

Solectron UK Limited

**Directors' report and consolidated
financial statements**

Registered number 02843090

30 August 2002



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 August 2002. On 15 February 2002 the company changed its name from Smart Modular Technologies (UK) Limited to Solectron UK Limited.

Principal activity

The company is a holding company. During the year it acquired the remaining shares in Solectron Scotland Limited from a fellow subsidiary company and Solectron Scotland Limited therefore became a subsidiary undertaking with effect from May 2002.

Business review

There was continued restructuring of the Group during 2002 which is reflected in the financial statements. Towards the end of the financial year, our facility in Carrickfergus was closed and the operations merged into the Dunfermline site. Although there has been some further restructuring during 2003, it is less significant than in 2002.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend and propose that the retained loss for the year of £39,332,000 be transferred to reserves.

Research and development

The group engages in the development of interconnect technology and world class manufacturing processes.

Directors and directors' interests

The directors who held office during the year were as follows:

D Kynaston (resigned 25 February 2002)
A Shah (resigned 25 February 2002)
R Aeschliman (appointed 25 February 2002)
W Mitchell (appointed 25 February 2002; resigned 3 February 2003)

The directors who held office at 30 August 2002 did not hold any beneficial interest in the issued share capital of the company during the period.

Interests of the directors of the ultimate parent company, Solectron Corporation, are shown in that company's financial statements.

Employees

Applications for employment of disabled persons are always fully considered, bearing in mind the respective attitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the company's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of a person who is fortunate not to suffer from a disability.

It is group policy to keep employees informed regarding the achievements and prospects of the group. In particular team briefing is in operation at the trading company's locations.

Directors' report *(continued)*

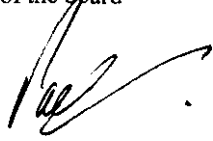
Political and charitable contributions

The group made no political contributions during the year. Donations to UK charities amounted to £6,727.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



P O'Hare
Secretary

100 New Bridge Street
London
27 February 2004

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

kpmg

KPMG LLP

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

Report of the independent auditors to the members of Solectron UK Limited

We have audited the financial statements on pages 5 to 19.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 August 2002 and the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

8 March 2004

Consolidated profit and loss account
for the year ended 30 August 2002


	<i>Note</i>	2002 £000	2001 £000
Turnover	2	95,144	-
Cost of sales		84,911	-
Gross profit		10,233	-
Distribution costs		(4,698)	-
Administrative expenses		(14,488)	-
Other operating expenses		(1,943)	-
Operating loss		(10,896)	-
Impairment of goodwill	10	(38,394)	-
Interest receivable and similar income	6	892	-
Interest payable and similar charges	7	(2,905)	-
Waiver of group indebtedness	8	11,971	(3,876)
Loss on ordinary activities before taxation	3	(39,332)	(3,876)
Tax on loss on ordinary activities	9	-	-
Retained loss for the financial year		(39,332)	(3,876)
Retained loss brought forward		(4,428)	(552)
Retained loss carried forward		(43,760)	(4,428)

There are no recognised gains or losses other than the loss for the current and previous financial years.

Consolidated balance sheet
at 30 August 2002

	Note	2002 £000	2001 £000
Fixed assets			
Tangible assets	11	25,148	-
Investments	12	-	96,359
		<u>25,148</u>	<u>96,359</u>
Current assets			
Stocks	13	58,119	-
Debtors	14	63,066	-
Cash at bank and in hand		42,812	-
		<u>163,997</u>	<u>-</u>
Creditors: amounts falling due within one year	15	<u>(104,130)</u>	<u>(52,882)</u>
Net current assets/(liabilities)		<u>59,867</u>	<u>(52,882)</u>
Total assets less current liabilities		<u>85,015</u>	<u>43,477</u>
Creditors: amounts falling due after more than one year	16	(8,609)	-
Provisions for liabilities and charges	17	(3,930)	-
		<u>72,476</u>	<u>43,477</u>
Net assets		<u>72,476</u>	<u>43,477</u>
Capital and reserves			
Called up share capital	18	-	-
Capital contribution	19	116,236	47,905
Profit and loss account	19	(43,760)	(4,428)
		<u>72,476</u>	<u>43,477</u>
Equity shareholders' funds	20	<u>72,476</u>	<u>43,477</u>

These financial statements were approved by the board of directors on 27 February 2004 and were signed on its behalf by:


X 
Warren Ligan
Director

February 27, 2004.

Company balance sheet
at 30 August 2002

	<i>Note</i>	2002 £000	2001 £000
Fixed assets			
Investments	12	114,627	96,359
Creditors: amounts falling due within one year	15	(42,151)	(52,882)
Net assets		<u>72,476</u>	<u>43,477</u>
Capital and reserves			
Called up share capital	18	-	-
Capital contribution	19	116,236	47,905
Profit and loss account	19	(43,760)	(4,428)
Equity shareholders' funds	20	<u>72,476</u>	<u>43,477</u>

These financial statements were approved by the board of directors on 27 February 2004 and were signed on its behalf by:


Warren Ligan

Director

February 27, 2004.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements. The group has adopted FRS 19 'Deferred tax' in these financial statements. The group has followed the transitional arrangements of FRS 17 'Retirement benefits' in these financial statements.

The group's financial reporting year consists of either 52 or 53 week periods ending on the last Friday in August. The current year's results cover the 52 week period ended 30 August 2002 (*2001 - 53 week period ended 31 August 2001*).

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As 100% of the company's voting rights are controlled within the group headed by Solectron Corporation, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Solectron Corporation, within which this company is included, can be obtained from the address given in note 23.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 August 2002. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under section 230(4) of the Companies Act 1985 the company is exempt from the requirement to present its own profit and loss account.

Goodwill and negative goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life. Provision for impairment is made when considered necessary.

Negative goodwill arising on business combinations is included within fixed assets and released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	2% per annum
Installations	-	5% per annum
Plant and machinery	-	20%-50% per annum

No depreciation is provided on freehold land or assets under construction.

Notes *(continued)*

1 **Accounting policies** *(continued)*

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Government grants

Government grants are included within deferred income in the balance sheet and credited to profit and loss account over the estimated useful economic lives of the assets to which they relate.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The company operates a defined benefits and a defined contribution pension scheme. The assets of the schemes are held separately from those of the company.

Contributions to the defined benefits scheme are charged to the profit and loss account in accordance with the advice of an independent actuary so as to spread the cost of pensions over employees' working lives with the company.

Contributions in respect of the defined contribution scheme are charged to the profit and loss account as incurred.

Research and development expenditure

Expenditure on research and development is written off against profits in the year in which it is incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value. For work in progress cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

Notes *(continued)*

2 Analysis of turnover and profit on ordinary activities before taxation

All turnover and profit on ordinary activities before taxation relate to the company's principal activity.

	2002 £000	2001 £000
<i>Turnover by geographical market</i>		
United Kingdom	64,992	-
Rest of Europe	24,643	-
Americas	2,786	-
Asia/Pacific	2,723	-
	<hr/> 95,144 <hr/>	<hr/> - <hr/>

3 Loss on ordinary activities before taxation

	2002 £000	2001 £000
<i>Loss on ordinary activities before taxation is stated after charging/(crediting):</i>		

Auditors' remuneration:		
Audit	23	-
Other services	27	-
Depreciation	2,922	-
Hire of plant and machinery	137	-
Hire of other assets	75	-
Research and development expenditure	37	-
Government grants	(123)	-
	<hr/> (123) <hr/>	<hr/> - <hr/>

4 Remuneration of directors

None of the directors received any emoluments during the year.

5 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees 2002	2001
Production	251	-
Sales and marketing	2	-
Administration	228	5
	<hr/> 481 <hr/>	<hr/> 5 <hr/>

Notes *(continued)*

5 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	2002 £000	2001 £000
Wages and salaries	10,888	-
Social security costs	980	-
Pension costs: defined benefits scheme	32	-
defined contribution scheme	240	-
	<hr/> 12,140 <hr/>	<hr/> - <hr/>

6 Interest receivable and similar income

	2002 £000	2001 £000
Bank interest	892	-
	<hr/>	<hr/>

7 Interest payable and similar charges

	2002 £000	2001 £000
On bank overdraft	428	-
To group companies	1,237	3,876
On all other loans	1,240	-
	<hr/> 2,905 <hr/>	<hr/> 3,876 <hr/>

8 Waiver of group indebtedness

During the year £7,000,000 of the outstanding principal of a loan from a fellow group company was waived. In addition accrued interest on loans from a group company totalling £4,971,000 was waived.

9 Tax on loss on ordinary activities

Analysis of charge in period

	2002 £000	2001 £000
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Deferred tax	-	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	-	-
	<hr/>	<hr/>

Notes (continued)

9 Tax on loss on ordinary activities (continued)

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2001: *higher*) than the standard rate of corporation tax in the UK (30%, 2001: 30%). The differences are explained below.

	2002 £000	2001 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(8,698)	(3,876)
	<hr/>	<hr/>
Current tax at 30% (2001: 30%)	(2,609)	(1,163)
	<hr/>	<hr/>
<i>Effects of:</i>		
Tax losses carried forward	2,609	1,163
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

Factors that may affect future tax charges

The company has tax losses available for carry forward against future profits. Due to uncertainty over future profitability no deferred tax asset has been recognised in respect of these losses.

10 Intangible fixed assets

	Goodwill £000
<i>Cost</i>	
On acquisition of subsidiary	38,394
Impairment of goodwill	(38,394)
	<hr/>
At end of year	-
	<hr/>

The goodwill arising on the acquisition of Solectron Scotland Limited is considered to be impaired due to the losses incurred by the subsidiary since its acquisition.

Notes (continued)

11 Tangible fixed assets - group

	Freehold land and buildings £000	Plant and machinery £000	Assets in course of construction £000	Total £000
<i>Cost</i>				
At 31 August 2001	-	-	-	-
On acquisition of subsidiary	8,741	19,097	-	27,838
Additions	-	-	232	232
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 August 2002	8,741	19,097	232	28,070
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation</i>				
At 31 August 2001	-	-	-	-
Charge for year	213	2,709	-	2,922
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 August 2002	213	2,709	-	2,922
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 August 2002	8,528	16,388	232	25,148
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2001	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Land and buildings includes land amounting to £475,000 (2001: £nil).

12 Fixed asset investments

	Shares in group undertakings £000
<i>Cost</i>	
At beginning of year	96,359
Additions	68,331
	<hr/>
At end of year	164,690
	<hr/>
<i>Amounts written off</i>	
At beginning of year	-
Written off during the year	50,063
	<hr/>
At end of year	50,063
	<hr/>
<i>Net book value</i>	
At end of year	114,627
	<hr/>
At beginning of year	96,359
	<hr/>

Notes *(continued)*

12 Fixed asset investments *(continued)*

At 31 August 2002 the company owned 100% (2001: 46%) of the ordinary shares in Solectron Scotland Limited which is incorporated in Scotland. The principal activity of Solectron Scotland Limited is the assembly of printed circuit boards, including new product introduction.

13 Stocks

	Group 2002 £000
Raw materials and consumables	45,760
Work in progress	3,562
Finished goods	8,797
	<hr/> 58,119 <hr/>

14 Debtors

	Group 2002 £000
Trade debtors	43,150
Amounts owed by parent and fellow subsidiary undertakings	12,025
Other debtors	5,319
Corporation tax recoverable	1,995
Prepayments and accrued income	577
	<hr/> 63,066 <hr/>

15 Creditors: amounts falling due within one year

	Group 2002 £000	2001 £000	Company 2002 £000	2001 £000
Trade creditors	28,457	-	-	-
Amounts owed to parent and fellow subsidiary undertakings	71,267	52,882	42,151	52,882
Other taxes and social security	973	-	-	-
Other creditors	22	-	-	-
Accruals and deferred income	3,411	-	-	-
	<hr/> 104,130 <hr/>	<hr/> 52,882 <hr/>	<hr/> 42,151 <hr/>	<hr/> 52,882 <hr/>

Notes *(continued)*

16 Creditors: amounts falling due after more than one year

	Group 2002 £000
Amounts owed to parent undertaking	8,609

Solectron Scotland Limited has entered into a Subordination Agreement between itself, Solectron Corporation and The Royal Bank of Scotland plc. Under the terms of this agreement Solectron Corporation will postpone and subordinate the first £12,000,000 of any current or future indebtedness of Solectron Scotland Limited to Solectron Corporation until such time that Solectron Scotland Limited's indebtedness to The Royal Bank of Scotland plc has been repaid in full.

17 Provisions for liabilities and charges

	Restructuring £000
<i>Group</i>	
At 31 August 2001	-
Arising on acquisition of subsidiary	3,930
At 30 August 2002	3,930

The company has a deferred tax asset due to accelerated capital allowances and other short term timing differences and losses carried forward. This is not recognised as there is uncertainty over future use of this asset.

18 Called up share capital

	2002 £	2001 £
<i>Authorised</i>		
100 Ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
2 (2001: 2) Ordinary shares of £1 each	2	2

Notes (continued)

19 Reserves

	Capital contribution £000	Profit and loss account £000
<i>Group</i>		
At 31 August 2001	47,905	(4,428)
Received during the year	68,331	-
Retained loss for the year		(39,332)
	<hr/>	<hr/>
At 30 August 2002	116,236	(43,760)
	<hr/>	<hr/>
	Capital contribution £000	Profit and loss account £000
<i>Company</i>		
At 31 August 2001	47,905	(4,428)
Received during the year	68,331	-
Retained loss for the year	-	(39,332)
	<hr/>	<hr/>
At 30 August 2002	116,236	(43,760)
	<hr/>	<hr/>

20 Reconciliation of movements in shareholders' funds

	2002 £000	2001 £000
<i>Group</i>		
Opening shareholders' funds	43,477	47,353
Loss for the financial year	(39,332)	(3,876)
Capital contribution received	68,331	-
	<hr/>	<hr/>
Closing shareholders' funds	72,476	43,477
	<hr/>	<hr/>
	2002 £000	2001 £000
<i>Company</i>		
Opening shareholders' funds	43,477	47,353
Loss for the financial year	(39,332)	(3,876)
Capital contribution received	68,331	-
	<hr/>	<hr/>
Closing shareholders' funds	72,476	43,477
	<hr/>	<hr/>

21 Pensions

The group operates a defined benefits pension scheme and a defined contribution scheme. Contributions amounting to £104,000 (2001: £nil) were payable to the scheme and are included in creditors.

The defined benefits scheme was closed to new entrants on 1 January 1995.

The defined benefits scheme provides benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of valuations using the attained age method of valuation.

Notes (continued)

21 Pensions (continued)

The most recent valuation of the scheme was at 1 January 2000. The assumptions which have the most significant effect on the results of the valuation were that investment returns would be 8% per annum, dividend growth would be 3% per annum, salary increases would average 6% per annum and future pensions increase at the rate of 3.5% per annum.

The market value of the scheme's assets was £11,039,000 at 1 January 2000 and this represented 112% of the benefits that had accrued to members at that date, after allowing for expected future increases in earnings.

Whilst the company continues to account for pension costs in accordance with Statement of Standard Accounting Practice 24 'Accounting for Pension costs' under FRS 17 'Retirement benefits' the following transitional disclosures are required:

The valuation was updated by the actuary on an FRS 17 basis as 30 August 2002.

The major assumptions used by the actuary in this valuation were:

	2002
Rate of increase in salaries	3.75%
Rate of increase in pensions in payment	2.25%
Rate of increase of deferred pensions	2.50%
Discount rate applied to scheme liabilities	5.75%
Inflation assumption	2.50%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Scheme assets

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Long term rate of return 30 August 2002	Value at 30 August 2002 £000
Equities	8.5%	6,684
Bonds	5.0%	1,144
Other	5.0%	395
		<hr/> 8,223
Present value of scheme liabilities		(12,005)
		<hr/>
Deficit in the scheme – Pension liability		(3,782)
Related deferred tax asset		1,135
		<hr/>
Net pension liability		(2,647)
		<hr/>

The amount of this net pension liability would have a consequential effect on reserves.

Notes (continued)

21 Pensions (continued)

Movement in deficit during the year

2002
£000

Deficit in scheme at beginning of year	(2,064)
Current service cost	(199)
Contributions paid	160
Other finance income	10
Actuarial loss	(1,689)

Deficit in the scheme at the end of year	(3,782)
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If FRS 17 had been fully adopted in these financial statements the pension costs for defined benefit schemes would have been:

Analysis of other pension costs charged in arriving at operating loss

2002
£000

Current service cost	199
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Analysis of amounts included in other finance income

2002
£000

Expected return on pension scheme assets	684
Interest on pension scheme liabilities	(674)
	10

Analysis of amount recognised in statement of total recognised gains and losses

	2002 %	2002 £000
Actual return less expected return on scheme assets		(2,143)
Percentage of year end scheme assets	26.1	
Experience gains and losses arising on scheme liabilities		454
Percentage of present value of year end scheme liabilities	3.8	
Actuarial loss recognised in statement of total recognised gains and losses		(1,689)
Percentage of present value of year end scheme liabilities	14.1	

Notes (continued)

22 Commitments - Group

- (a) Capital commitments at the end of the financial year for which no provision has been made, are as follows:

	2002 £000	2001 £000
Contracted	440	-

- (b) Annual commitments under non-cancellable operating leases are as follows:

	2002		2001	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operates leases which expire:				
Within one years	-	-	-	-
In the second to fifth inclusive	225	1,696	-	-
Over five years	-	-	-	-
	<u>225</u>	<u>1,696</u>	<u>225</u>	<u>-</u>

23 Ultimate parent company

The company is a subsidiary undertaking of Solectron Europe BV which is incorporated in The Netherlands. The ultimate parent company is Solectron Corporation.

The smallest and largest group in which the results of the company are consolidated is that headed by Solectron Corporation which is incorporated in the United States of America. The consolidated accounts of this company are available to the public and may be obtained from Solectron Corporation, 777 Gibraltar Drive, Milpitas, California 95035.