

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

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:
IN RE FLEXTRONICS INTERNATIONAL,
LTD. SECURITIES LITIGATION,
:

:
THIS DOCUMENT RELATES TO:
ALL ACTIONS
:

X

Case No. C-03-2102 PJH
CLASS ACTION

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT,
MOTION FOR ATTORNEYS' FEES AND SETTLEMENT FAIRNESS HEARING**

If you purchased or otherwise acquired Flextronics International, Ltd. ("Flextronics") common stock during the period from and including January 18, 2001, through and including June 4, 2002, you may be entitled to a payment from a class action settlement.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

- The settlement will provide a \$4.25 million settlement fund for the benefit of investors who purchased or otherwise acquired Flextronics common stock during the period from and including January 18, 2001, through and including June 4, 2002, inclusive (the "Class Period").
- The settlement resolves a lawsuit alleging Flextronics, certain of Flextronics's officers and directors, and the underwriters of Flextronics's 2001 and 2002 public offerings misled investors about Flextronics's financial condition and future earnings.
- Your legal rights are affected whether you act, or do not act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to get a payment.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Flextronics and/or the other Defendants or to assert any Released Claims against any of the Released Parties.
OBJECT/GO TO HEARING	Write to the Court, or appear at the Hearing to tell the Court about why you do not like the settlement.
DO NOTHING	Get no payment. Give up rights.

- These rights and options - **and the deadlines to exercise them** - are explained in this Notice.

SUMMARY NOTICE

Statement of Plaintiff Recovery

Pursuant to the settlement described herein, a Settlement Fund consisting of \$4,250,000 in cash, plus interest, has been established by the Defendants. Plaintiffs estimate that there were approximately 303 million shares of Flextronics common stock traded during the Class Period which may have been damaged. Plaintiffs estimate that the average recovery per damaged share of Flextronics common stock under the settlement is \$0.014 per damaged share, before deduction of Court-awarded attorneys' fees and expenses. A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by his, her or its Recognized Claim as compared to the total Recognized Claims of all Class Members who submit acceptable Proofs of Claim.

STATEMENT OF POTENTIAL OUTCOME OF CASE

The parties disagreed on both liability and damages, and do not agree on the average amount of damages per share of Flextronics common stock that would be recoverable if Plaintiffs were to have prevailed on each claim alleged. The Defendants deny that they are liable to the Plaintiffs or the Class and deny that Plaintiffs or the Class have suffered any damages.

Statement of Attorneys' Fees and Costs Sought

Plaintiffs' Co-Lead Counsel are moving the Court to award attorneys' fees not to exceed one-quarter (25%) of the Gross Settlement Fund, and for reimbursement of expenses incurred in connection with the prosecution of this Action in the approximate amount of \$155,000. The requested fees and expenses would amount to an average of \$0.004 per damaged share of Flextronics common stock, in total for fees and expenses. Plaintiffs' Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis, and have advanced the expenses of the litigation, in the expectation that if they were successful in obtaining a recovery for the Class they would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees.

Further Information

Further information regarding the Action and this Notice may be obtained by contacting Plaintiffs' Co-Lead Counsel: Paul D. Young, Esq., Milberg Weiss Bershad & Schulman LLP, One Pennsylvania Plaza, New York, New York 10119, Telephone: (212) 594-5300; David Kessler, Esq. and Benjamin J. Sweet, Esq., Schiffrin & Barroway, LLP, Three Bala Plaza East, Suite 400, Bala Cynwyd, Pennsylvania 19004, Telephone: (610) 667-7706; or Patrice L. Bishop, Esq., Stull, Stull & Brody, 10940 Wilshire Boulevard, Suite 2350, Los Angeles, California 90024, Telephone: (310) 209-2468.

Reasons for the Settlement

The principal reason for the settlement is the benefit to be provided to the Class now compared with the likelihood that this litigation in this Court had very little chance of success, even if plaintiffs were to have appealed the dismissal of the litigation and won. The Court had dismissed plaintiffs' consolidated complaint on November 17, 2003, setting-forth stringent pleading standards for plaintiffs that were impossible for plaintiffs to meet under the circumstances. Plaintiffs nonetheless replied and filed an amended consolidated complaint on January 28, 2004; however, plaintiffs took note of the fact that in every reported decision, the Court had dismissed every securities class action complaint on a motion to dismiss. Accordingly, plaintiffs viewed it likely that the Court would dismiss this litigation in its entirety and with prejudice and that the plaintiff class had very little chance of receiving any recovery whatsoever.

This benefit must be compared to the risk that no recovery might be achieved even after a contested trial and likely appeals, possibly years into the future. The expense of continuing litigation would be substantial. Trial of liability issues alone -- assuming Plaintiffs survived the inevitable summary judgment motions -- would involve significant attorney and expert time, the introduction of voluminous documentary and deposition evidence, the considerable expenditure of judicial resources, and numerous trial-related costs. In a complex class action such as this, those expenditures would significantly reduce any recovery obtained for the Class, even if the plaintiffs could ultimately succeed.

WHAT THIS NOTICE CONTAINS

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BASIC INFORMATION

1. Why did I get this Notice package?

You or someone in your family may have purchased or otherwise acquired Flextronics common stock during the period from and including January 18, 2001, through and including June 4, 2002, inclusive.

The Court directed that this Notice be sent to Class Members because they have a right to know about a proposed settlement of a class action lawsuit, and about all of their options, before the Court decides whether to approve the settlement. If the Court approves it and after objections and appeals are resolved, an administrator appointed by the Court will make the payments that the settlement allows to Class Members who submit acceptable Proof of Claim forms.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Northern District of California, and the case is known as *In re Flextronics International, Ltd. Securities Litigation*, Case No. C-03-2102 PJH. This case was assigned to United States District

Judge Phyllis J. Hamilton. The people who sued are called Plaintiffs, and the company (Flextronics), the individuals (Michael E. Marks, Robert R. B. Dykes, Michael McNamara, Thomas J. Smach, Tsui Sung Lam, Michael J. Moritz, Richard L. Sharp, Patrick Foley and Chuen Fah Alain Ahkong), and the underwriters (Banc of America Securities LLC, Goldman Sachs & Co., Salomon Smith Barney, Thomas Weisel Partners LLC, Bear, Stearns & Co. Inc., Deutsche Bank, Lehman Brothers, and FleetBoston Financial Corp. (as the successor-in-interest to Robertson Stephens)) they sued are called the Defendants.

2. What is this lawsuit about?

Flextronics is a provider of electronics manufacturing services focused on delivering operational services to technology companies. The lawsuit claims that Flextronics and certain of its officers and directors misled investors by disseminating information to the public that was false and misleading and that overstated the profits that the company expected to earn in the future. The lawsuit also alleges that Flextronics, certain of Flextronics's officers and directors, and Flextronics's underwriters misrepresented and omitted material facts in the Registration Statement and Prospectus issued in connection with the February 1, 2001 public offering and in the Registration Statement and Prospectus issued in connection with the January 8, 2002 public offering. The Defendants deny any wrongdoing.

3. Why is this a class action?

The Court has certified this action to proceed as a class action for the purposes of the settlement. In a class action, one or more people called Class Representatives (in this case The Vieyra Family and Optimum Investment Advisors), sue on behalf of people who have similar claims. All these people are a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, both sides agreed to a settlement. That way, they avoid the risks and cost of a trial, and the people allegedly affected will get compensation. The Class Representatives and the attorneys think the settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

To see if you will get money from this settlement, you first have to decide if you are a Class Member.

5. How do I know if I am part of the settlement?

The Court directed that everyone who fits this description is a Class Member: *All persons who purchased or otherwise acquired Flextronics International, Ltd. common stock during the period from and including January 18, 2001, through and including June 4, 2002.*

6. Are there exceptions to being included?

Excluded from the Class are Defendants, any entities in which any defendant has or had a controlling interest, the past or present officers and directors of Defendants, and members of the immediate families of such persons, each Individual Defendant's immediate family, and the legal representatives, heirs, successors, or assigns of any excluded party.

If one of your mutual funds own shares of Flextronics common stock, that alone does not make you a Class Member. You are a Class Member only if you purchased or otherwise acquired the Flextronics common stock yourself. Contact your broker to see if you purchased or otherwise acquired Flextronics common stock.

If you sold Flextronics common stock during the period from and including January 18, 2001, through and including June 4, 2002, inclusive, that alone does not make you a Class Member. You are a Class Member only if you purchased or otherwise acquired Flextronics common stock during the period from and including January 18, 2001, through and including June 4, 2002, inclusive.

7. I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can call (800) 326-5722 or visit www.gardencitygroup.com for more information. Or you can fill out and return the claim form described on page 4, in question 10, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What does the settlement provide?

Flextronics has agreed to create a \$4.25 million fund for the benefit of all Class Members who send in valid Proof of Claim forms.

9. How much will my payment be?

Your share of the fund will depend on the total amount of Recognized Claims represented by the valid Proof of Claim forms that Class Members send in, how many shares of Flextronics common stock you bought, and when and at what prices you bought and sold them. The proposed Plan of Allocation is set forth at the end of this Notice.

By following the instructions on pages 6 and 7 of this Notice, you can calculate what is called your Recognized Claim. It's unlikely that you will get a payment for all of your Recognized Claim. After all Class Members have sent in their Proof of Claim forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Claim divided by the total of everyone's Recognized Claims. See the instructions on page 7 for more information on your Recognized Claim.

HOW YOU GET A PAYMENT — SUBMITTING A CLAIM FORM

10. How can I get a payment?

To qualify for a payment, you must send in a valid Proof of Claim form. A Proof of Claim form is being circulated with this Notice. You may also get a Proof of Claim form on the Internet at www.gardencitygroup.com. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it postmarked no later than **November 16, 2004**.

11. When would I get my payment?

The Court will hold a hearing on **October 27, 2004**, to decide whether to approve the proposed settlement. If the Court approves the settlement after that, there may be appeals. It's always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Even if there are no appeals, it will take a significant amount of time to process the Proof of Claim forms submitted by the Class Members. Please be patient.

12. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you are staying in the class, and that means that, if the settlement is approved, you will release all "Released Claims" (as defined below) against the "Released Parties" (as defined below).

"Released Claims" means and includes any and all claims, causes of action, rights, demands, liabilities, and suits, including "Unknown Claims" (as defined in the Stipulation of Settlement), that have been or could have been asserted on behalf of the Class by the Lead Plaintiffs, or any Class Members, against Defendants based upon, arising out of, or in any way relating both to: (1) any purchase or sale of Flextronics common stock by Lead Plaintiffs or any Class Member during the Class Period; and to (2) any fact, transaction, event, occurrence, act, failure to act, omission, misrepresentation, or other matter, alleged or otherwise referred to in the Action, including without limitation claims for common law fraud, negligent misrepresentation, negligence, conspiracy to commit fraud, aiding and abetting fraud, aiding and abetting negligent misrepresentation, and violations of the federal securities laws. "Released Parties" means Defendants and their current and former directors, officers, employees, attorneys, accountants, agents, insurers, co-insurers, and re-insurers.

"Released Parties" means each and all of the Defendants and their respective Related Parties (as defined in the Stipulation of Settlement).

If you remain a member of the Class, all of the Court's orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this settlement, but you want to keep the right to sue or continue to sue Flextronics and/or the other Defendants or to assert any Released Claims against any of the Released Parties on your own, then you must take steps to get out of the Class. This is called excluding yourself — or is sometimes referred to as "opting out" of the Class. Defendants may withdraw from and terminate the settlement if in excess of a certain amount of claimants exclude themselves from the Class.

13. How do I get out of the proposed settlement?

To exclude yourself from the settlement Class, you must send a letter by mail stating that you "request exclusion from the Class in *In re Flextronics International, Ltd. Securities Litigation*, Case No. C-03-2102 PJH." Your letter must be signed by you and any joint purchasers and should include the date(s), price(s), and number(s) of shares of all purchases and sales of Flextronics common stock you made during the Class Period. Please be sure to include your name, address, and telephone number. You must mail your exclusion request postmarked no later than **October 5, 2004** to:

Flextronics International, Ltd. Securities Litigation
c/o The Garden City Group, Inc.
Exclusions
P.O. Box 9000 #6246
Merrick, NY 11566-9000

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) Defendants in the future.

14. If I do not exclude myself, can I sue Defendants or any of the Released Parties for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue Defendants and the other Released Parties for any and all Released Claims. If you have a pending lawsuit speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is **October 5, 2004**.

15. If I exclude myself, can I get money from the proposed settlement?

No. If you exclude yourself, do not send in a Proof of Claim form to ask for any money. But, you may sue, continue to sue, or be part of a different lawsuit against Defendants and the other Released Parties.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court ordered that the law firms of Milberg Weiss Bershad & Schulman LLP in New York, New York, Schiffrin & Barroway, LLP in Bala Cynwyd, Pennsylvania, and Stull, Stull & Brody in Los Angeles, California, will represent you and the other Class Members. These lawyers are called Plaintiffs' Co-Lead Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Plaintiffs' Co-Lead Counsel are moving the Court to award attorneys' fees from the Settlement Fund in an amount not greater than one-quarter (25%) of the Gross Settlement Fund and for reimbursement of their expenses up to a maximum amount of \$155,000. Plaintiffs' Co-Lead Counsel, without further notice to the Class, may subsequently apply to the Court for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class and any proceedings subsequent to the Settlement Fairness Hearing.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the proposed settlement or some part of it.

18. How do I tell the Court that I do not like the proposed settlement?

If you are a Class Member, you can object to the proposed settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. You may appear in person at the Hearing to express your views and/or you may submit a written objection. To submit a written objection you may send a signed letter saying that you object to the proposed settlement in *In re Flextronics International, Ltd. Securities Litigation*, Case No. C-03-2102 PJH. Written objections must include your name, address and telephone number; must list all of your purchases and sales of Flextronics common stock during the Class Period, and must include proof of those transactions and state the reasons you object to the proposed settlement. Mail the objection to each of the following addresses, postmarked no later than **October 5, 2004**:

COURT	CO-LEAD COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court for the Northern District of California United States Courthouse 16 th Floor 450 Golden Gate Avenue San Francisco, CA 94102	Paul D. Young, Esq. Milberg Weiss Bershad & Schulman LLP One Pennsylvania Plaza New York, NY 10119 David Kessler, Esq. Benjamin J. Sweet, Esq. Schiffrin & Barroway, LLP Three Bala Plaza East Suite 400 Bala Cynwyd, PA 19004 Patrice L. Bishop, Esq. Stull, Stull & Brody 10940 Wilshire Boulevard Suite 2350 Los Angeles, CA 90024	Jordan Eth, Esq. Morrison & Foerster LLP 425 Market Street San Francisco, CA 94105-2482 Michael J. Shepard, Esq. Heller Ehrman White & McAuliffe LLP 333 Bush Street San Francisco, CA 94104-2878

19. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the proposed settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the proposed settlement. You may attend and you may ask to speak, but you do not have to.

20. When and where will the Court decide whether to approve the proposed settlement?

The Court will hold a Fairness Hearing at 9:00 a.m. on **October 27, 2004**, at the United States District Court for the Northern District of California, United States Courthouse, Courtroom 3, 17th Floor, 450 Golden Gate Avenue, San Francisco, California 94102. At this hearing the Court will consider whether the proposed settlement is fair, reasonable and adequate. If there are objections, the Court will

consider them. The Court will listen to people who ask to speak at the hearing. The Court will also consider written objections. After the hearing, the Court will decide whether to approve the settlement, and, if the settlement is approved, how much to pay to Plaintiffs' Counsel. We do not know how long these decisions will take.

21. Do I have to come to the hearing?

No. Plaintiffs' Co-Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send a written objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

22. May I speak at the hearing?

Any Class Member who wishes to be heard at the Hearing, regardless of whether he, she or it has filed a written objection, will be given that opportunity.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you will get no money from this settlement. But, if the settlement is approved, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, be part of any other lawsuit or assert any Released Claims against Flextronics or any of the Released Parties ever again.

GETTING MORE INFORMATION

24. Are there more details about the proposed settlement?

This Notice summarizes the proposed settlement. More details are in a Stipulation of Settlement dated July 21, 2004 (the "Stipulation of Settlement"). You can get a copy of the Stipulation of Settlement by writing to Paul D. Young, Esq., Milberg Weiss Bershad & Schulman LLP, One Pennsylvania Plaza, New York, New York 10119, David Kessler, Esq. and Benjamin J. Sweet, Esq., Schiffrin & Barroway, LLP, Three Bala Plaza East, Suite 400, Bala Cynwyd, Pennsylvania 19004, or Patrice L. Bishop, Esq., Stull, Stull & Brody, 10940 Wilshire Boulevard, Suite 2350, Los Angeles, California 90024; or by visiting www.gardencitygroup.com.

You also can call the Claims Administrator at (800) 326-5722 toll free; write to Flextronics International, Ltd. Securities Litigation, c/o The Garden City Group, Inc., Claims Administrator, P.O. Box 9000 #6246, Merrick, New York, 11566-9000; or visit the website at www.gardencitygroup.com, where you will find answers to common questions about the settlement, a Proof of Claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

25. How do I get more information?

For even more detailed information concerning the matters involved in this Action, reference is made to the pleadings, to the Stipulation of Settlement, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Clerk's Office of the United States District Court for the Northern District of California, United States Courthouse, 16th Floor, 450 Golden Gate Avenue, San Francisco, California 94102, during regular business hours.

PROPOSED PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The \$4,250,000 Settlement Amount and the interest earned thereon shall be the Gross Settlement Fund. The Gross Settlement Fund, less all taxes, approved costs, fees and expenses (the "Net Settlement Fund") shall be distributed to members of the Class who submit acceptable Proofs of Claim ("Authorized Claimants").

The Claims Administrator shall determine each Authorized Claimant's pro rata share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

The following proposed Plan of Allocation reflects the proposition that the price of Flextronics common stock was artificially inflated during the Class Period commencing on January 18, 2001, which artificial inflation allegedly fluctuated with disclosures made by Flextronics on April 24, 2001, January 23, 2002, April 25, 2002 and June 3-4, 2002 at the end of the Class Period after which there was no further alleged artificial inflation in the price of Flextronics common stock. Plaintiffs' damage experts contended that the prices of Flextronics common stock were artificially inflated by the following percentages during the Class Period:

- January 18, 2001 through April 24, 2001 -- 1.7%
- April 25, 2001 through January 23, 2002 -- 1.8%
- January 24, 2002 through April 25, 2002 -- 5.3%
- April 26, 2002 through June 3, 2002 -- 8.6%

"Recognized Claims" will be calculated for purposes of the Settlement as follows:

(i) For shares of Flextronics common stock purchased during the period January 18, 2001 through April 24, 2001, inclusive, and

(a) Sold at a loss on or before the close of trading on April 24, 2001, an Authorized Claimant's "Recognized Claim" shall mean 1.7% of the purchase price paid (including commissions, etc.) (the "PPP") less 1.7% of the sales proceeds received (net of commissions, etc.) (the "SPR") (provided the difference is a positive number, if the difference is a negative number there is no Recognized Claim from that transaction);

(b) Sold at a loss during the period April 25, 2001 through January 23, 2002, an Authorized Claimant's "Recognized Claim" shall mean 1.7% of the PPP minus 1.8% of the SPR (provided the difference is a positive number, if the difference is a negative number there is no Recognized Claim from that transaction);

(c) Sold at a loss during the period January 24, 2002 through April 25, 2002, an Authorized Claimant's "Recognized Claim" shall mean 1.7% of the PPP minus 5.3% of the SPR (provided the difference is a positive number, if the difference is a negative number there is no Recognized Claim from that transaction);

(d) Sold at a loss during the period April 26, 2002 through June 3, 2002, an Authorized Claimant's "Recognized Claim" shall mean 1.7% of the PPP minus 8.6% of the SPR (provided the difference is a positive number, if the difference is a negative number there is no Recognized Claim from that transaction);

(e) Held as of the close of trading on June 3, 2002, an Authorized Claimant's "Recognized Claim" shall mean 1.7% of the PPP.

(ii) For shares of Flextronics common stock purchased during the period April 25, 2001 through January 23, 2002, and

(a) Sold at a loss during the period April 25, 2001 through January 23, 2002, an Authorized Claimant's "Recognized Claim" shall mean 1.8% of the PPP minus 1.8% of the SPR (provided the difference is a positive number, if the difference is a negative number there is no Recognized Claim from that transaction);

(b) Sold at a loss during the period January 24, 2002 through April 25, 2002, an Authorized Claimant's "Recognized Claim" shall mean 1.8% of the PPP minus 5.3% of the SPR (provided the difference is a positive number, if the difference is a negative number there is no Recognized Claim from that transaction);

(c) Sold at a loss during the period April 26, 2002 through June 3, 2002, an Authorized Claimant's "Recognized Claim" shall mean 1.8% of the PPP minus 8.6% of the SPR (provided the difference is a positive number, if the difference is a negative number there is no Recognized Claim from that transaction);

(d) Held as of the close of trading on June 3, 2002 an Authorized Claimant's "Recognized Claim" shall mean 1.8% of the PPP.

(iii) For shares of Flextronics common stock purchased during the period January 24, 2002 through April 25, 2002, and

(a) Sold at a loss during the period January 24, 2002 through April 25, 2002, an Authorized Claimant's "Recognized Claim" shall mean 5.3% of the PPP minus 5.3% of the SPR (provided the difference is a positive number, if the difference is a negative number there is no Recognized Claim from that transaction);

(b) Sold at a loss during the period April 26, 2002 through June 3, 2002, an Authorized Claimant's "Recognized Claim" shall mean 5.3% of the PPP minus 8.6% of the SPR (provided the difference is a positive number, if the difference is a negative number there is no Recognized Claim from that transaction);

(c) Held as of the close of trading on June 3, 2002, an Authorized Claimant's "Recognized Claim" shall mean 5.3% of the PPP.

(iv) For shares of Flextronics common stock purchased during the period April 26, 2002 through June 3, 2002, and

(a) Sold at a loss during the period April 26, 2002 through June 3, 2002, an Authorized Claimant's "Recognized Claim" shall mean 8.6% of the PPP minus 8.6% of the SPR (provided the difference is a positive number, if the difference is a negative number there is no Recognized Claim from that transaction);

(b) Held as of the close of trading on June 3, 2002, an Authorized Claimant's "Recognized Claim" shall mean 8.6% of the PPP.

Each Authorized Claimant shall be allocated a pro rata share of the Net Settlement Fund based on his, her or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants.

Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds. Class Members who do not either submit a request for exclusion or submit an acceptable Proof of Claim will nevertheless be bound by the settlement and the Order and Final Judgment of the Court dismissing this Action.

Sales during the Class Period will be matched first against any prior holdings and then against purchases during the Class Period on a First-In-First-Out basis.

To the extent a Claimant had a gain from his, her or its overall transactions in Flextronics common stock during the Class Period, the value of the Recognized Claim will be zero. To the extent that a Claimant suffered an overall loss on his, her or its overall transactions in Flextronics common stock during the Class Period, but that loss was less than the Recognized Claim calculated above, then the Recognized Claim shall be limited to the amount of the actual loss.

For purposes of determining whether a Claimant had a gain from his, her or its overall transactions in Flextronics common stock during the Class Period or suffered a loss, the Claims Administrator shall: (i) total the amount paid for all Flextronics common stock purchased or otherwise acquired during the Class Period by the claimant (the "Total Purchase Amount"); (ii) match any sales of Flextronics common stock during the Class Period first against the Claimant's opening position in the common stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (iii) total the amount received for sales of the remaining Flextronics common stock sold during the Class Period (the "Sales Proceeds"); (iv) ascribe a \$8.47 per share holding value for Flextronics common stock purchased or otherwise acquired during the Class Period and still held at the end of the Class Period ("Holding Value"). The difference between (i) the Total Purchase Amount and the (ii) sum of the Sales Proceeds and Holding Value, will be deemed a Claimant's gain or loss on his, her or its overall transactions in Flextronics common stock during the Class Period.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the settlement. If any funds remain in the Net Settlement Fund by reason of un-cashed checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed to Class Members who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Co-Lead Counsel.

**SPECIAL NOTICE TO
SECURITIES BROKERS AND OTHER NOMINEES**

If you purchased or otherwise acquired Flextronics common stock during the period from January 18, 2001, through and including June 4, 2002, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased or otherwise acquired such security during such time period or (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within seven (7) days mail the Notice and Proof of Claim form directly to the beneficial owners of the securities referred to herein. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Flextronics International, Ltd. Securities Litigation
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9000 #6246
Merrick, NY 11566-9000
(800) 326-5722

Dated: San Francisco, California
August 25, 2004

By Order of the Court
CLERK OF THE COURT