordinary share equivalents.

5. INTEREST AND OTHER, NET

During the three-month and six-month periods ended September 26, 2014, the Company recognized interest expense of $19.0 million and $37.5 million, respectively, on its debt obligations outstanding during the period. During the three-month and six-month periods ended September 27, 2013, the Company recognized interest expense of $20.3 million and $40.5 million, respectively.

The weighted average interest rates for the Company s long-term debt were 3.2% and 3.3% for the six-month periods ended September 26, 2014 and September 27, 2013, respectively.

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During the three-month and six-month periods ended September 26, 2014, the Company recognized interest income of $4.8 million and $10.1 million, respectively. During the three-month and six-month periods ended September 27, 2013, the Company recognized interest income of $4.0 million and $7.3 million, respectively.

During the three-month and six-month periods ended September 26, 2014, the Company recognized gains on foreign exchange transactions of $6.8 million and $5.4 million, respectively. During the three-month and six-month periods ended September 27, 2013, the Company recognized gains on foreign exchange transactions of $3.4 million and $8.0 million, respectively.

6. OTHER CHARGES (INCOME), NET

During the six-month period ended September 26, 2014, an amendment to a customer contract to reimburse a customer for certain performance provisions was executed which included the removal of a $55.0 million contractual obligation recognized during fiscal year 2014. Accordingly, the Company reversed this charge with a corresponding credit to other charges (income), net in the condensed consolidated statement of operations.

Further, during the six-month period ended September 26, 2014, the Company recognized a loss of $11.0 million in connection with the disposition of a manufacturing facility in Western Europe. The Company received $11.5 million in cash for the sale of $27.2 million in net assets of the facility. The loss also includes $4.6 million of estimated transaction costs, partially offset by a gain of $9.3 million for the release of cumulative foreign currency translation gains triggered by the disposition.

During the six-month period ended September 27, 2013, the Company recognized a loss of $7.1 million relating to the exercise of a warrant to purchase shares of a certain supplier and sale of the underlying shares for total proceeds of $67.3 million.

7. FINANCIAL INSTRUMENTS

Foreign Currency Contracts

The Company enters into forward contracts and foreign currency swap contracts to manage the foreign currency risk associated with monetary accounts and anticipated foreign currency denominated transactions. The Company hedges committed exposures and does not engage in speculative transactions. As of September 26, 2014, the aggregate notional amount of the Company s outstanding foreign currency forward and swap contracts was $5.2 billion as summarized below:

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Currency	Foreign Currency Amount Buy	Foreign Currency Amount Sell	Notional Contract Value in USD Buy	Notional Contract Value in USD Sell
		(In thousands)		
Cash Flow Hedges				
CNY	2,725,000		$ 444,057	$
EUR	15,273	13,728	19,518	18,148
HUF	16,348,000		67,389	
MXN	1,889,800		142,206	
MYR	320,000		98,720	
Other	N/A	N/A	131,629	
			903,519	18,148
Other Forward/Swap Contracts				
BRL		326,000		136,356
CAD	137,524	134,540	125,173	122,175
CNY	4,955,264	3,077,814	803,676	500,000
EUR	530,989	698,030	680,254	897,235
GBP	31,850	57,585	52,081	94,205
HUF	17,297,300	20,225,600	71,303	83,374
JPY	6,914,690	1,354,020	63,471	12,599
MXN	1,157,840	589,470	87,126	44,357
MYR	239,320	37,342	73,830	11,520
SEK	488,358	717,285	68,157	100,930
Other	N/A	N/A	166,590	120,356
			2,191,661	2,123,107
Total Notional Contract Value in USD			$ 3,095,180	$ 2,141,255

As of September 26, 2014, the fair value of the Company s short-term foreign currency contracts was not material and is included in other current assets or other current liabilities, as applicable, in the condensed consolidated balance sheets. Certain of these contracts are designed to economically hedge the Company s exposure to monetary assets and liabilities denominated in a non-functional currency and are not accounted for as hedges under the accounting standards. Accordingly, changes in the fair value of these instruments are recognized in earnings during the period of change as a component of interest and other, net in the condensed consolidated statements of operations. As of September 26, 2014 and March 31, 2014, the Company also has included net deferred losses in accumulated other comprehensive loss, a component of shareholders equity in the condensed consolidated balance sheets, relating to the effective portion of changes in fair value of its foreign currency contracts that are accounted for as cash flow hedges. These deferred losses were not material as of September 26, 2014, and are expected to be recognized primarily as a component of cost of sales in the condensed consolidated statements of operations primarily over the next twelve-month period. The gains and losses recognized in earnings due to hedge ineffectiveness were not material for all fiscal periods presented and are included as a component of interest and other, net in the condensed consolidated statements of operations.

The following table presents the fair value of the Company s derivative instruments utilized for foreign currency risk management purposes:

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	Fair Values of Derivative Instruments					
	Asset Derivatives			Liability Derivatives		
		Fair Value			Fair Value	
	Balance Sheet Location	September 26, 2014	March 31, 2014	Balance Sheet Location	September 26, 2014	March 31, 2014
	(In thousands)					
Derivatives designated as hedging instruments						
Foreign currency contracts	Other current assets	$ 6,135	$ 3,464	Other current liabilities	$ 8,016	$ 10,457
Derivatives not designated as hedging instruments						
Foreign currency contracts	Other current assets	$ 19,816	$ 4,722	Other current liabilities	$ 10,896	$ 6,949

The Company has financial instruments subject to master netting arrangements, which provides for the net settlement of all contracts with a single counterparty. The Company does not offset fair value amounts for assets and liabilities recognized for derivative instruments under these arrangements, and as such, the asset and liability balances presented in the table above reflect the gross amounts of derivatives in the condensed consolidated balance sheets. The impact of netting derivative assets and liabilities is not material to the Company s financial position for any period presented.

8. ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in accumulated other comprehensive loss by component, net of tax, are as follows:

	Three-Month Periods Ended					
	September 26, 2014			September 27, 2013		
	Unrealized gain (loss) on derivative instruments and other	Foreign currency translation adjustments	Total	Unrealized gain (loss) on derivative instruments and other	Foreign currency translation adjustments	Total
	(In thousands)					
Beginning balance	$ (22,124)	$ (97,452)	$ (119,576)	$ (28,991)	$ (76,133)	$ (105,124)
Other comprehensive gain (loss) before reclassifications	(2,965)	(3,099)	(6,064)	5,937	(11,988)	(6,051)
Net (gains) losses reclassified from accumulated other comprehensive loss	532	(2,584)	(2,052)	3,616		3,616
Net current-period other comprehensive gain (loss)	(2,433)	(5,683)	(8,116)	9,553	(11,988)	(2,435)
Ending balance	$ (24,557)	$ (103,135)	$ (127,692)	$ (19,438)	$ (88,121)	$ (107,559)

	Six-Month Periods Ended					
	September 26, 2014			September 27, 2013		
	Unrealized gain (loss) on derivative instruments and	Foreign currency translation adjustments	Total	Unrealized gain (loss) on derivative instruments and	Foreign currency translation adjustments	Total

	other			other		
			(In thousands)			
Beginning balance	$ (32,849)	$ (93,307)	$ (126,156)	$ (18,857)	$ (58,624)	$ (77,481)
Other comprehensive gain (loss) before reclassifications	(1,965)	2,008	43	(308)	(29,497)	(29,805)
Net (gains) losses reclassified from accumulated other comprehensive loss	10,257	(11,836)	(1,579)	(273)		(273)
Net current-period other comprehensive gain (loss)	8,292	(9,828)	(1,536)	(581)	(29,497)	(30,078)
Ending balance	$ (24,557)	$ (103,135)	$ (127,692)	$ (19,438)	$ (88,121)	$ (107,559)

Net losses reclassified from accumulated other comprehensive loss during the six-month period ended September 26, 2014 relating to derivative instruments and other includes $5.8 million attributable to the Company s cash flow hedge instruments which were recognized as a component of cost of sales in the condensed consolidated statement of operations.

During the six-month period ended September 26, 2014, the Company recognized a loss of $11.0 million in connection with the disposition of a manufacturing facility in Western Europe. This loss includes the settlement of unrealized losses of $4.2 million on an insignificant defined benefit plan associated with the disposed facility offset by the release of cumulative foreign currency translation gains of $9.3 million, both of which have been reclassified from accumulated other comprehensive loss during the period. The loss on sale is included in other charges (income), net in the condensed consolidated statement of operations.

Additionally, net gains reclassified from accumulated other comprehensive loss during the six-month period ended September 26, 2014 includes $2.6 million in connection with cumulative translation gains related to the liquidation of a foreign entity, which is included in other charges (income), net in the condensed consolidated statement of operations.

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Substantially all unrealized losses relating to derivative instruments and other, reclassified from accumulated other comprehensive loss for the three-month and six-month periods ended September 27, 2013, was recognized as a component of cost of sales in the condensed consolidated statement of operations, which primarily relate to the Company s foreign currency contracts accounted for as cash flow hedges.

9. TRADE RECEIVABLES SECURITIZATION

The Company sells trade receivables under two asset-backed securitization programs and under an accounts receivable factoring program.

Asset-Backed Securitization Programs

The Company continuously sells designated pools of trade receivables under its Global Asset-Backed Securitization Agreement (the Global Program) and its North American Asset-Backed Securitization Agreement (the North American Program, collectively, the ABS Programs) to affiliated special purpose entities, each of which in turn sells 100% of the receivables to unaffiliated financial institutions. These programs allow the operating subsidiaries to receive a cash payment and a deferred purchase price receivable for sold receivables. Following the transfer of the receivables to the special purpose entities, the transferred receivables are isolated from the Company and its affiliates, and upon the sale of the receivables from the special purpose entities to the unaffiliated financial institutions effective control of the transferred receivables is passed to the unaffiliated financial institutions, which has the right to pledge or sell the receivables. Although the special purpose entities are consolidated by the Company, they are separate corporate entities and their assets are available first to satisfy the claims of their creditors. The investment limits set by the financial institutions are $500.0 million for the Global Program and $225.0 million for the North American Program. Both programs require a minimum level of deferred purchase price receivable to be retained by the Company in connection with the sales.

The Company services, administers and collects the receivables on behalf of the special purpose entities and receives a servicing fee of 0.1% to 0.5% of serviced receivables per annum. Servicing fees recognized during the three-month and six-month periods ended September 26, 2014 and September 27, 2013 were not material and are included in interest and other, net within the condensed consolidated statements of operations. As the Company estimates the fee it receives in return for its obligation to service these receivables is at fair value, no servicing assets and liabilities are recognized.

As of September 26, 2014, approximately $1.1 billion of accounts receivable had been sold to the special purpose entities under the ABS Programs for which the Company had received net cash proceeds of $673.6 million and deferred purchase price receivables of approximately $426.1 million. As of March 31, 2014, approximately $1.2 billion of accounts receivable had been sold to the special purpose entities for which the Company had received net cash proceeds of $729.3 million and deferred purchase price receivables of approximately $470.9 million. The portion of the purchase price for the receivables which is not paid by the unaffiliated financial institutions in cash is a deferred purchase price receivable, which is paid to the special purpose entity as payments on the receivables are collected from account debtors. The deferred purchase price receivable represents a beneficial interest in the transferred financial assets and is recognized at fair value as part of the sale transaction. The deferred purchase price receivables are included in other current assets as of September 26, 2014 and March 31, 2014, and were carried at the expected recovery amount of the related receivables. The difference between the carrying amount of the receivables sold under these programs and the sum of the cash and fair value of the deferred purchase price receivables received at time of transfer is recognized as a loss on sale of the related receivables and recorded in interest and other, net in the condensed consolidated statements of operations and were immaterial for all periods presented.

As of September 26, 2014 and March 31, 2014, the accounts receivable balances that were sold under the ABS Programs were removed from the condensed consolidated balance sheets and the net cash proceeds received by the Company were included as cash provided by operating activities in the condensed consolidated statements of cash flows.

For the six-month periods ended September 26, 2014 and September 27, 2013, cash flows from sales of receivables under the ABS Programs consisted of approximately $2.1 billion and $1.9 billion for transfers of receivables, respectively (of which approximately $76.5 million and $182.7 million, respectively, represented new transfers and the remainder proceeds from collections reinvested in revolving-period transfers).

The following table summarizes the activity in the deferred purchase price receivables account:

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	Three-Month Periods Ended		Six-Month Periods Ended	
	September 26, 2014	September 27, 2013	September 26, 2014	September 27, 2013
	(In thousands)			
Beginning balance	$ 463,124	$ 420,887	$ 470,908	$ 412,357
Transfers of receivables	720,921	983,623	1,499,781	1,866,540
Collections	(757,988)	(846,199)	(1,544,632)	(1,720,586)
Ending balance	$ 426,057	$ 558,311	$ 426,057	$ 558,311

Trade Accounts Receivable Sale Programs

The Company also sold accounts receivables to certain third-party banking institutions. The outstanding balance of receivables sold and not yet collected was approximately $571.5 million and $341.8 million as of September 26, 2014 and March 31, 2014, respectively. For the six-month periods ended September 26, 2014 and September 27, 2013, total accounts receivable sold to certain third party banking institutions was approximately $2.3 billion and $1.2 billion, respectively. The receivables that were sold were removed from the condensed consolidated balance sheets and the cash received is reflected as cash provided by operating activities in the condensed consolidated statements of cash flows.

10. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability. The accounting guidance for fair value establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

Level 1 - Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

The Company has deferred compensation plans for its officers and certain other employees. Amounts deferred under the plans are invested in hypothetical investments selected by the participant or the participant s investment manager. The Company s deferred compensation plan assets are for the most part included in other noncurrent assets on the condensed consolidated balance sheets and primarily include investments in equity securities that are valued using active market prices.

Level 2 - Applies to assets or liabilities for which there are inputs other than quoted prices included within level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets) such as cash and cash equivalents and money market funds; or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

The Company values foreign exchange forward contracts using level 2 observable inputs which primarily consist of an income approach based on the present value of the forward rate less the contract rate multiplied by the notional amount.

The Company s cash equivalents are comprised of bank deposits and money market funds, which are valued using level 2 inputs, such as interest rates and maturity periods. Due to their short-term nature, their carrying amount approximates fair value.

The Company s deferred compensation plan assets also include money market funds, mutual funds, corporate and government bonds and certain convertible securities that are valued using prices obtained from various pricing sources. These sources price these investments using certain market indices and the performance of these investments in relation to these indices. As a result, the Company has classified these investments as level 2 in the fair value hierarchy.

Level 3 - Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company has accrued for certain contingent consideration in connection with its business acquisitions, which is measured at fair value based on internal cash flow models and other inputs. The following table summarizes the activities related to contingent consideration:

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	Three-Month Periods Ended		Six-Month Periods Ended	
	September 26, 2014	September 27, 2013	September 26, 2014	September 27, 2013
	(In thousands)			
Beginning balance	$ 11,300	$ 19,000	$ 11,300	$ 25,000
Additions to accrual	4,500		4,500	
Fair value adjustments		(3,000)		(9,000)
Ending balance	$ 15,800	$ 16,000	$ 15,800	$ 16,000

The Company values deferred purchase price receivables relating to its asset-backed securitization program based on a discounted cash flow analysis using unobservable inputs (i.e., level 3 inputs), which are primarily risk free interest rates adjusted for the credit quality of the underlying creditor. Due to its high credit quality and short term maturity the fair value approximates carrying value. Significant increases in either of the major unobservable inputs (credit spread, risk free interest rate) in isolation would result in lower fair value estimates, however the impact is not meaningful. The interrelationship between these inputs is also insignificant. Refer to note 9 to the condensed consolidated financial statements for a reconciliation of the change in the deferred purchase price receivable during the three-month and six-month periods ended September 26, 2014 and September 27, 2013.

There were no transfers between levels in the fair value hierarchy during the three-month and six-month periods ended September 26, 2014 and September 27, 2013.

Financial Instruments Measured at Fair Value on a Recurring Basis

The following table presents the Company s assets and liabilities measured at fair value on a recurring basis:

	Fair Value Measurements as of September 26, 2014			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Money market funds and time deposits (included in cash and cash equivalents of the condensed consolidated balance sheet)	$	$ 528,169	$	$ 528,169
Deferred purchase price receivable (Note 9)			426,057	426,057
Foreign exchange forward contracts (Note 7)		25,951		25,951
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	9,216	37,245		46,461
Liabilities:				
Foreign exchange forward contracts (Note 7)	$	$ (18,912)	$	$ (18,912)
Contingent consideration in connection with business acquisitions			(15,800)	(15,800)

	Fair Value Measurements as of March 31, 2014			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				

Money market funds and time deposits (included in cash and cash equivalents of the condensed consolidated balance sheet)	$		$	552,928	$		$	552,928
Deferred purchase price receivable (Note 9)						470,908		470,908
Foreign exchange forward contracts (Note 7)				8,186				8,186
Deferred compensation plan assets:								
Mutual funds, money market accounts and equity securities		9,456		36,751				46,207
Liabilities:								
Foreign exchange forward contracts (Note 7)	$		$	(17,406)	$		$	(17,406)
Contingent consideration in connection with business acquisitions						(11,300)		(11,300)

Assets Measured at Fair Value on a Nonrecurring Basis

Assets held for sale are recorded at the lesser of the carrying value or fair value, which is based on comparable sales from prevailing market data (level 2 inputs). As of September 26, 2014 and March 31, 2014, the fair value of assets that were no longer in use and held for sale totaled approximately $3.6 million and $43.5 million, respectively. These assets primarily represent manufacturing facilities that have been closed as part of the Company s historical facility consolidations and that met the criteria to be classified as held for sale. During the six-month period ended September 26, 2014, the Company sold $39.9 million of assets held for sale.

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There were no transfers between levels in the fair value hierarchy for assets held-for-sale during the three-month and six-month periods ended September 26, 2014 and September 27, 2013.

Other financial instruments

The following table presents the Company s debt not carried at fair value:

	As of September 26, 2014		As of March 31, 2014		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Fair Value Hierarchy
			(In thousands)		
Term Loan, including current portion, due in installments through August 2018	$ 600,000	$ 585,750	$ 600,000	$ 591,750	Level 1
Term Loan, including current portion, due in installments through March 2019	493,750	484,803	500,000	497,190	Level 1
4.625% Notes due February 2020	500,000	502,510	500,000	504,688	Level 1
5.000% Notes due February 2023	500,000	505,000	500,000	517,650	Level 1
Total	$ 2,093,750	$ 2,078,063	$ 2,100,000	$ 2,111,278	

The term loans and Notes due February 2020 and February 2023 are valued based on broker trading prices in active markets.

11. RESTRUCTURING CHARGES

The Company completed certain restructuring activities during fiscal year 2014 that were intended to improve its operational efficiencies by reducing excess workforce and capacity and realign the corporate cost structure. Restructuring charges are recorded based upon employee termination dates, site closure and consolidation plans.

During the six-month period ended September 27, 2013, the Company recognized restructuring charges of approximately $40.8 million, of which $35.1 million were recorded as a component of cost of sales and $5.6 million were recorded as a component of selling, general and administrative expenses. Of the total restructuring charges, $32.2 million was associated with the terminations of 5,106 identified employees. The identified employee terminations by reportable geographic region amounted to approximately 3,947 in Asia, 1,105 in the Americas and 54 in Europe. The costs associated with these restructuring activities include employee severance, other personnel costs, non-cash impairment charges on equipment no longer in use and to be disposed of, and other exit related costs due to facility closures or rationalizations. Of the total restructuring charges, $1.9 million were non-cash charges related to the impairment of long-lived assets, and were classified as a component of cost of sales.

The components of the restructuring charges by geographic region incurred during the six-month period ended September 27, 2013 were as follows:

	Americas		Asia		Europe		Total	
			(In thousands)					
Severance	$	11,331	$	16,205	$	4,631	$	32,167
Long-lived asset impairment				1,900				1,900
Other exit costs		2,248		3,157		1,288		6,693
Total restructuring charges	$	13,579	$	21,262	$	5,919	$	40,760

The majority of severance costs were classified as a component of cost of sales.

During the six-month period ended September 27, 2013, the Company recognized approximately $6.7 million of other exit costs, which was primarily comprised of $3.8 million related to personnel costs and $2.9 million of contractual obligations that resulted from facility closures. The majority of these costs were classified as a component of cost of sales.

During the six-month period ended September 26, 2014, the Company paid approximately $25.0 million for restructuring charges. Total restructuring charges accrued as of September 26, 2014 were approximately $17.4 million, of which the majority was classified as a short-term obligation.

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12. BUSINESS AND ASSETS ACQUISITIONS

During the three-month period ended September 26, 2014, the Company completed two acquisitions that were not individually, nor in the aggregate, significant to the consolidated financial position, results of operations and cash flows of the Company. Both of the acquired businesses expanded the Company s capabilities in the medical devices market, particularly precision plastics. The total consideration was paid in cash and amounted to $31.4 million net of $5.6 million of cash held by the acquirees. The Company recorded goodwill of $21.7 million in connection with these acquisitions. The results of operations were included in the Company s consolidated financial results beginning on the date of these acquisitions. Pro-forma results of operations for these acquisitions have not been presented because the effects of the acquisitions were immaterial to the Company s consolidated financial results for all periods presented.

The Company is in the process of evaluating the fair value of the assets and liabilities related to business combinations completed during the recent periods. Additional information, which existed as of the acquisition date, may become known to the Company during the remainder of the measurement period, a period not to exceed 12 months from the date of acquisition. Changes to amounts recorded as assets and liabilities may result in a corresponding adjustment to goodwill during the respective measurement periods.

13. COMMITMENTS AND CONTINGENCIES

Litigation and other legal matters

On December 11, 2013, Xilinx, Inc. (plaintiff) filed a lawsuit in Santa Clara County, California, Superior Court against Flextronics International, Ltd.; Flextronics International USA, Inc.; and Flextronics Corporation (Case No. 113CV257431). The complaint asserts various claims, including fraud, negligent misrepresentation, breach of contract, and unfair competition, based on specific alleged incidents concerning our purchases and sales of Xilinx products. The plaintiff seeks an unspecified amount of compensatory, statutory, punitive, and other forms of damages, injunctive relief, and attorneys fees and costs. The plaintiff also seeks a jury trial. On June 25, 2014, we filed motions for Demurrer and to Strike asking the court to dismiss the claims against us. The court has scheduled a hearing on the motions for December 19, 2014. Although the outcome of this matter is currently not determinable, management expects that any losses that are probable or reasonably possible of being incurred as a result of this matter, which are in excess of amounts already accrued in the Company s condensed consolidated balance sheets, would not be material to the financial statements.

During the six-month period ended September 26, 2014, one of our non-operating Brazilian subsidiaries received an assessment of approximately $100 million related to income and social contribution taxes, interest and penalties. The Company believes there is no legal basis for the assessment and expects that any losses are remote. The Company plans to vigorously defend itself through the administrative and judicial processes.

In addition, from time to time, the Company is subject to legal proceedings, claims, and litigation arising in the ordinary course of business. The Company defends itself vigorously against any such claims. Although the outcome of these matters is currently not determinable, management expects that any losses that are probable or reasonably possible of being incurred as a result of these matters, which are in excess of amounts already accrued in the Company s condensed consolidated balance sheets would not be material to the financial statements as a whole.

14. SHARE REPURCHASES

During the three-month and six-month periods ended September 26, 2014 the Company repurchased 9.3 million shares at an aggregate purchase price of $101.3 million and 19.8 million shares at an aggregate purchase price of $203.4 million, respectively, and retired all of these shares.

Under the Company s current share repurchase program, the Board of Directors authorized repurchases of its outstanding ordinary shares for up to $500 million in accordance with the share repurchase mandate approved by the Company s shareholders at the date of the most recent Extraordinary General Meeting held on August 28, 2014. As of September 26, 2014, shares in the aggregate amount of $456.7 million were available to be repurchased under the current plan.

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15. SUPPLEMENTAL GUARANTOR AND NON-GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

Flextronics International Ltd. (Parent) has two tranches of Notes of $500 million each outstanding, which mature on February 15, 2020 and February 15, 2023, respectively. These Notes are senior unsecured obligations, and are guaranteed, fully and unconditionally, jointly and severally, on an unsecured basis, by certain of the Company s 100% owned subsidiaries (the guarantor subsidiaries). These subsidiary guarantees will terminate upon 1) a sale or other disposition of the guarantor or the sale or disposition of all or substantially all the assets of the guarantor (other than to the Parent or a subsidiary); 2) such guarantor ceasing to be a guarantor or a borrower under the Company s Term Loan Agreement and the Revolving Line of Credit; 3) defeasance or discharge of the Notes, as provided in the Notes indenture; or 4) if at any time the Notes are rated investment grade.

In lieu of providing separate financial statements for the guarantor subsidiaries, the Company has included the accompanying condensed consolidating financial statements, which are presented using the equity method of accounting. The principal elimination entries relate to investment in subsidiaries and intercompany balances and transactions, including transactions with the Company s non-guarantor subsidiaries.

Condensed Consolidating Balance Sheets as of September 26, 2014

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries (in thousands)	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	$ 470,139	$ 321,665	$ 722,548	$	$ 1,514,352
Accounts receivable		1,189,969	1,336,911		2,526,880
Inventories		1,653,596	1,973,044		3,626,640
Inter company receivable	10,094,013	8,128,810	10,142,505	(28,365,328)	
Other current assets	6,577	202,559	1,002,052		1,211,188
Total current assets	10,570,729	11,496,599	15,177,060	(28,365,328)	8,879,060
Property and equipment, net		504,883	1,689,083		2,193,966
Goodwill and other intangible assets, net	625	47,428	365,184		413,237
Other assets	2,495,053	108,349	2,196,815	(4,366,607)	433,610
Investment in subsidiaries	930,357	1,372,617	16,077,482	(18,380,456)	
Total assets	$ 13,996,764	$ 13,529,876	$ 35,505,624	$ (51,112,391)	$ 11,919,873
LIABILITIES AND SHAREHOLDERS EQUITY					
Current liabilities:					
Bank borrowings and current portion of long-term debt	$ 40,000	$ 35	$ 5,544	$	$ 45,579
Accounts payable		1,657,866	3,035,660		4,693,526
Accrued payroll		117,170	264,096		381,266
Inter company payable	9,532,897	11,370,249	7,462,182	(28,365,328)	
Other current liabilities	26,609	825,056	1,084,239		1,935,904
Total current liabilities	9,599,506	13,970,376	11,851,721	(28,365,328)	7,056,275
Long term liabilities	2,092,704	2,091,422	2,703,225	(4,366,607)	2,520,744
Flextronics International Ltd. shareholders equity	2,304,554	(2,531,922)	20,912,378	(18,380,456)	2,304,554

Noncontrolling interests						38,300				38,300
Total shareholders equity		2,304,554		(2,531,922)		20,950,678		(18,380,456)		2,342,854
Total liabilities and shareholders equity	$	13,996,764	$	13,529,876	$	35,505,624	$	(51,112,391)	$	11,919,873

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Condensed Consolidating Balance Sheets as of March 31, 2014

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries (in thousands)	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	$ 638,714	$ 210,462	$ 744,552	$	$ 1,593,728
Accounts receivable		1,203,600	1,494,385		2,697,985
Inventories		1,701,872	1,897,136		3,599,008
Inter company receivable	8,867,520	6,963,002	9,528,158	(25,358,680)	
Other current assets	246	383,590	1,125,769		1,509,605
Total current assets	9,506,480	10,462,526	14,790,000	(25,358,680)	9,400,326
Property and equipment, net		490,166	1,798,490		2,288,656
Goodwill and other intangible assets, net	775	46,916	329,527		377,218
Other assets	2,585,169	120,739	4,692,156	(6,964,114)	433,950
Investment in subsidiaries	3,350,690	822,528	15,965,981	(20,139,199)	
Total assets	$ 15,443,114	$ 11,942,875	$ 37,576,154	$ (52,461,993)	$ 12,500,150
LIABILITIES AND SHAREHOLDERS EQUITY					
Current liabilities:					
Bank borrowings and current portion of long-term debt	$ 32,500	$ 60	$ 15	$	$ 32,575
Accounts payable		1,614,384	3,133,395		4,747,779
Accrued payroll		106,046	248,843		354,889
Inter company payable	8,607,486	10,126,691	6,624,503	(25,358,680)	
Other current liabilities	24,868	756,767	1,739,809		2,521,444
Total current liabilities	8,664,854	12,603,948	11,746,565	(25,358,680)	7,656,687
Long term liabilities	4,615,210	2,140,985	2,849,703	(6,964,114)	2,641,784
Flextronics International Ltd. shareholders equity	2,163,050	(2,802,058)	22,941,257	(20,139,199)	2,163,050
Noncontrolling interest			38,629		38,629
Total shareholders equity	2,163,050	(2,802,058)	22,979,886	(20,139,199)	2,201,679
Total liabilities and shareholders equity	$ 15,443,114	$			