

---

---

**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) February 3, 2012**

---

**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.)

**Walker House  
87 Mary Street  
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))
- 
-

## **Item 2.02 Results of Operations and Financial Condition.**

On February 6, 2012, Fabrinet issued a press release regarding its financial results for the fiscal quarter ended December 30, 2011. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 2.02 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

### **Resignation of Executive Officer**

On February 3, 2012, Mark Schwartz, Fabrinet’s Chief Financial Officer, informed the Board of Directors of his intention to resign as Executive Vice President, Chief Financial Officer and Secretary of Fabrinet. His resignation from all of his officer duties will be effective Thursday, March 1, 2012. Mr. Schwartz will continue as an employee of Fabrinet USA, Inc. through March 2012 to help during the transition and will terminate his employment with Fabrinet USA, Inc. on Friday March 30. Fabrinet USA has agreed to reimburse Mr. Schwartz for his health care insurance premiums under COBRA through September 30, 2012.

### **Appointment of Executive Officer**

On February 3, 2012, Fabrinet announced that its Board of Directors had appointed Toh-Seng Ng (“T.S.”) as its Executive Vice President and Chief Financial Officer of Fabrinet, effective Thursday, March 1, 2012.

Mr. Ng, age 58, has worked as Operations Controller of Fabrinet and Senior Vice President and Managing Director of Casix, Inc, a wholly-owned subsidiary of Fabrinet since March 2009. Prior to that, Mr. Ng. served as Fabrinet’s Senior Vice President of Finance from January 2007 through March 2009. Prior to Fabrinet, Mr. Ng managed financial operations at Magnecomp Precision Plc. in Thailand, Hitachi Global Storage Technologies in San Jose, and Read-Rite Corporation, culminating in his role as Corporate Controller and Vice President of Finance. Mr. Ng earned a Bachelor of Science degree in accountancy from the University of Singapore and an MBA in international management from Golden Gate University.

In connection with his promotion, Mr. Ng’s annual base salary has increased to \$325,000. Since Mr. Ng already participates in Fabrinet’s Executive Incentive Plan, his targets have been increased from 35% of his annual base salary (for target) and 70% of base annual salary (for maximum) to 50% and 100% for target and maximum, respectively. Mr. Ng. also received an additional long-term incentive equity award with a compensation value of \$100,000 (supplementing his current awards that aggregate to \$300,000), which are evenly allocated between restricted stock units and options to purchase ordinary shares of Fabrinet under the terms of Fabrinet’s 2010 Performance Incentive Plan. Mr. Ng. will relocate from Fuzhou, the People’s Republic of China, where Casix is based, to Bangkok, Thailand.

Pursuant to the terms of Mr. Ng’s promotion, in the event Mr. Ng’s employment is terminated without good cause, he will receive (A) a lump sum payment of severance payable within ten (10) business days from the date of Mr. Ng’s termination of employment, equal to (i) twelve (12) months of his then present base salary, and (ii) any earned bonus as of the date of Mr. Ng’s termination from employment; and (B) if Mr. Ng timely elects continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”), as amended, or a similar state program, reimbursement of the costs to continue family medical coverage for the first twelve (12) months following his termination of employment.

In addition, Mr. Ng. will receive a \$1,000 monthly car allowance and will continue to receive an annual base salary adjustment of \$112,000 (carried over from his service with Casix and Fabrinet Co. Ltd.) through December 31, 2012. Beginning January 1, 2013, Mr. Ng’s annual base salary adjustment will be reduced to \$72,000.

A copy of the press release naming Mr. Ng to the position of Executive Vice President and Chief Financial Officer is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

**Appointment of Corporate Secretary**

In addition, on February 3, 2012, the Board of Directors appointed Paul Kalivas, Fabrinet's General Counsel, as Corporate Secretary.

Neither Mr. Ng nor Mr. Kalivas has any family relationships or related party transactions that are required to be disclosed.

**Item 9.01 – Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by Fabrinet dated February 6, 2012

**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/ Mark J. Schwartz  
**Mark J. Schwartz**  
*Executive Vice President, Chief Financial Officer and  
Secretary*

Date: February 6, 2012

**EXHIBIT INDEX**

**Exhibit  
No.**

**Description**

99.1 Press release issued by Fabrinet dated February 6, 2012

## Fabrinet Announces Second Quarter 2012 Financial Results

**BANGKOK, Thailand – February 6, 2011** – Fabrinet (NYSE: FN), a provider of precision optical, electro-mechanical and electronic manufacturing services to original equipment manufacturers of complex products, today announced its financial results for the second quarter of fiscal 2012, ended December 30, 2011.

Fabrinet reported total revenue of \$96.6 million for the second quarter of fiscal 2012, a decrease of 47.7% compared to revenue of \$184.6 million for the comparable period in fiscal 2011. GAAP net loss in the second quarter was \$(33.3) million, or \$(0.96) per diluted share, a decrease of 310.4% compared to GAAP net income of \$15.8 million, or \$0.46 per diluted share in the second quarter of 2011. Non-GAAP net income in the second quarter was \$6.2 million, or \$0.18 per diluted share, a decrease of 63.6% compared to non-GAAP net income of 17.0 million, or \$0.49 per share in the second quarter of 2011.

Tom Mitchell, Chief Executive Officer of Fabrinet, said, “Following the most severe flooding season of the last century in Thailand, I’m pleased to report that we are executing on a strong recovery plan. We are grateful to our employees, who overcame great personal hardship and loss, to undertake extraordinary efforts to protect and restore the equipment and inventory of our customers and to our customers for their ongoing confidence and close collaboration during these trying times. We are making solid progress and look forward to getting back to business as usual.”

John Marchetti, Chief Strategy Officer, and Mark Schwartz, Chief Financial Officer, will be available to meet investors in upcoming weeks at the following conferences –

- February 9th at the Stifel Conference in Dana Point, CA at 1:05pm PT
- February 14th at the Deutsche Bank Small Mid Cap Conference in South Beach, FL
- February 27th at the Morgan Stanley Conference in San Francisco, CA at 3:40pm PT

### Business Outlook

Based on information available as of February 6, 2012, Fabrinet is issuing guidance for the third quarter of fiscal 2012 as follows:

The company expects third quarter revenue to be in the range of \$131 million to \$136 million. Non-GAAP net income per share is expected to be in the range of \$0.22 to \$0.24, based on approximately 34.9 million fully diluted, weighted average shares outstanding.

### Conference Call Information

What: Fabrinet second quarter 2012 financial results conference call  
 When: Monday, February 6, 2012  
 Time: 5:00 p.m. ET  
 Live Call: (888) 357-3694, domestic  
 (253) 237-1137, international  
 Passcode 45335033  
 Replay: (855) 859-2056, domestic  
 (404) 537-3406, international  
 Passcode 45335033  
 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 provides precision optical, electro-mechanical and electronic manufacturing services to original equipment manufacturers of complex products, such as optical communication components, modules and sub-systems, 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, 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: <http://www.fabrinet.com>.

## **Safe Harbor**

**“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 third quarter of fiscal year 2012 and statements about our progress towards returning to normal operations. 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: our ability to recover expected amounts under our insurance policies; post-flood recovery and rebuilding efforts in Thailand; 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 new markets; increasing 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 limited number of customers and suppliers; difficulties in accurately forecasting demand for our services; difficulties in managing our operating costs; and other important factors as described in Fabrinet reports and documents filed from time to time with the Securities and Exchange Commission (SEC), including the factors described under the sections captioned “Risk Factors” in our quarterly report on Form 10-Q, filed on November 9, 2011 and our annual report on Form 10-K, filed on August 31, 2011. 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 stock-based compensation expenses and other expenses in relation to flood. 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.

SOURCE: Fabrinet

**Investor Contact:**

Abhi Kanitkar

ICR, Inc.

(617) 956-6735

[ir@fabrinet.com](mailto:ir@fabrinet.com)



**Fabrinet**  
**Unaudited Condensed Consolidated Balance Sheets**  
**As of December 30, 2011 and June 24, 2011**

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

	December 30, 2011	June 24, 2011
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 112,078	\$ 127,282
Trade accounts receivable, net	97,824	117,705
Inventories, net	103,287	106,467
Investment in leases	—	448
Deferred tax assets	3,705	1,308
Prepaid expenses and other current assets	4,716	4,466
Total current assets	<u>321,610</u>	<u>357,676</u>
Non-current assets		
Property, plant and equipment, net	88,436	75,410
Intangibles, net	555	892
Investment in leases	—	1,163
Deferred tax assets	1,972	1,953
Deposits and other non-current assets	669	681
Total non-current assets	<u>91,632</u>	<u>80,099</u>
<b>Total assets</b>	<u>\$ 413,242</u>	<u>\$ 437,775</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		
Long-term loans from banks, current portion	\$ 6,368	\$ 4,398
Trade accounts payable	57,052	92,563
Construction payable	3,437	2,475
Income tax payable	1,046	1,858
Deferred tax liability	1,181	1,056
Accrued payroll, profit sharing and related expenses	5,697	7,677
Accrued expenses	4,575	3,986
Other payables	4,721	3,796
Liabilities to third parties due to flood losses	11,684	—
Total current liabilities	<u>95,761</u>	<u>117,809</u>
Non-current liabilities		
Long-term loans from banks, non-current portion	23,545	11,979
Severance liabilities	4,751	4,478
Other non-current liabilities	2,027	1,982
Total non-current liabilities	<u>30,323</u>	<u>18,439</u>
<b>Total liabilities</b>	<u>126,084</u>	<u>136,248</u>
Commitments and contingencies		
Shareholders' equity		
Preferred shares (5,000,000 shares authorized, \$0.01 par value; no shares issued and outstanding as of December 30, 2011 and June 24, 2011, respectively)	—	—
Ordinary shares (500,000,000 shares authorized, \$0.01 par value; 34,422,252 shares and 34,207,579 shares issued and outstanding as of December 30, 2011 and June 24, 2011, respectively)	344	342
Additional paid-in capital	63,044	59,816
Retained earnings	223,770	241,369
Total shareholders' equity	<u>287,158</u>	<u>301,527</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 413,242</u>	<u>\$ 437,775</u>

**Fabrinet**  
**Unaudited Condensed Consolidated Statements of Operations**  
**For the three and six months ended December 30, 2011 and December 24, 2010**

	Three Months Ended		Six Months Ended	
	December 30, 2011	December 24, 2010	December 30, 2011	December 24, 2010
<i>(in thousands of U.S. dollars)</i>				
Revenues	\$ 96,609	\$ 184,631	\$ 282,956	\$ 358,371
Cost of revenues	(87,680)	(160,968)	(251,143)	(312,932)
Gross profit	8,929	23,663	31,813	45,439
Selling, general and administrative expenses	(5,319)	(5,951)	(11,957)	(10,778)
Other expenses in relation to flood	(40,265)	—	(40,265)	—
Operating income	(36,655)	17,712	(20,409)	34,661
Interest income	224	114	419	212
Interest expense	(68)	(90)	(142)	(201)
Foreign exchange gain (loss), net	787	(670)	600	(1,048)
Other income	59	11	156	15
Income (loss) before income taxes	(35,653)	17,077	(19,376)	33,639
Income tax benefit (expense)	2,399	(1,271)	1,777	(2,628)
Net income (loss)	\$ (33,254)	\$ 15,806	\$ (17,599)	\$ 31,011
<b>Earnings (loss) per share</b>				
Basic	\$ (0.97)	\$ 0.47	\$ (0.51)	\$ 0.92
Diluted	\$ (0.96)	\$ 0.46	\$ (0.51)	\$ 0.90
<b>Weighted average number of ordinary shares outstanding</b> (thousands of shares)				
Basic	34,396	33,768	34,309	33,765
Diluted	34,544	34,450	34,523	34,401

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

	Three Months Ended				Six Months Ended			
	December 30, 2011	December 30, 2011	December 24, 2010	December 24, 2010	December 30, 2011	December 30, 2011	December 24, 2010	December 24, 2010
	Net loss	Diluted EPS	Net income	Diluted EPS	Net loss	Diluted EPS	Net income	Diluted EPS
<b>GAAP measures</b>	<b>(33,254)</b>	<b>(0.96)</b>	<b>15,806</b>	<b>0.46</b>	<b>(17,599)</b>	<b>(0.51)</b>	<b>31,011</b>	<b>0.90</b>
Items reconciling GAAP net income (loss) & EPS to non-GAAP net income & EPS:								
Related to cost of revenues:								
Share-based compensation expenses	465	0.01	386	0.01	911	0.03	478	0.01
<b>Total related to gross profit</b>	<b>465</b>	<b>0.01</b>	<b>386</b>	<b>0.01</b>	<b>911</b>	<b>0.03</b>	<b>478</b>	<b>0.01</b>
Related to selling, general and administrative expenses:								
Share-based compensation expenses	1,138	0.03	806	0.02	1,680	0.05	942	0.03
<b>Total related to selling, general and administrative expenses</b>	<b>1,138</b>	<b>0.03</b>	<b>806</b>	<b>0.02</b>	<b>1,680</b>	<b>0.05</b>	<b>942</b>	<b>0.03</b>
Related to other expenses:								
Other expenses in relation to flood	40,265	1.16	—	—	40,265	1.16	—	—
<b>Total related to other expenses</b>	<b>40,265</b>	<b>1.16</b>	<b>—</b>	<b>—</b>	<b>40,265</b>	<b>1.16</b>	<b>—</b>	<b>—</b>
Related to income tax (benefit) expense								
Income tax (benefit) expense	(2,422)	(0.07)	—	—	(2,422)	(0.07)	—	—
<b>Total related to income tax (benefit) expense</b>	<b>(2,422)</b>	<b>(0.07)</b>	<b>—</b>	<b>—</b>	<b>(2,422)</b>	<b>(0.07)</b>	<b>—</b>	<b>—</b>
<b>Total related to net income &amp; EPS</b>	<b>39,446</b>	<b>1.14</b>	<b>1,192</b>	<b>0.03</b>	<b>40,434</b>	<b>1.17</b>	<b>1,420</b>	<b>0.04</b>
<b>Non-GAAP measures</b>	<b>6,192</b>	<b>0.18</b>	<b>16,998</b>	<b>0.49</b>	<b>22,835</b>	<b>0.66</b>	<b>32,431</b>	<b>0.94</b>
Shares used in computing diluted net income per share								
GAAP diluted shares		34,544		34,450		34,523		34,401
Non-GAAP diluted shares		34,738		34,645		34,707		34,525