
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)
May 5, 2014

Fabrinet

(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction
of incorporation)

001-34775
(Commission
File Number)

Not Applicable
(IRS Employer
Identification No.)

c/o Intertrust Corporate Services (Cayman) Limited
190 Elgin Avenue
George Town
Grand Cayman
KY1-9005
Cayman Islands

(Address of principal executive offices, including zip code)

+66 2-524-9600

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On May 5, 2014, Fabrinet issued a press release regarding its financial results for the fiscal quarter ended March 28, 2014. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 – Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated May 5, 2014

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FABRINET

By: _____ /s/ Toh-Seng Ng
Toh-Seng Ng
Executive Vice President, Chief Financial Officer

Date: May 5, 2014

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1 Press release dated May 5, 2014

Fabrinet Announces Third Quarter 2014 Financial Results

BANGKOK, Thailand – May 5, 2014 – Fabrinet (NYSE: FN), a leading provider of advanced optical packaging and precision optical, electro-mechanical and electronic manufacturing services to original equipment manufacturers of complex products, today announced its financial results for the third quarter ended March 28, 2014.

Fabrinet reported total revenue of \$167.7 million for the third quarter of fiscal 2014, an increase of 7.8% compared to total revenue of \$155.6 million for the comparable period in fiscal 2013. GAAP net income for the third quarter of fiscal 2014 was \$47.7 million, or \$1.33 per diluted share, compared to GAAP net income of \$21.1 million, or \$0.61 per diluted share, in the third quarter of fiscal 2013. Non-GAAP net income in the third quarter of fiscal 2014 was \$12.3 million, or \$0.34 per diluted share, an increase of 6.6% compared to non-GAAP net income of \$11.5 million, or \$0.33 per diluted share, in the same period a year ago.

Tom Mitchell, Chief Executive Officer of Fabrinet, said, “The third quarter was another period of solid execution for the company, with revenue and non-GAAP earnings per share demonstrating growth over the prior year. With industry demand showing signs of improving, I am confident that we will continue to execute on our vision of providing world-class service to our customers and delivering profitable growth for our shareholders.”

Business Outlook

Based on information available as of May 5, 2014, Fabrinet is issuing guidance for the fourth quarter of fiscal 2014 as follows:

Fabrinet expects fourth quarter revenue to be in the range of \$169 million to \$173 million. GAAP net income per share is expected to be in the range of \$0.29 to \$0.31 with expected non-GAAP net income per share of \$0.33 to \$0.35, based on approximately 36 million fully diluted shares outstanding.

Conference Call Information

What: Fabrinet Third Quarter 2014 Financial Results Conference Call

When: Monday, May 5, 2014

Time: 5:00 p.m. ET

Live Call: (888) 357-3694, domestic
(253) 237-1137, international
Passcode: 27086704

Replay: (855) 859-2056, domestic
(404) 537-3406, international
Passcode: 27086704

Webcast: <http://investor.fabrinet.com> (live and replay)

This press release and any other information related to the call will also be posted on Fabrinet’s website at <http://investor.fabrinet.com>. A recorded version of this webcast will be available approximately two hours after the call and will be archived on Fabrinet’s website for a period of one year.

Investor Conferences

Management will be presenting at the JP Morgan TMT Conference in Boston on Monday, May 19, 2014.

About Fabrinet

Fabrinet is a leading provider of advanced optical packaging and precision optical, electro-mechanical, and electronic manufacturing services to original equipment manufacturers of complex products, such as optical communication components, modules and subsystems, industrial lasers and sensors. Fabrinet offers a broad range of advanced optical and electro-mechanical capabilities across the entire manufacturing process, including process design and engineering, supply chain management, manufacturing, advanced packaging, integration, final assembly and test. Fabrinet focuses on production of high complexity products in any mix and any volume. Fabrinet maintains engineering and manufacturing resources and facilities in Thailand, the People's Republic of China and the United States. For more information visit: www.fabrinet.com.

Forward-Looking Statements

“Safe Harbor” Statement Under U.S. Private Securities Litigation Reform Act of 1995

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include all of the statements under the “Business Outlook” section relating to our forecasted operating results for the fourth quarter of fiscal 2014 and the statements regarding our delivery of profitable growth. These forward-looking statements involve risks and uncertainties, and actual results could vary materially from these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: less customer demand for our products and services than forecasted; less growth in the optical communications, industrial lasers and sensors markets than we forecast; difficulties expanding into additional markets, such as the semiconductor processing, biotechnology, metrology and materials processing markets; increased competition in the optical manufacturing services markets; difficulties in delivering products and services that compete effectively from a price and performance perspective; our reliance on a small number of customers and suppliers; difficulties in managing our operating costs; difficulties in managing and operating our business across multiple countries (including the U.S., Thailand and the People's Republic of China); and other important factors as described in reports and documents we file from time to time with the Securities and Exchange Commission (SEC), including the factors described under the section captioned “Risk Factors” in our quarterly report on Form 10-Q, filed on February 4, 2014. We disclaim any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

Use of Non-GAAP Financials

The Company refers to the non-GAAP financial measures cited above in making operating decisions because they provide meaningful supplemental information regarding the Company's ongoing operational performance. Non-GAAP net income excludes share-based compensation expenses, income related to flooding, executive separation costs and follow-on offering expenses. We have excluded these items in order to enhance investors' understanding of our ongoing operations. The use of these non-GAAP financial measures has material limitations because they should not be used to evaluate our company without reference to their corresponding GAAP financial measures. As such, we compensate for these material limitations by using these non-GAAP financial measures in conjunction with GAAP financial measures.

These non-GAAP financial measures are used to: (1) measure company performance against historical results, (2) facilitate comparisons to our competitors' operating results, and (3) allow greater transparency with respect to information used by management in financial and operational decision making. In addition, these non-GAAP financial measures are used to measure company performance for the purposes of determining employee incentive plan compensation.

Investor Contact:

Jennifer Predmore

215-428-1797

ir@fabrinet.com

Fabrinet
Consolidated Balance Sheets
As of March 28, 2014 and June 28, 2013

(in thousands of U.S. dollars, except share data)

	March 28, 2014	June 28, 2013
Assets		
Current assets		
Cash and cash equivalents	\$233,664	\$149,716
Trade accounts receivable, net	118,500	118,475
Inventory, net	107,826	88,962
Deferred tax assets	1,779	1,937
Prepaid expenses	2,097	1,931
Other current assets	2,357	3,505
Total current assets	<u>466,223</u>	<u>364,526</u>
Non-current assets		
Property, plant and equipment, net	98,782	97,206
Intangibles, net	93	164
Deferred tax assets	2,905	2,905
Deposits and other non-current assets	91	107
Total non-current assets	<u>101,871</u>	<u>100,382</u>
Total assets	<u>\$568,094</u>	<u>\$464,908</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Long-term loans from bank, current portion	\$ 9,660	\$ 9,668
Trade accounts payable	101,531	77,139
Income tax payable	699	1,825
Deferred tax liability	2,191	2,481
Accrued payroll, bonus and related expenses	9,182	6,220
Accrued expenses	3,872	3,121
Other payables	8,834	5,163
Liabilities to third parties due to flood losses	—	9,812
Total current liabilities	<u>135,969</u>	<u>115,429</u>
Non-current liabilities		
Long-term loans from bank, non-current portion	12,000	19,243
Severance liabilities	4,539	4,382
Other non-current liabilities	573	536
Total non-current liabilities	<u>17,112</u>	<u>24,161</u>
Total liabilities	<u>153,081</u>	<u>139,590</u>
Commitments and contingencies		
Shareholders' equity		
Preferred shares (5,000,000 shares authorized, \$0.01 par value; no shares issued and outstanding as of March 28, 2014 and June 28, 2013)	—	—
Ordinary shares (500,000,000 shares authorized, \$0.01 par value; 35,104,766 shares and 34,634,967 shares issued and outstanding as of March 28, 2014 and June 28, 2013, respectively)	351	346
Additional paid-in capital	79,393	71,101
Retained earnings	335,269	253,871
Total shareholders' equity	<u>415,013</u>	<u>325,318</u>
Total Liabilities and Shareholders' Equity	<u>\$568,094</u>	<u>\$464,908</u>

Fabrinet
Consolidated Statements of Operations
For the three and nine months ended March 28, 2014 and March 29, 2013

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>March 28, 2014</u>	<u>March 29, 2013</u>	<u>March 28, 2014</u>	<u>March 29, 2013</u>
<i>(in thousands of U.S. dollars, except share data)</i>				
Revenues	\$ 167,657	\$ 155,557	\$ 517,770	\$ 481,608
Cost of revenues	(150,374)	(139,302)	(461,312)	(429,261)
Gross profit	17,283	16,255	56,458	52,347
Selling, general and administrative expenses	(7,352)	(6,801)	(20,959)	(18,447)
Income related to flooding, net	38,151	11,419	44,748	21,064
Operating income	48,082	20,873	80,247	54,964
Interest income	560	302	1,262	761
Interest expense	(172)	(239)	(566)	(788)
Foreign exchange (loss) gain, net	(254)	978	46	1,085
Other income	173	139	544	512
Income before income taxes	48,389	22,053	81,533	56,534
Income tax expense	(727)	(927)	(135)	(2,707)
Net income	<u>\$ 47,662</u>	<u>\$ 21,126</u>	<u>\$ 81,398</u>	<u>\$ 53,827</u>
Earnings per share				
Basic	\$ 1.36	\$ 0.61	\$ 2.33	\$ 1.56
Diluted	\$ 1.33	\$ 0.61	\$ 2.29	\$ 1.55
Weighted average number of ordinary shares outstanding				
<i>(thousands of shares)</i>				
Basic	35,078	34,596	34,878	34,532
Diluted	35,790	34,909	35,504	34,794

Fabrinet
Consolidated Statements of Cash Flows
For the nine months ended March 28, 2014 and March 29, 2013

	Nine Months Ended	
	March 28, 2014	March 29, 2013
<i>(in thousands of U. S. dollars)</i>		
Cash flows from operating activities		
Net income for the period	\$ 81,398	\$ 53,827
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	7,685	7,512
Amortization of intangibles	72	185
Gain on disposal of property, plant and equipment	(1)	(23)
Income related to flooding	(45,211)	(21,064)
Proceeds from insurers for business interruption losses related to flooding	—	4,741
Proceeds from insurers for inventory losses related to flooding	7,416	11,419
Reversal of allowance for doubtful accounts	(62)	(94)
Unrealized loss (gain) on exchange rate and fair value of derivative	1,027	(1,566)
Share-based compensation	4,538	3,969
Deferred income tax	(132)	1,615
Other non-cash expenses	255	598
Reversal of uncertain tax positions	(1,538)	—
Inventory obsolescence (reversal of)	673	(589)
Changes in operating assets and liabilities		
Trade accounts receivable	37	3,421
Inventory	(19,537)	8,945
Other current assets and non-current assets	(889)	(2,775)
Trade accounts payable	24,392	(11,671)
Income tax payable	351	818
Other current liabilities and non-current liabilities	5,642	48
Liabilities to third parties due to flood losses	(7,512)	(8,059)
Net cash provided by operating activities	<u>58,604</u>	<u>51,257</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,280)	(8,634)
Purchase of Intangibles	(1)	(1)
Proceeds from disposal of property, plant and equipment	1	25
Proceeds from insurers in settlement of claims related to flood damage	37,795	4,904
Net cash provided by (used in) investing activities	<u>30,515</u>	<u>(3,706)</u>
Cash flows from financing activities		
Repayment of long-term loans from bank	(7,251)	(7,251)
Proceeds from issuance of ordinary shares under employee share option plans	3,956	528
Withholding tax related to net share settlement of restricted share units	(198)	(21)
Net cash used in financing activities	<u>(3,493)</u>	<u>(6,744)</u>
Net increase in cash and cash equivalents	<u>\$ 85,626</u>	<u>\$ 40,807</u>

Fabrinet
Consolidated Statements of Cash Flows
For the nine months ended March 28, 2014 and March 29, 2013

	<u>Nine Months Ended</u>	
	<u>March 28,</u>	<u>March 29,</u>
	<u>2014</u>	<u>2013</u>
<i>(in thousands of U.S. dollars)</i>		
Movement in cash and cash equivalents		
Cash and cash equivalents at beginning of period	\$ 149,716	\$ 115,507
Increase in cash and cash equivalents	85,626	40,807
Effect of exchange rate on cash and cash equivalents	(1,678)	1,165
Cash and cash equivalents at end of period	<u>\$ 233,664</u>	<u>\$ 157,479</u>

Fabrinet
Reconciliation of GAAP measures to non-GAAP measures
(in thousands of U.S. dollars, except per share data)
(unaudited)

	Three Months Ended				Nine Months Ended			
	March 28, 2014	March 28, 2014	March 29, 2013	March 29, 2013	March 28, 2014	March 28, 2014	March 29, 2013	March 29, 2013
	<u>Net income</u>	<u>Diluted EPS</u>	<u>Net income</u>	<u>Diluted EPS</u>	<u>Net income</u>	<u>Diluted EPS</u>	<u>Net income</u>	<u>Diluted EPS</u>
GAAP measures	47,662	1.33	21,126	0.61	81,398	2.29	53,827	1.55
Items reconciling GAAP net income & EPS to non-GAAP net income & EPS:								
Related to cost of revenues:								
Share-based compensation expenses	290	0.01	275	0.01	888	0.03	919	0.03
Total related to gross profit	290	0.01	275	0.01	888	0.03	919	0.03
Related to selling, general and administrative expenses:								
Share-based compensation expenses	1,188	0.03	1,062	0.03	3,650	0.10	3,050	0.09
Executive separation cost	547	0.02	—	—	547	0.02	—	—
Follow-on offering expenses	—	—	472	0.01	—	—	472	0.01
Total related to selling, general and administrative expenses	1,735	0.05	1,534	0.04	4,197	0.12	3,522	0.10
Related to other incomes and other expenses:								
Income related to flooding, net	(38,151)	(1.07)	(11,419)	(0.32)	(44,004)	(1.24)	(21,064)	(0.60)
Unrealized loss on exchange, net of interest income incurred from income related to flooding	744	0.02	—	—	—	—	—	—
Total related to other incomes and other expenses	(37,407)	(1.05)	(11,419)	(0.32)	(44,004)	(1.24)	(21,064)	(0.60)
Related to income tax expense								
Income tax expense	—	—	—	—	—	—	907	0.03
Total related to income tax expense	—	—	—	—	—	—	907	0.03
Total related to net income & EPS	(35,382)	(0.99)	(9,610)	(0.27)	(38,919)	(1.09)	(15,716)	(0.45)
Non-GAAP measures	12,280	0.34	11,516	0.33	42,479	1.20	38,111	1.08
Shares used in computing diluted net income per share								
GAAP diluted shares		35,790		34,909		35,504		34,794
Non-GAAP diluted shares		35,790		35,225		35,504		35,132