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)

August 14, 2018

Fabrinet
(Exact name of registrant as specified in its charter)

Cayman Islands	001-34775	Not Applicable
(State or other jurisdiction of incorporation)	(Commission File Number)	(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On August 20, 2018, Fabrinet ("Fabrinet" or the "Company") issued a press release regarding its financial results for the fiscal quarter and year ended June 29, 2018. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Form 8-K and the exhibit attached shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall they be deemed 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Fiscal 2019 Salaries

On August 14, 2018, the Compensation Committee (the "Compensation Committee") of the board of directors of Fabrinet approved an increase to the annual base salary of Seamus Grady, the Company's chief executive officer, as set forth below. Such salary increase is deemed effective as of June 30, 2018, the first day of the Company's fiscal year ending June 28, 2019 ("fiscal 2019"). No other named executive officers received increases to their annual base salaries.

Name	Title	Previous Annual Base Salary	Fiscal 2019 Annual Base Salary	Change
Seamus Grady	Chief Executive Officer	$ 700,000	$ 775,000	10.7%

Fiscal 2019 Executive Incentive Plan

On August 14, 2018, the Compensation Committee adopted an executive incentive plan (the "Cash Bonus Plan") for fiscal 2019. The Cash Bonus Plan is an incentive program designed to motivate participants to achieve the Company's financial objectives, and to reward them for their achievements when those objectives are met. All of the Company's executive officers pursuant to Section 16 of the Securities Exchange Act of 1934, except Dr. Hong Hou who tendered his resignation to the Company on August 14, 2018, are eligible to participate in the Cash Bonus Plan (individually, a "Participant," and collectively, the "Participants"). The Cash Bonus Plan provides for a target bonus amount, as set forth in the table below. The maximum bonus that a Participant may receive under the Cash Bonus Plan is such Participant's target bonus.

Named Executive Officer	Fiscal 2019 Target Bonus
Seamus Grady	$ 970,000
Dr. Harpal Gill	$ 1,250,000
Toh-Seng Ng	$ 835,000

The amount of bonus actually paid to a Participant under the Cash Bonus Plan will be based 50% on achievement of a fiscal 2019 revenue target and 50% on achievement of a fiscal 2019 non-GAAP gross margin target. As achievement of each financial target is considered independently from the other, the Company must meet a threshold for each factor in order for a Participant to receive any credit for that factor. If the Company achieves 100% or more of a target financial metric, bonuses would be paid out at 100% of target with respect to that financial metric component. Achievement of the fiscal 2019 revenue target at a level between approximately 91.1% and 100% will result in a bonus amount for that metric that is scaled from 0% to 100% in a linear fashion. Achievement of the fiscal 2019 non-GAAP gross margin target at a level between approximately 94.1% and 100% will result in a bonus amount for that metric that is scaled from 0% to 100% in a linear fashion.

Equity Award Grants

On August 14, 2018, the Compensation Committee approved the grant, effective as of August 23, 2018 (the "Grant Date"), of the following dollar value of restricted share units ("RSUs"), performance share units ("PSUs") and "stretch" PSUs ("Stretch PSUs"), rounded down to the nearest whole share, to the following named executive officers of the Company as a component of their fiscal 2019 compensation:

Executive Officer	Grant Date Value of RSUs	Grant Date Value of PSUs	Grant Date Value of Stretch PSUs
Seamus Grady	$ 1,500,000	$ 1,750,000	$ 1,750,000
Dr. Harpal Gill	$ 1,200,000	$ 1,500,000	$ 1,500,000
Toh-Seng Ng	$ 1,100,000	$ 1,300,000	$ 1,300,000

The grants will be made under the Company's Amended and Restated 2010 Performance Incentive Plan. The RSUs will vest in equal annual installments over a period of three years on the anniversary date of the Grant Date, subject to the individual's continued service with the Company through each such vesting date.

The PSUs will vest, if at all, following a 2-year performance period, on the date the Compensation Committee certifies achievement of the performance criteria set forth below, subject to the individual's continued service with the Company through such vesting date. Vesting of the PSUs will be based 50% on achievement of a cumulative fiscal 2019 and fiscal 2020 revenue target (the "PSU Revenue Target") and 50% on achievement of a cumulative fiscal 2019 and fiscal 2020 non-GAAP gross margin target (the "PSU GM Target"). As achievement of each financial target is considered independently from the other, the Company must meet a threshold for each factor in order for an individual to receive any credit for that factor. If the Company achieves 100% or more of a target financial metric, the PSUs will vest at 100% of target with respect to that financial metric component. Achievement of the PSU Revenue Target at a level between approximately 94.0% and 100% will result in a number of shares vesting for that metric that is scaled from 0% to 100% in a linear fashion. Achievement of the PSU GM Target at a level between approximately 97.9% and 100% will result in a number of shares vesting for that metric that is scaled from 0% to 100% in a linear fashion.

The Stretch PSUs will vest, if at all, following a 2-year performance period, on the date the Compensation Committee certifies achievement of the performance criteria set forth below, subject to the individual's continued service with the Company through such vesting date. Vesting of the Stretch PSUs will be based 50% on achievement of a cumulative fiscal 2019 and fiscal 2020 revenue target that is higher than the PSU Revenue Target (the "Stretch PSU Revenue Target") and 50% on achievement of a cumulative fiscal 2019 and fiscal 2020 non-GAAP gross margin target that is higher than the PSU GM Target (the "Stretch PSU GM Target"). As achievement of each financial target is considered independently from the other, the Company must meet a threshold for each factor in order for an individual to receive any credit for that factor. If the Company achieves 100% or more of a target financial metric, the Stretch PSUs will vest at 100% of target with respect to that financial metric component. Achievement of the Stretch PSU Revenue Target at a level between the PSU Revenue Target and 100% will result in a number of shares vesting for that metric that is scaled from 0% to 100% in a linear fashion. Achievement of the Stretch PSU GM Target at a level between the PSU GM Target and 100% will result in a number of shares vesting for that metric that is scaled from 0% to 100% in a linear fashion.

Departure of Named Executive Officer

On August 14, 2018, Dr. Hong Hou, the Company's Executive Vice President, Chief Technical Officer, resigned from his position with the Company, effective August 25, 2018.

In connection with Dr. Hou's resignation, on August 20, 2018, the Company entered into a Separation Agreement and Release (the "Separation Agreement") with Dr. Hou. As consideration for non-disparagement, non-solicitation and non-competition obligations to the Company and Fabrinet USA, Inc. and a full release of all claims related to Dr. Hou's employment with the Company, Dr. Hou will receive: (1) a lump sum cash payment in the amount of $525,000; (2) a lump sum cash payment in the amount of $60,000, representing reimbursement for health care insurance premiums under COBRA for a period of twelve months; (3) accelerated vesting with respect to an aggregate of 22,926 unvested restricted share units; and (4) payment of accrued vacation, if any.

A copy of the Separation Agreement is attached to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated herein by reference.

CFO Search

The information set forth in Item 8.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 8.01 Other Events.

On August 20, 2018, the Company announced that the Company's board of directors has retained an executive search firm to assist in identifying and evaluating candidates to replace Toh-Seng Ng, the Company's Chief Financial Officer. There is no set timeline for this process.

A copy of the press release relating to this announcement is attached as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Separation Agreement and Release, dated August 20, 2018, by and among Fabrinet, Fabrinet USA, Inc. and Dr. Hong Hou
99.1	Press release dated August 20, 2018

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: August 20, 2018

SEPARATION AGREEMENT & RELEASE

This Separation Agreement and Release ("Agreement") is made by and between **Hong Q. Hou** ("Employee"), **Fabrinet USA, Inc.** (the "Company"), and **Fabrinet** ("Parent"); (hereinafter collectively referred to as the "Parties" or individually referred to as a "Party").

RECITALS

WHEREAS, Employee is employed by the Company, a wholly-owned subsidiary of Parent, in accordance with the terms of an offer letter dated November 5, 2015, signed by Employee on November 6, 2015, and amended October 31, 2016 ("Offer Letter");

WHEREAS, Parent has granted Employee certain restricted share unit awards ("RSUs") under Parent's 2010 Performance Incentive Plan (the "Plan") and applicable RSU award agreements thereunder, as follows:

a. On April 28, 2016, Parent granted Employee RSUs covering 36,591 ordinary shares of Parent ("Shares"), in accordance with the terms of the Offer Letter (the "First RSU Award"), of which 18,295 shares subject to the First RSU Award will be unvested as of the Resignation Date (as defined below);

b. On August 18, 2016, Parent granted Employee RSUs covering 9,263 Shares, which were awarded for fiscal 2016 performance (the "Second RSU Award"), of which 4,631 shares subject to the Second RSU Award will be unvested as of the Resignation Date;

c. On August 18, 2016, Parent granted Employee RSUs covering 6,175 Shares, of which 2,058 shares subject to this award will be unvested as of the Resignation Date; and

d. On August 24, 2017, Parent granted Employee RSUs covering 13,977 Shares, of which 9,318 shares subject to this award will be unvested as of the Resignation Date.

WHEREAS, Parent has granted Employee certain performance-based restricted share unit awards ("PSUs") under the Plan and applicable PSU award agreements thereunder as follows:

a. On August 18, 2016, Parent granted Employee PSUs covering 6,175 Shares, with vesting contingent on Parent's financial performance, all of which shares subject to this award will have vested prior to the Resignation Date;

b. On August 18, 2016, Parent granted Employee PSUs covering 6,175 Shares, with vesting contingent on Parent's "stretch" financial performance, all of which shares subject to this award will have vested prior to the Resignation Date;

c. On August 24, 2017, Parent granted Employee PSUs covering 13,977 Shares, with vesting contingent on Parent's financial performance, all of which shares subject to this award will be unvested as of the Resignation Date; and

d. On August 24, 2017, Parent granted Employee PSUs covering 13,977 Shares, with vesting contingent on Parent's "stretch" financial performance, all of which shares subject to this award will be unvested as of the Resignation Date.

WHEREAS, Employee has resigned from his employment with the Company effective August 25, 2018 ("Resignation Date"); and

WHEREAS, the Parties wish to resolve any and all claims, disputes, complaints, grievances, charges, actions, petitions, and demands Employee may have against the Company and any of the Releasees (as defined below), including, but not limited to, any and all claims arising out of or in any way related to Employee's employment with or separation from the Company.

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company, Parent, and Employee hereby agree as follows:

COVENANTS

1. Consideration.

a. Salary. The Company will make a lump sum payment to Employee equal to twelve (12) months of Employee's annual base salary, for a total of five hundred twenty-five thousand dollars ($525,000), less any applicable tax withholdings. The Company will issue to Employee a Form W-2 in connection with this payment.

b. COBRA. The Company will make a lump sum payment to Employee equal to two times (2X) the cost of Employee's COBRA coverage for a period of twelve (12) months under the Company's health plan in effect on the Resignation Date, for Employee and his covered dependents, in the amount of $60,000.00, less any applicable tax withholdings. For the avoidance of doubt, the amount payable under this subsection b. will be a taxable payment to Employee. Accordingly, the Company will issue to Employee a Form W-2 in connection with this payment.

c. Vacation Pay. Employee acknowledges that he has been paid for all of his accrued and/or earned PTO and/or vacation pay, and no further amounts are due and owing to him by the Company for such PTO and/or vacation pay.

d. Resignation. The Company will process the termination of Employee's employment as a resignation, and shall represent that Employee resigned from his employment to any potential future employer who contacts the Company's human resources department and requests confirmation of this information.

e. RSUs & Shares. Employee acknowledges that Employee will have vested in his RSUs and PSUs only through the Resignation Date. Notwithstanding the foregoing, upon the effectiveness of this Agreement, the Parties agree that the following unvested RSUs will accelerate vesting (the "Vesting RSUs"):

   i. The portion of the First RSU Award covering 18,295 Shares; and

   ii. The portion of the Second RSU Award covering 4,631 Shares.

   Except as set forth above, all RSUs and PSUs held by Employee that remain unvested and outstanding as of the Resignation Date will be forfeited automatically by Employee and never will become vested. Employee specifically acknowledges he is not entitled to any additional RSUs, PSUs, Shares or other equity or equity-based awards in Parent or the Company. It is further agreed any Shares issuable to Employee pursuant to the Vesting RSUs will be transferred subject to satisfaction of any required tax withholdings in accordance with the terms of the Plan, applicable RSU award agreements and Section 23 below, and that the Company will issue Employee any necessary tax forms in connection with the RSUs and Shares as it would do in the ordinary course.

2. Benefits. Employee's health insurance benefits shall cease on the Resignation Date, subject to Employee's right to continue his health insurance under COBRA. Employee's participation in all benefits and incidents of employment, including, but not limited to, vesting in RSUs, PSUs, Shares, stock options, equity-based awards, and the accrual of bonuses, vacation, and paid time off, ceased as of the Resignation Date.

3. Payment of Salary & Receipt of All Benefits. Employee acknowledges and represents that, other than the consideration provided for and set forth in this Agreement, the Company and Parent have paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, bonuses, commissions, RSUs, PSUs, Shares, stock, stock options, equity-based awards, vesting, and any and all other benefits and compensation due to Employee. Employee specifically acknowledges that, except as provided herein, he is not entitled to any bonus or other compensation or benefits at the time of his resignation.

4. Release of Claims. Employee agrees the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company, Parent and their current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, Professional Employer Organization or co-employers (including TriNet HR Corporation and its affiliates, officers, agents, administrators, servants, employees, attorneys, successors, parent, subsidiaries, and assigns), insurers, trustees, divisions, and subsidiaries, and predecessor and successor corporations and assigns (collectively, the “Releasees”). Employee, on his own behalf and on behalf of his respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the Effective Date of this Agreement, including, without limitation:

a. any and all claims relating to or arising from Employee’s employment relationship with the Company and the termination of that relationship;

b. any and all claims relating to, or arising from, Employee’s right to purchase, or actual purchase of shares of stock of the Company or Shares of Parent, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the Immigration Control and Reform Act; the California Family Rights Act; the California Labor Code; the California Workers’ Compensation Act; and the California Fair Employment and Housing Act;

e. any and all claims for violation of the federal or any state constitution;

f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g. any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement; and

h. any and all claims for attorneys' fees and costs.

Employee agrees the release set forth in this Section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement. This release does not release claims that cannot be released as a matter of law, including, but not limited to, but not necessarily limited to, any Protected Activity (as defined below). Employee acknowledges that any and all disputed wage claims released herein shall be subject to binding arbitration in accordance with this Agreement, except as required by applicable law. Employee represents he has made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action, or other matter waived or released by this Section.

5. Company's Release of Claims. The Company hereby and forever releases Employee from, and agrees not to sue Employee concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind arising from any omissions, acts, facts, or damages that have occurred up until and including the Effective Date of this Agreement. Notwithstanding any release provided for herein, this Agreement shall not serve to release any claims by the Company against Employee for any claims relating to fraud, embezzlement, misappropriation of the Company's trade secrets, or conduct that constitutes a violation of criminal law. Moreover, this release does not extend to any obligations incurred under this Agreement. Furthermore, this release does not release claims that cannot be released as a matter of law.

6. Acknowledgment of Waiver of Claims under ADEA. Employee acknowledges he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and this waiver and release is knowing and voluntary. Employee agrees this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Employee acknowledges the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled. Employee further acknowledges he has been advised by this writing that: (a) he should consult with an attorney prior to executing this Agreement; (b) he has twenty-one (21) days within which to consider this Agreement; (c) he has seven (7) days following his execution of this Agreement to revoke this Agreement; (d) this Agreement shall not be effective until after the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Employee signs this Agreement and returns it to the Company in less than the 21-day period identified above, Employee hereby acknowledges he has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Employee acknowledges and understands that revocation must be accomplished by a written notification to the person executing this Agreement on the Company's behalf that is received prior to the Effective Date. The parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period.

7. California Civil Code Section 1542. Employee acknowledges he has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Employee, being aware of said code section, agrees to expressly waive any rights he may have thereunder, as well as under any other statute or common law principles of similar effect.

8. No Pending or Future Lawsuits. Employee represents he has no lawsuits, claims, or actions pending in his name, or on behalf of any other person or entity, against the Company, Parent, or any of the other Releasees. Employee also represents he does not intend to bring any claims on his own behalf or on behalf of any other person or entity against the Company, Parent, or any of the other Releasees.

9. Application for Employment. Employee understands and agrees that, as a condition of this Agreement, Employee shall not be entitled to any employment with the Company, and Employee hereby waives any right, or alleged right, of employment or re-employment with the Company. Employee further agrees not to apply for employment with the Company and not otherwise pursue an independent contractor or vendor relationship with the Company.

10. Trade Secrets & Confidential Information/Company Property. Employee agrees at all times hereafter to hold in the strictest confidence, and not to use or disclose to any person or entity, any Confidential Information of the Company. Employee understands that “Confidential Information” means any Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, customer lists and customers (including, but not limited to, customers of the Company on whom Employee has called or with whom he became acquainted during the term of his employment), markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances, or other business information disclosed to Employee by the Company either directly or indirectly, in writing, orally, or by drawings or observation of parts or equipment. Employee further understands that Confidential Information does not include any of the foregoing items that have become publicly known and made generally available through no wrongful act of Employee’s or of others who were under confidentiality obligations as to the item or items involved or improvements or new versions thereof. Employee hereby grants consent to notification by the Company to any new employer about Employee’s obligations under this paragraph. Employee represents that he has not to date misused or disclosed Confidential Information to any unauthorized party.

11. Employee’s Company-Issued Laptop Computer & Devices. Employee agrees that within five (5) business days of the Resignation Date, he will use best efforts to return to the Company his Company-issued laptop computer, as well as any Company-issued external storage devices, in a manner satisfactory to the Company and he will not delete any information on said Company-issued devices without the Company’s permission. Employee shall return his computer and any external storage devices via FedEx to Colin Campbell, General Counsel, 3736 Fallon Road, Dublin, CA 94568. If Employee has used any personally owned computer, external storage device, server, or e-mail system to receive, store, review, prepare or transmit any Company confidential or proprietary data, materials or information, within ten (10) business days after the Resignation Date, Employee shall provide the Company with a computer-useable copy of such information and then permanently delete and expunge such Company confidential or proprietary information from those systems. Employee further agrees to provide the Company access to Employee’s system, as requested, to verify the necessary copying and/or deletion is done. Employee’s timely return of all such Company documents and other property is a condition precedent to Employee’s receipt of the severance benefits provided under this Agreement.

12. No Cooperation. Employee agrees he will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or as related directly to the ADEA waiver in this Agreement. Employee agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish the Company, within three (3) business days of its receipt, a copy of such subpoena or other court order. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Employee shall state no more than he cannot provide counsel or assistance.

13. Protected Activity Not Prohibited. Employee understands that nothing in this Agreement shall in any way limit or prohibit Employee from engaging in any Protected Activity, including filing a charge, complaint, or report with, or otherwise communicating, cooperating, or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"). Employee understands that in connection with such Protected Activity, Employee is permitted to disclose documents or other information as permitted by law, without giving notice to, or receiving authorization from, the Company. Notwithstanding the foregoing, Employee agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company confidential information to any parties other than the Government Agencies. Employee further understands that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications or attorney work product. In addition, pursuant to the Defend Trade Secrets Act of 2016, Employee is notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney *solely* for the purpose of reporting or investigating a suspected violation of law, or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

14. Non-disparagement. Employee agrees to refrain from any disparagement, defamation, libel, or slander of any of the Releasees, and agrees to refrain from any tortious interference with the contracts and relationships of any of the Releasees. Employee shall direct any inquiries by potential future employers to the Company's human resources department, which shall use its best efforts to provide only Employee's last position and dates of employment. The Company agrees to refrain from any disparagement, defamation, libel, or slander of Employee, provided Employee understands the Company's obligations under this paragraph extend only to the Company's current executive officers and only for so long as each officer is an employee of the Company.

15. Breach. In addition to the rights provided in the "Attorneys' Fees" Section below, Employee acknowledges and agrees that any material breach of this Agreement, unless such breach constitutes a legal action by Employee challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA shall entitle the Company and Parent immediately to recover and/or cease providing the consideration provided to Employee under this Agreement and to obtain damages, except as provided by law.

16. No Admission of Liability. Employee understands and acknowledges this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Employee. No action taken by the Company or Parent hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company or Parent of any fault or liability whatsoever to Employee or to any third party.

17. Non-Solicitation – Company Employees. Employee agrees that for a period of twenty-four (24) months immediately following the Effective Date of this Agreement, Employee will not directly or indirectly solicit any of the Company's employees to leave their employment at the Company.

18. Non-Solicitation – Customers of Company. Employee agrees that for a period of twelve (12) months immediately following the Effective Date of this Agreement, Employee (a) will not, directly or indirectly, disclose to any person, firm or corporation the names or addresses of any of the customers or clients of the Company or any other information pertaining to them, and (b) will not call on, solicit, take away, or attempt to call on, solicit, or take away any customer of the Company whom Employee called on or became acquainted with during and in the course of his employment with the Company.

19. Non-Compete. In consideration of the payments to Employee under and for this Agreement, in particular the payment equal to twelve (12) months of his annual base salary, Employee agrees that within the twelve (12) months immediately following the Effective Date of this Agreement, should he accept employment with or otherwise be engaged as a consultant by a person, company or other business enterprise that competes with the Company in the electronics contract manufacturing business, it will result in and cause a loss and damage to the Company that will be difficult to assess and calculate and, accordingly, in such an event Employee further agrees that as "liquidated damages" for such loss and damage to the Company he will repay to the Company as fair and reasonable compensation for such loss and damage an amount equal to the payment he received equal to twelve (12) months of his annual base salary.

20. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the negotiation and preparation of this Agreement.

21. ARBITRATION. EXCEPT AS PROHIBITED BY LAW, THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION, EMPLOYEE'S EMPLOYMENT WITH THE COMPANY OR THE TERMS THEREOF, OR ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA") AND THAT THE FAA, INCLUDING ITS PROCEDURAL PROVISIONS FOR COMPELLING ARBITRATION, SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT (INCLUDING COMPELLING ARBITRATION IN STATE OR FEDERAL COURT) WITH FULL FORCE AND EFFECT. YOU AGREE THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, YOU MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN YOUR INDIVIDUAL CAPACITY. ANY ARBITRATION WILL OCCUR IN SANTA CLARA COUNTY, CALIFORNIA, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE CALIFORNIA CODE OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER

TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, WHERE PERMITTED BY APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. I UNDERSTAND THAT THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS SECTION CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, INCLUDING, BUT NOT LIMITED TO THE ARBITRATION SECTION OF THE CONFIDENTIALITY AGREEMENT, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT IN THIS SECTION SHALL GOVERN.

22. Tax Consequences. The Company and Parent make no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Employee or made on his behalf under the terms of this Agreement. Employee agrees and understands he is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company or Parent, and any penalties or assessments thereon. Employee further agrees to indemnify and hold the Company and Parent harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company or Parent for any amounts claimed due on account of (a) Employee's failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by the Company or Parent by reason of any such claims, including attorneys' fees and costs. The Parties agree and acknowledge that the payments made pursuant to Section 1 of this Agreement are not related to sexual harassment or sexual abuse and not intended to fall within the scope of 26 U.S.C. Section 162(q).

23. Section 409A. It is intended this Agreement comply with, or be exempt from, Code Section 409A and the final regulations and official guidance thereunder ("Section 409A") and any ambiguities and ambiguous terms herein will be interpreted to so comply and/or be exempt from Section 409A. Each payment and benefit to be paid or provided under this Agreement is intended to constitute a series of separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. Each payment under Section 1.a. and b. above will be provided to Employee within ten (10) business days following the Effective Date, but in no event later than December 31, 2018. Vesting acceleration under Section 1.e. above will occur on the Effective Date and will be settled in accordance with the terms of the award agreement by which the applicable RSU or PSU award is governed, but in no event later than December 31, 2018. In no event will Employee have any discretion with respect to the year in which the payments and benefits under this Agreement will be paid or provided. The Company and Employee will work together in good faith to consider either (i) amendments to this Agreement; or (ii) revisions to this Agreement with respect to the payment of any awards, which are necessary or appropriate to avoid imposition of any additional tax or income recognition prior to the actual payment to Employee under

Section 409A. In no event will the Company have any liability or obligation to reimburse, indemnify, or hold harmless Employee for any taxes, penalties and interest that may be imposed, or other costs incurred, as a result of Section 409A.

24. Authority. Parent and the Company represent and warrant the undersigned have the authority to act on behalf of Parent and the Company, and to bind Parent and the Company, and all who may claim through them, to the terms and conditions of this Agreement. Employee represents and warrants he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind them to the terms and conditions of this Agreement. Each Party warrants and represents there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

25. No Representations. Employee represents he has consulted with an attorney in regard to this Agreement, and he has carefully read and understands the scope and effect of the provisions of this Agreement. Employee has not relied upon any representations or statements made by the Company or Parent not specifically set forth in this Agreement.

26. Severability. In the event any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

27. Attorneys' Fees. Except with regard to a legal action challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, in the event either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

28. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company, Parent and Employee concerning the subject matter of this Agreement and Employee's employment with and separation from the Company, and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Employee's relationship with the Company, with the exception of the Offer Letter, except as modified herein.

29. No Oral Modification. This Agreement only may be amended in a writing signed by Employee and Parent's Chief Executive Officer.

30. Governing Law. With the exception of the arbitration requirements set forth in Section 19 herein, this Agreement shall be governed by the laws of the State of California without regard to choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the County of Santa Clara, State of California.

31. Effective Date. Employee understands this Agreement shall be null and void if not executed by him within twenty-one (21) days. Employee has seven (7) days after Employee signs this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after Employee signed this Agreement, so long as it has been signed by the Parties and has not been revoked by Employee before that date (the "Effective Date").

32. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

33. Voluntary Execution of Agreement. Employee understands and agrees he executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company, Parent or any third party, with the full intent of releasing all of his claims against the Company, Parent and any of the other Releasees. Employee acknowledges that:

(a) he has read this Agreement;

(b) he has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of his own choice or has elected not to retain legal counsel;

(c) he understands the terms and consequences of this Agreement and of the releases it contains; and

(d) he is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth below.

	Hon Q. Hou, an individual
Date: August 20, 2018	/s/ Hong Q. Hou Hong Q. Hou
	Fabrinet USA, Inc.
Date: August 16, 2018	/s/ Toh-Seng Ng Toh-Seng Ng President & Chief Financial Officer
	Fabrinet
Date: August 16, 2018	/s/ Seamus Grady Seamus Grady Chief Executive Officer

Exhibit 99.1

Fabrinet Announces Fourth Quarter and Fiscal Year 2018 Financial Results

BANGKOK, Thailand – August 20, 2018 – 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 its fourth quarter and fiscal year ended June 29, 2018.

Seamus Grady, Chief Executive Officer of Fabrinet, said, "Our financial results for the fourth quarter exceeded our guidance for revenue and profitability. Our sequential revenue growth was driven by modest growth from optical communications products, and strong growth from non-optical communications products, with a particularly notable performance in the industrial laser and automotive markets. We are encouraged by the broadly improving demand dynamics we see and are optimistic that we will see continued sequential growth in the first quarter of fiscal year 2019 as we expand our leadership as a manufacturer of complex products."

Toh-Seng Ng, Chief Financial Officer of Fabrinet, added, "On a personal note, at my request, our board of directors has initiated a CFO succession plan. We have retained an executive search firm to assist in identifying and evaluating candidates, and there is no set timeline for this process."

Fourth Quarter Fiscal Year 2018 Financial Highlights

GAAP Results

- Revenue for the fourth quarter of fiscal year 2018 was $345.3 million, compared to revenue of $370.5 million for the comparable period in fiscal year 2017.
- GAAP net income for the fourth quarter of fiscal year 2018 was $22.8 million, compared to GAAP net income of $27.4 million for the fourth quarter of fiscal year 2017. GAAP net income for the fourth quarter of fiscal year 2018 included a foreign exchange loss of $0.9 million, or $0.02 per diluted share, compared to a foreign exchange loss of $1.0 million, or $0.03 per diluted share, for the fourth quarter of fiscal year 2017.
- GAAP net income per diluted share for the fourth quarter of fiscal year 2018 was $0.60, compared to GAAP net income per diluted share of $0.72 for the fourth quarter of fiscal year 2017.

Non-GAAP Results

- Non-GAAP net income for the fourth quarter of fiscal year 2018 was $30.7 million, compared to non-GAAP net income of $32.8 million for the fourth quarter of fiscal year 2017. Non-GAAP net income for the fourth quarter of fiscal year 2018 included a foreign exchange loss of $0.9 million, or $0.02 per diluted share, compared to a foreign exchange loss of $1.0 million, or $0.03 per diluted share, for the fourth quarter of fiscal year 2017.
- Non-GAAP net income per diluted share for the fourth quarter of fiscal year 2018 was $0.81, compared to non-GAAP net income per diluted share of $0.86 for the same period a year ago.

Fiscal Year 2018 Financial Highlights

GAAP Results

- Revenue for fiscal year 2018 was $1,371.9 million, compared to revenue of $1,420.5 million for fiscal year 2017.
- GAAP net income for fiscal year 2018 was $84.2 million, compared to GAAP net income of $97.1 million for fiscal year 2017. GAAP net income for fiscal year 2018 included a foreign exchange loss of $6.6 million, or $0.17 per diluted share, compared to a foreign exchange loss of $1.1 million, or $0.03 per diluted share, for fiscal year 2017.
- GAAP net income per diluted share for fiscal year 2018 was $2.21, compared to GAAP net income per diluted share of $2.57 for fiscal year 2017.

Non-GAAP Results

- Non-GAAP net income for fiscal year 2018 was $113.5 million, compared to non-GAAP net income of $127.4 million for fiscal year 2017. Non-GAAP net income for fiscal year 2018 included a foreign exchange loss of $6.6 million, or $0.17 per diluted share, compared to a foreign exchange loss of $2.9 million, or $0.08 per diluted share, for fiscal year 2017.
- Non-GAAP net income per diluted share for fiscal year 2018 was $2.98, compared to non-GAAP net income per diluted share of $3.37 for fiscal year 2017.

Share Repurchase Program Update

Fabrinet repurchased approximately 551,000 ordinary shares at an average price of $36.31 during the fourth quarter. As of June 29, 2018, Fabrinet had a remaining authorization to purchase up to an additional $17.6 million worth of its ordinary shares.

Business Outlook

The guidance provided below is based on ASC 605. In the first quarter of fiscal 2019, Fabrinet will report results under ASC 606, which it is adopting for fiscal year 2019 on a modified retrospective transition method, and will provide a reconciliation to ASC 605 at that time.

Based on information available as of August 20, 2018, Fabrinet is issuing guidance for its first fiscal quarter of 2019 ending September 28, 2018, as follows:

- Fabrinet expects first quarter revenue to be in the range of $347 million to $355 million.
- GAAP net income per diluted share is expected to be in the range of $0.58 to $0.61, based on approximately 37.9 million fully diluted shares outstanding.
- Non-GAAP net income per diluted share is expected to be in the range of $0.80 to $0.83, based on approximately 37.9 million fully diluted shares outstanding.

Conference Call Information

What:	Fabrinet Fourth Quarter and Fiscal Year 2018 Financial Results Call
When:	Monday, August 20, 2018
Time:	5:00 p.m. ET
Live Call:	(888) 357-3694, domestic (253) 237-1137, international Passcode: 9097326
Replay:	(855) 859-2056, domestic (404) 537-3406, international Passcode: 9097326
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.

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, automotive components, medical devices, 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 United States of America, the People's Republic of China and the United Kingdom. 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: (1) statements regarding improving demand and our ability to achieve sequential growth in the first quarter of fiscal year 2019, as well as our ability to expand our leadership as a manufacturer of complex products; and (2) all of the statements under the "Business Outlook" section regarding our expected revenue, GAAP and non-GAAP net income per share, and fully diluted shares outstanding for the first quarter of fiscal year 2019. 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 Thailand, the People's Republic of China, the U.S. and the U.K.); 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 May 8, 2018. 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

We refer to the non-GAAP financial measures cited above in making operating decisions because they provide meaningful supplemental information regarding our ongoing operational performance. Non-GAAP net income excludes: share-based compensation expenses; depreciation of fair value uplift; severance payments; expenses related to our CEO search; debt administration expense; amortization of intangibles; business combination expenses; loss (gain) on foreign currency contracts; amortization of debt issuance costs; and restructuring charges. We have excluded these items in order to enhance investors' understanding of our underlying 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 making financial and operational decisions. In addition, these non-GAAP financial measures are used to measure company performance for the purposes of determining employee incentive plan compensation.

SOURCE: Fabrinet

Investor Contact:
Garo Toomajanian
ir@fabrinet.com

FABRINET

CONSOLIDATED BALANCE SHEETS

(in thousands of U.S. dollars, except share data)	June 29, 2018	June 30, 2017
Assets		
Current assets		
Cash and cash equivalents	$ 158,102	$ 133,825
Restricted cash in connection with business acquisition	3,331	—
Marketable securities	174,269	151,450
Trade accounts receivable, net	246,912	264,349
Inventory, net	257,687	238,665
Prepaid expenses	8,061	6,306
Other current assets	5,948	4,159
Total current assets	854,310	798,754
Non-current assets		
Restricted cash in connection with business acquisition	—	3,312
Property, plant and equipment, net	219,640	216,881
Intangibles, net	4,880	5,840
Goodwill	3,828	3,806
Deferred tax assets	5,280	2,905
Deferred debt issuance costs on revolving loan and other non-current assets	80	1,577
Total non-current assets	233,708	234,321
Total Assets	$1,088,018	$1,033,075
Liabilities and Shareholders' Equity		
Current liabilities		
Bank borrowings, net of unamortized debt issuance costs	$ 3,250	$ 48,402
Trade accounts payable	220,159	215,262
Capital lease liability, current portion	451	344
Income tax payable	709	1,976
Deferred liability in connection with business acquisition	3,331	—
Accrued payroll, bonus and related expenses	13,476	13,852
Accrued expenses	9,013	9,227
Other payables	19,728	22,209
Total current liabilities	270,117	311,272
Non-current liabilities		
Long-term loan from bank, non-current portion, net of unamortized debt issuance costs	60,938	22,701
Deferred tax liability	2,284	1,981
Capital lease liability, non-current portion	516	1,024
Deferred liability in connection with business acquisition	—	3,312
Severance liabilities	10,162	8,488
Other non-current liabilities	3,062	2,723
Total non-current liabilities	76,962	40,229
Total Liabilities	347,079	351,501
Commitments and contingencies		
Shareholders' equity		
Preferred shares (5,000,000 shares authorized, $0.01 par value; no shares issued and outstanding as of June 29, 2018 and June 30, 2017)	—	—
Ordinary shares (500,000,000 shares authorized, $0.01 par value; 37,723,733 shares and 37,340,496 shares issued, and 36,434,630 shares and 37,340,496 shares outstanding as of March 30, 2018 and June 30, 2017, respectively)	377	373
Additional paid-in capital	151,797	133,293
Treasury shares at cost (1,289,103 shares and zero shares as of March 30, 2018 and June 30, 2017, respectively)	(42,401)	—
Accumulated other comprehensive loss	(1,257)	(348)
Retained earnings	632,423	548,256
Total Shareholders' Equity	740,939	681,574
Total Liabilities and Shareholders' Equity	$1,088,018	$1,033,075

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CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(in thousands of U.S. dollars, except per share amounts)	**Three Months Ended** June 29, 2018	**Three Months Ended** June 30, 2017	**Twelve Months Ended** June 29, 2018	**Twelve Months Ended** June 30, 2017
Revenues	$ 345,327	$ 370,454	$ 1,371,925	$ 1,420,490
Cost of revenues	(306,346)	(325,694)	(1,218,513)	(1,249,030)
Gross profit	38,981	44,760	153,412	171,460
Selling, general and administrative expenses	(16,559)	(15,057)	(57,812)	(65,626)
Expenses related to reduction in workforce	—	—	(1,776)	—
Operating income	22,422	29,703	93,824	105,834
Interest income	1,371	507	3,925	1,977
Interest expense	(1,107)	(804)	(3,606)	(3,321)
Foreign exchange loss, net	(877)	(1,042)	(6,587)	(1,142)
Other income	35	112	473	509
Income before income taxes	21,844	28,476	88,029	103,857
Income tax expense	924	(1,075)	(3,862)	(6,742)
Net income	22,768	27,401	84,167	97,115
Other comprehensive loss, net of tax:				
Change in net unrealized loss on marketable securities	29	20	(1,019)	(471)
Change in net unrealized loss on derivative instruments	—	—	(1)	(158)
Change in foreign currency translation adjustment	(1,247)	625	111	(310)
Total other comprehensive loss, net of tax	(1,218)	645	(909)	(939)
Net comprehensive income	$ 21,550	$ 28,046	$ 83,258	$ 96,176
Earnings per share				
Basic	$ 0.62	$ 0.73	$ 2.26	$ 2.63
Diluted	$ 0.60	$ 0.72	$ 2.21	$ 2.57
Weighted-average number of ordinary shares outstanding (thousands of shares)				
Basic	36,828	37,334	37,257	36,927
Diluted	37,766	38,118	38,035	37,852

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CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars)	Twelve Months Ended June 29, 2018	Twelve Months Ended June 30, 2017
Cash flows from operating activities		
Net income for the period	$ 84,167	$ 97,115
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	29,087	23,793
Loss (gain) on disposal of property, plant and equipment	18	(30)
Loss on disposal of intangibles	447	—
Loss from sales and maturities of available-for-sale securities	364	822
Amortization of investment discount	(506)	(193)
Amortization of deferred debt issuance costs	994	1,396
Reversal of allowance for doubtful accounts	(23)	(1)
Unrealized loss on exchange rate and fair value of derivative instruments	4,222	1,884
Share-based compensation	22,581	26,507
Deferred income tax	(2,074)	754
Other non-cash expenses	2,133	2,173
(Reversal of) Inventory obsolescence	(436)	42
Changes in operating assets and liabilities		
Trade accounts receivable	17,852	(64,142)
Inventory	(19,432)	(53,802)
Other current assets and non-current assets	(4,464)	(2,231)
Trade accounts payable	3,502	38,293
Income tax payable	(1,267)	(67)
Other current liabilities and non-current liabilities	915	(1,379)
Net cash provided by operating activities	138,080	70,934
Cash flows from investing activities		
Purchase of marketable securities	(152,908)	(122,778)
Proceeds from sales of marketable securities	61,795	39,578
Proceeds from maturities of marketable securities	67,417	72,361
Payments in connection with business acquisition, net of cash acquired	—	(9,917)
Purchase of property, plant and equipment	(33,825)	(68,262)
Purchase of intangibles	(1,577)	(1,768)
Proceeds from disposal of property, plant and equipment	449	230
Net cash used in investing activities	(58,649)	(90,556)
Cash flows from financing activities		
Proceeds of short-term loans from banks	5,000	27,500
Repayment of short-term loans from bank	(1,003)	(157)
Repayment of long-term loans from bank	(11,212)	(18,100)
Repayment of capital lease liability	(417)	(276)
Repurchase of ordinary shares	(42,401)	—
Proceeds from issuance of ordinary shares under employee share option plans	1,436	5,890
Withholding tax related to net share settlement of restricted share units	(5,509)	(1,425)
Net cash (used in) provided by financing activities	(54,106)	13,432
Net increase (decrease) in cash, cash equivalents and restricted cash	25,325	(6,190)
Movement in cash, cash equivalents and restricted cash		
Cash, cash equivalents and restricted cash at beginning of period	137,137	142,804
Increase (decrease) in cash, cash equivalents and restricted cash	25,325	(6,190)
Effect of exchange rate on cash, cash equivalents and restricted cash	(1,029)	523
Cash, cash equivalents and restricted cash at end of period	$ 161,433	$ 137,137
Non-cash investing and financing activities		
Construction, software-related and equipment-related payables	$ 5,144	$ 8,434

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of same amounts shown in the consolidated statements of cash flows:

(amount in thousands)	**As of June 29, 2018**	**As of June 30, 2017**
Cash and cash equivalents	$158,102	$133,825
Restricted cash in connection with business acquisition (non-current assets)	3,331	3,312
Cash, cash equivalents and restricted cash	$161,433	$137,137

FABRINET
RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES

(in thousands of U.S. dollars, except per share data)	Three Months Ended				Twelve Months Ended			
	June 29, 2018		June 30, 2017		June 29, 2018		June 30, 2017	
	Net income	Diluted EPS	Net income	Diluted EPS	Net income	Diluted EPS	Net income	Diluted EPS
GAAP measures	**22,768**	**0.60**	**27,401**	**0.72**	**84,167**	**2.21**	**97,115**	**2.57**
Items reconciling GAAP net (loss) income & EPS to non-GAAP net income & EPS:								
Related to cost of revenues:								
Share-based compensation expenses	1,507	0.04	1,133	0.03	6,784	0.18	5,318	0.14
Depreciation of fair value uplift	89	0.00	80	0.00	330	0.01	147	0.00
Total related to gross profit	1,596	0.04	1,213	0.03	7,114	0.19	5,465	0.14
Related to selling, general and administrative expenses:								
Share-based compensation expenses	3,370	0.09	3,438	0.09	15,797	0.42	21,190	0.56
Expenses related to CEO search	—	—	100	0.00	204	0.01	203	0.01
Debt administration expenses	—	—	—	—	—	—	320	0.01
Amortization of intangibles	199	0.01	199	0.01	780	0.02	607	0.02
Business combination expenses	—	—	160	0.00	117	0.00	1,790	0.05
Severance payments	2,142	0.06	—	—	2,142	0.06	577	0.02
Total related to selling, general and administrative expenses	5,711	0.15	3,897	0.10	19,040	0.50	24,687	0.65
Related to other incomes and other expenses:								
Loss on foreign currency contracts	—	—	—	—	—	—	(1,713)	(0.05)
Restructuring charges	—	—	—	—	1,776	0.05	—	—
Amortization of debt issuance costs	634	0.02	257	0.01	1,412	0.04	1,884	0.05
Total related to other incomes and other expenses	634	0.02	257	0.01	3,188	0.08	171	0.00
Total related to net income & EPS	**7,941**	**0.21**	**5,367**	**0.14**	**29,342**	**0.77**	**30,323**	**0.80**
Non-GAAP measures	**30,709**	**0.81**	**32,768**	**0.86**	**113,509**	**2.98**	**127,438**	**3.37**
Shares used in computing diluted net income per share								
GAAP diluted shares		37,766		38,118		38,035		37,852
Non-GAAP diluted shares		37,766		38,118		38,035		37,852

FABRINET
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW

(in thousands)	Three Months Ended		Twelve Months Ended	
	June 29, 2018	June 30, 2017	June 29, 2018	June 30, 2017
Net cash provided by operating activities	$48,286	$ 10,546	$138,080	$ 70,934
Less: Purchase of property, plant and equipment	(5,557)	(11,038)	(33,825)	(68,262)
Non-GAAP free cash flow	$42,729	($ 492)	$104,255	$ 2,672

FABRINET
GUIDANCE FOR QUARTER ENDING SEPTEMBER 28, 2018
RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES

	Diluted EPS
GAAP net income per diluted share:	**$0.58 to $0.61**
Related to cost of revenues:	
Share-based compensation expenses	0.05
Total related to gross profit	0.05
Related to selling, general and administrative expenses:	
Share-based compensation expenses	0.16
Business combination expenses	0.01
Total related to selling, general and administrative expenses	0.17
Total related to net income & EPS	**0.22**
Non-GAAP net income per diluted share	**$0.80 to $0.83**