
**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, 2014

Fabrinet

(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction
of incorporation)

001-34775
(Commission
File Number)

Not Applicable
(IRS Employer
Identification No.)

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

(Address of principal executive offices, including zip code)

+66 2-524-9600

(Registrant's telephone number, including area code)

N/A

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

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

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

On February 3, 2014, Fabrinet issued a press release regarding its financial results for the fiscal quarter ended December 27, 2013. 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 3, 2014

SIGNATURES

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

FABRINET

By: /s/ Paul Kalivas

Paul Kalivas

*Chief Administrative Officer, General Counsel and
Secretary*

Date: February 3, 2014

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1 Press release dated February 3, 2014

Fabrinet Announces Second Quarter 2014 Financial Results

BANGKOK, Thailand – February 3, 2014 – Fabrinet (NYSE: FN), a leading provider of advanced optical packaging and precision optical, electro-mechanical and electronic manufacturing services to original equipment manufacturers of complex products, today announced its financial results for the second quarter ended December 27, 2013.

Fabrinet reported total revenue of \$178.6 million for the second quarter of fiscal 2014, an increase of 6.7% compared to total revenue of \$167.4 million for the comparable period in fiscal 2013. GAAP net income for the second quarter of fiscal 2014 was \$14.5 million, or \$0.41 per diluted share, compared to GAAP net income of \$16.7 million, or \$0.48 per diluted share, in the second quarter of fiscal 2013. Non-GAAP net income in the second quarter of fiscal 2014 was \$16.0 million, or \$0.45 per diluted share, an increase of 15.9% compared to non-GAAP net income of \$13.8 million, or \$0.39 per diluted share, in the same period a year ago.

Tom Mitchell, Chief Executive Officer of Fabrinet, said, “I am pleased with the results that we delivered in the second quarter, which included both sequential and year-over-year growth in revenue, gross margin and non-GAAP earnings per share. We remain committed to delivering world-class support to our customers and profitable growth to our shareholders.”

Business Outlook

Based on information available as of February 3, 2014, Fabrinet is issuing guidance for the third quarter of fiscal 2014 as follows:

Fabrinet expects third quarter revenue to be in the range of \$162 million to \$166 million. GAAP net income per share is expected to be in the range of \$1.31 to \$1.33 with expected non-GAAP net income per share of \$0.32 to \$0.34, based on approximately 36 million fully diluted shares outstanding.

Conference Call Information

What: Fabrinet Second Quarter 2014 Financial Results Conference Call
 When: Monday, February 3, 2014
 Time: 5:00 p.m. ET
 Live Call: (888) 357-3694, domestic
 (253) 237-1137, international
 Passcode: 31255989
 Replay: (855) 859-2056, domestic
 (404) 537-3406, international
 Passcode: 31255989
 Webcast: <http://investor.fabrinet.com> (live and replay)

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

Investor Conferences

Management will be participating in the Stifel Nicolaus Technology, Internet & Media Conference in San Francisco on Tuesday, February 11, 2014; and the Morgan Stanley Technology, Media & Telecom Conference in San Francisco on Tuesday, March 4, 2014.

About Fabrinet

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

Forward-Looking Statements

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

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include all of the statements under the “Business Outlook” section relating to our forecasted operating results for the third quarter of fiscal 2014. 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, 2013. 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 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 27, 2013 and June 28, 2013

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

	December 27, 2013	June 28, 2013
Assets		
Current assets		
Cash and cash equivalents	\$ 180,058	\$ 149,716
Trade accounts receivable, net	121,772	118,475
Inventory, net	96,705	88,962
Deferred tax assets	2,014	1,937
Prepaid expenses	902	1,931
Other current assets	2,494	3,505
Total current assets	<u>403,945</u>	<u>364,526</u>
Non-current assets		
Property, plant and equipment, net	97,316	97,206
Intangibles, net	113	164
Deferred tax assets	2,937	2,905
Deposits and other non-current assets	95	107
Total non-current assets	<u>100,461</u>	<u>100,382</u>
Total assets	<u>\$ 504,406</u>	<u>\$ 464,908</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Long-term loans from bank, current portion	\$ 9,668	\$ 9,668
Trade accounts payable	88,025	77,139
Income tax payable	580	1,825
Deferred tax liability	2,778	2,481
Accrued payroll, bonus and related expenses	7,484	6,220
Accrued expenses	3,552	3,121
Other payables	5,800	5,163
Liabilities to third parties due to flood losses	1,538	9,812
Total current liabilities	<u>119,425</u>	<u>115,429</u>
Non-current liabilities		
Long-term loans from bank, non-current portion	14,409	19,243
Severance liabilities	4,532	4,382
Other non-current liabilities	557	536
Total non-current liabilities	<u>19,498</u>	<u>24,161</u>
Total liabilities	<u>138,923</u>	<u>139,590</u>
Commitments and contingencies		
Shareholders' equity		
Preferred shares (5,000,000 shares authorized, \$0.01 par value; no shares issued and outstanding as of December 27, 2013 and June 28, 2013)	—	—
Ordinary shares (500,000,000 shares authorized, \$0.01 par value; 35,034,181 shares and 34,634,967 shares issued and outstanding as of December 27, 2013 and June 28, 2013, respectively)	350	346
Additional paid-in capital	77,526	71,101
Retained earnings	287,607	253,871
Total shareholders' equity	<u>365,483</u>	<u>325,318</u>
Total Liabilities and Shareholders' Equity	<u>\$ 504,406</u>	<u>\$ 464,908</u>

Fabrinet
Consolidated Statements of Operations
For the three and six months ended December 27, 2013 and December 28, 2012

	Three Months Ended		Six Months Ended	
	December 27, 2013	December 28, 2012	December 27, 2013	December 28, 2012
<i>(in thousands of U.S. dollars, except share data)</i>				
Revenues	\$ 178,562	\$ 167,426	\$ 350,113	\$ 326,051
Cost of revenues	(158,032)	(149,056)	(310,938)	(289,959)
Gross profit	20,530	18,370	39,175	36,092
Selling, general and administrative expenses	(6,913)	(5,787)	(13,607)	(11,646)
Income related to flooding	—	4,825	6,597	9,645
Operating income	13,617	17,408	32,165	34,091
Interest income	338	271	702	459
Interest expense	(188)	(263)	(394)	(549)
Foreign exchange (loss) gain, net	(788)	(170)	300	107
Other income	187	183	371	373
Income before income taxes	13,166	17,429	33,144	34,481
Income tax benefit (expense)	1,373	(747)	592	(1,780)
Net income	<u>\$ 14,539</u>	<u>\$ 16,682</u>	<u>\$ 33,736</u>	<u>\$ 32,701</u>
Earnings per share				
Basic	\$ 0.42	\$ 0.48	\$ 0.97	\$ 0.95
Diluted	\$ 0.41	\$ 0.48	\$ 0.95	\$ 0.94
Weighted average number of ordinary shares outstanding (thousands of shares)				
Basic	34,882	34,517	34,778	34,501
Diluted	35,583	34,804	35,361	34,737

Fabrinet
Consolidated Statements of Cash Flows
For the six months ended December 27, 2013 and December 28, 2012

	Six Months Ended	
	December 27, 2013	December 28, 2012
<i>(in thousands of U. S. dollars)</i>		
Cash flows from operating activities		
Net income for the period	\$ 33,736	\$ 32,701
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	5,030	5,002
Amortization of intangibles	51	142
Gain on disposal of property, plant and equipment	(1)	(1)
Income related to flooding	(6,597)	(9,645)
Proceeds from insurers for business interruption losses related to flooding	—	4,741
Proceeds from insurers for inventory losses related to flooding	6,597	—
Reversal of allowance for doubtful accounts	(53)	(36)
Unrealized loss (gain) on exchange rate and fair value of derivative	681	(722)
Share-based compensation	3,060	2,632
Deferred income tax	188	1,443
Other non-cash expenses	232	703
Reversal of uncertain tax positions	(1,538)	(588)
Inventory obsolescence (reversal of)	104	(376)
Changes in operating assets and liabilities		
Trade accounts receivable	(3,244)	(3,069)
Inventory	(7,856)	3,918
Other current assets and non-current assets	171	1,342
Trade accounts payable	10,886	(12,256)
Income tax payable	232	371
Other current liabilities and non-current liabilities	1,099	(1,573)
Liabilities to third parties due to flood losses	(5,974)	(6,797)
Net cash provided by operating activities	<u>36,804</u>	<u>17,932</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,198)	(6,085)
Purchase of Intangibles	—	(1)
Proceeds from disposal of property, plant and equipment	1	2
Proceeds from insurers in settlement of claims related to flood damage	—	4,904
Net cash used in investing activities	<u>(4,197)</u>	<u>(1,180)</u>
Cash flows from financing activities		
Repayment of long-term loans from bank	(4,834)	(4,834)
Proceeds from issuance of ordinary shares under employee share option plans	3,531	167
Withholding tax related to net share settlement of restricted share units	(162)	(10)
Net cash used in financing activities	<u>(1,465)</u>	<u>(4,677)</u>
Net increase in cash and cash equivalents	<u>\$ 31,142</u>	<u>\$ 12,075</u>

Fabrinet
Consolidated Statements of Cash Flows
For the six months ended December 27, 2013 and December 28, 2012

	Six Months Ended	
	December 27, 2013	December 28, 2012
<i>(in thousands of U.S. dollars)</i>		
Movement in cash and cash equivalents		
Cash and cash equivalents at beginning of period	\$ 149,716	\$ 115,507
Increase in cash and cash equivalents	31,142	12,075
Effect of exchange rate on cash and cash equivalents	(800)	516
Cash and cash equivalents at end of period	\$ 180,058	\$ 128,098

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 27, 2013	December 27, 2013	December 28, 2012	December 28, 2012	December 27, 2013	December 27, 2013	December 28, 2012	December 28, 2012
	<u>Net income</u>	<u>Diluted EPS</u>	<u>Net income</u>	<u>Diluted EPS</u>	<u>Net income</u>	<u>Diluted EPS</u>	<u>Net income</u>	<u>Diluted EPS</u>
GAAP measures	14,539	0.41	16,682	0.48	33,736	0.95	32,701	0.94
Items reconciling GAAP net income & EPS to non-GAAP net income & EPS:								
Related to cost of revenues:								
Share-based compensation expenses	291	0.01	299	0.01	598	0.02	644	0.02
Total related to gross profit	<u>291</u>	<u>0.01</u>	<u>299</u>	<u>0.01</u>	<u>598</u>	<u>0.02</u>	<u>644</u>	<u>0.02</u>
Related to selling, general and administrative expenses:								
Share-based compensation expenses	1,206	0.03	1,079	0.03	2,462	0.07	1,988	0.06
Total related to selling, general and administrative expenses	<u>1,206</u>	<u>0.03</u>	<u>1,079</u>	<u>0.03</u>	<u>2,462</u>	<u>0.07</u>	<u>1,988</u>	<u>0.06</u>
Related to other incomes and other expenses:								
Income related to flooding	—	—	(4,825)	(0.14)	(6,597)	(0.19)	(9,645)	(0.27)
Total related to other incomes and other expenses	<u>—</u>	<u>—</u>	<u>(4,825)</u>	<u>(0.14)</u>	<u>(6,597)</u>	<u>(0.19)</u>	<u>(9,645)</u>	<u>(0.27)</u>
Related to income tax expense								
Income tax expense	—	—	594	0.02	—	—	907	0.03
Total related to income tax expense	<u>—</u>	<u>—</u>	<u>594</u>	<u>0.02</u>	<u>—</u>	<u>—</u>	<u>907</u>	<u>0.03</u>
Total related to net income & EPS	<u>1,497</u>	<u>0.04</u>	<u>(2,853)</u>	<u>(0.08)</u>	<u>(3,537)</u>	<u>(0.10)</u>	<u>(6,106)</u>	<u>(0.17)</u>
Non-GAAP measures	<u>16,036</u>	<u>0.45</u>	<u>13,829</u>	<u>0.39</u>	<u>30,199</u>	<u>0.85</u>	<u>26,595</u>	<u>0.76</u>
Shares used in computing diluted net income per share								
GAAP diluted shares		35,583		34,804		35,361		34,737
Non-GAAP diluted shares		35,583		35,190		35,361		35,086