
**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 2, 2015

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 February 2, 2015, Fabrinet issued a press release regarding its financial results for the fiscal quarter ended December 26, 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 February 2, 2015

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: February 2, 2015

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1 Press release dated February 2, 2015

Fabrinet Announces Second Quarter Fiscal 2015 Financial Results

BANGKOK, Thailand – February 2, 2015 – 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 second quarter ended December 26, 2014.

Fabrinet reported total revenue of \$188.4 million for the second quarter of fiscal 2015, an increase of 5.5% compared to total revenue of \$178.6 million for the comparable period in fiscal 2014. GAAP net income for the second quarter of fiscal 2015 was \$8.7 million, or \$0.24 per diluted share, compared to GAAP net income of \$14.5 million, or \$0.41 per diluted share, in the second quarter of fiscal 2014. Non-GAAP net income in the second quarter of fiscal 2015 was \$14.4 million, or \$0.40 per diluted share, a decrease of 10.0% compared to non-GAAP net income of \$16.0 million, or \$0.45 per diluted share, in the same period a year ago.

Tom Mitchell, Chief Executive Officer of Fabrinet, said, “Our fiscal second quarter results demonstrate our commitment to profitably growing our business while making key investments for the future. These investments are beginning to bear fruit as we had another quarter of strong revenue growth from new customers.”

Business Outlook

Based on information available as of February 2, 2015, Fabrinet is issuing guidance for the third quarter of fiscal 2015 as follows:

Fabrinet expects third quarter revenue to be in the range of \$181 million to \$185 million. GAAP net income per share is expected to be in the range of \$0.27 to \$0.29 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 Second Quarter 2015 Financial Results Conference Call

When: Monday, February 2, 2015

Time: 5:00 p.m. ET

Live Call: (888) 357-3694, domestic
(253) 237-1137, international
Passcode: 61174290

Replay: (855) 859-2056, domestic
(404) 537-3406, international
Passcode: 61174290

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, 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 third quarter of fiscal 2015. 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 November 5, 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, audit committee internal investigation costs, expenses related to reduction in workforce, amortization of debt issuance costs and income related to flooding. 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:

Jennifer Predmore

215-428-1797

ir@fabrinet.com

Fabrinet
Consolidated Balance Sheets
As of December 26, 2014 and June 27, 2014

<i>(in thousands of U.S. dollars, except share data)</i>	December 26, 2014	June 27, 2014
Assets		
Current assets		
Cash and cash equivalents	\$ 111,971	\$233,477
Marketable securities	141,299	—
Trade accounts receivable, net	104,096	101,168
Inventory, net	127,804	124,570
Deferred tax assets	1,557	1,561
Prepaid expenses	1,366	1,691
Other current assets	2,356	2,010
Total current assets	<u>490,449</u>	<u>464,477</u>
Non-current assets		
Property, plant and equipment, net	106,498	97,244
Intangibles, net	52	72
Deferred tax assets	1,690	1,775
Deferred debt issuance costs	2,507	989
Total non-current assets	<u>110,747</u>	<u>100,080</u>
Total assets	<u>\$ 601,196</u>	<u>\$564,557</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Long-term loans from bank, current portion	\$ 6,000	\$ 6,000
Trade accounts payable	98,651	94,853
Equipment-related payables	10,919	1,130
Income tax payable	1,410	1,024
Accrued payroll, bonus and related expenses	7,619	8,612
Accrued expenses	7,521	4,345
Other payables	4,461	4,665
Total current liabilities	<u>136,581</u>	<u>120,629</u>
Non-current liabilities		
Long-term loans from bank, non-current portion	7,500	10,500
Deferred tax liability	867	1,040
Severance liabilities	4,771	4,453
Other non-current liabilities	1,446	1,099
Total non-current liabilities	<u>14,584</u>	<u>17,092</u>
Total liabilities	<u>151,165</u>	<u>137,721</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 26, 2014 and June 27, 2014)	—	—
Ordinary shares (500,000,000 shares authorized, \$0.01 par value; 35,371,886 shares and 35,152,772 shares issued and outstanding as of December 26, 2014 and June 27, 2014, respectively)	354	352
Additional paid-in capital	84,799	80,882
Retained earnings	365,364	345,602
Accumulated other comprehensive loss	(486)	—
Total shareholders' equity	<u>450,031</u>	<u>426,836</u>
Total Liabilities and Shareholders' Equity	<u>\$ 601,196</u>	<u>\$564,557</u>

Fabrinet
Consolidated Statements of Operations and Comprehensive Income
For the three and six months ended December 26, 2014 and December 27, 2013

	Three Months Ended		Six Months Ended	
	December 26, 2014	December 27, 2013	December 26, 2014	December 27, 2013
<i>(in thousands of U.S. dollars, except share data)</i>				
Revenues	\$ 188,353	\$ 178,562	\$ 377,678	\$ 350,113
Cost of revenues	(167,292)	(158,032)	(336,111)	(310,938)
Gross profit	21,061	20,530	41,567	39,175
Selling, general and administrative expenses	(10,314)	(6,913)	(19,051)	(13,607)
Expenses related to reduction in workforce	(1,153)	—	(1,153)	—
Income related to flooding	—	—	—	6,597
Operating income	9,594	13,617	21,363	32,165
Interest income	324	338	698	702
Interest expense	(117)	(188)	(250)	(394)
Foreign exchange gain (loss), net	83	(788)	(23)	300
Other (expense) income	(134)	187	(31)	371
Income before income taxes	9,750	13,166	21,757	33,144
Income tax (expense) benefit	(1,024)	1,373	(1,995)	592
Net income	8,726	14,539	19,762	33,736
Other comprehensive loss, before tax:				
Change in fair value of marketable securities	(493)	—	(493)	—
Less : Reclassification adjustment for net loss realized and included in net income	7	—	7	—
Total change in unrealized loss on marketable securities, before of tax	(486)	—	(486)	—
Income tax expense related to items of other comprehensive income	—	—	—	—
Total other comprehensive loss, net of tax	(486)	—	(486)	—
Net comprehensive income	\$ 8,240	\$ 14,539	\$ 19,276	\$ 33,736
Earnings per share				
Basic	\$ 0.25	\$ 0.42	\$ 0.56	\$ 0.97
Diluted	\$ 0.24	\$ 0.41	\$ 0.55	\$ 0.95
Weighted average number of ordinary shares outstanding				
(thousands of shares)				
Basic	35,349	34,882	35,289	34,778
Diluted	35,917	35,583	35,752	35,361

Fabrinet
Consolidated Statements of Cash Flows
For the six months ended December 26, 2014 and December 27, 2013

	Six Months Ended	
	December 26, 2014	December 27, 2013
<i>(in thousands of U. S. dollars)</i>		
Cash flows from operating activities		
Net income for the period	\$ 19,762	\$ 33,736
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	5,907	5,030
Amortization of intangibles	42	51
Gain on disposal of property, plant and equipment	(46)	(1)
Amortization of investment premium	298	—
Amortization of deferred debt issuance costs	228	—
Income related to flooding	—	(6,597)
Proceeds from insurers for inventory losses related to flooding	—	6,597
Reversal of allowance for doubtful accounts	(3)	(53)
Unrealized (gain) loss on exchange rate and fair value of derivative and available-for-sale securities	(109)	681
Share-based compensation	3,797	3,060
Deferred income tax	(84)	188
Other non-cash expenses	665	232
Reversal of uncertain tax positions	—	(1,538)
Inventory obsolescence	317	104
Changes in operating assets and liabilities		
Trade accounts receivable	(2,925)	(3,244)
Inventory	(3,551)	(7,856)
Other current assets and non-current assets	(21)	171
Trade accounts payable	3,798	10,886
Income tax payable	386	232
Other current liabilities and non-current liabilities	2,140	1,099
Liabilities to third parties due to flood losses	—	(5,974)
Net cash provided by operating activities	<u>30,601</u>	<u>36,804</u>
Cash flows from investing activities		
Purchase of available-for-sale securities	(143,684)	—
Proceeds from maturities of available-for-sale securities	543	—
Proceeds from sales of available-for-sale securities	1,056	—
Purchase of property, plant and equipment	(5,372)	(4,198)
Purchase of Intangibles	(22)	—
Proceeds from disposal of property, plant and equipment	46	1
Net cash used in investing activities	<u>(147,433)</u>	<u>(4,197)</u>
Cash flows from financing activities		
Payment of debt issuance costs	(1,746)	—
Repayment of long-term loans from bank	(3,000)	(4,834)
Proceeds from issuance of ordinary shares under employee share option plans	415	3,531
Withholding tax related to net share settlement of restricted share units	(293)	(162)
Net cash used in financing activities	<u>(4,624)</u>	<u>(1,465)</u>
Net (decrease) increase in cash and cash equivalents	<u>\$ (121,456)</u>	<u>\$ 31,142</u>

Fabrinet
Consolidated Statements of Cash Flows
For the six months ended December 26, 2014 and December 27, 2013

	Six Months Ended	
	December 26, 2014	December 27, 2013
<i>(in thousands of U.S. dollars)</i>		
Movement in cash and cash equivalents		
Cash and cash equivalents at beginning of period	\$ 233,477	\$ 149,716
(Decrease) increase in cash and cash equivalents	(121,456)	31,142
Effect of exchange rate on cash and cash equivalents	(50)	(800)
Cash and cash equivalents at end of period	\$ 111,971	\$ 180,058
Non-cash investing and financing activities		
Equipment-related payables	10,919	2,825

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 26, 2014	December 26, 2014	December 27, 2013	December 27, 2013	December 26, 2014	December 26, 2014	December 27, 2013	December 27, 2013
	Net income	Diluted EPS	Net income	Diluted EPS	Net income	Diluted EPS	Net income	Diluted EPS
GAAP measures	8,726	0.24	14,539	0.41	19,762	0.55	33,736	0.95
Items reconciling GAAP net income & EPS to non-GAAP net income & EPS:								
Related to cost of revenues:								
Share-based compensation expenses	360	0.01	291	0.01	728	0.02	598	0.02
Total related to gross profit	360	0.01	291	0.01	728	0.02	598	0.02
Related to selling, general and administrative expenses:								
Share-based compensation expenses	1,570	0.04	1,206	0.03	3,069	0.09	2,462	0.07
Investigation costs	2,500	0.07	—	—	4,100	0.11	—	—
Total related to selling, general and administrative expenses	4,070	0.11	1,206	0.03	7,169	0.20	2,462	0.07
Related to other incomes and other expenses:								
Income related to flooding	—	—	—	—	—	—	(6,597)	(0.19)
Expenses related to reduction in workforce	1,153	0.03	—	—	1,153	0.03	—	—
Amortization of debt issuance costs	228	0.01	—	—	228	0.01	—	—
Total related to other incomes and other expenses	1,381	0.04	—	—	1,381	0.04	(6,597)	(0.19)
Related to income tax expense								
Income tax expense	(187)	(0.01)	—	—	(187)	(0.01)	—	—
Total related to income tax expense	(187)	(0.01)	—	—	(187)	(0.01)	—	—
Total related to net income & EPS	5,624	0.16	1,497	0.04	9,091	0.25	(3,537)	(0.10)
Non-GAAP measures	14,350	0.40	16,036	0.45	28,853	0.81	30,199	0.85
Shares used in computing diluted net income per share								
GAAP diluted shares		35,917		35,583		35,752		35,361
Non-GAAP diluted shares		35,917		35,583		35,752		35,361