

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: September 13, 2007

**Subject: Solectron Corporation (SLR) \*\*MERGER UPDATE\*\***

On Thursday, September 27, 2007, the shareholders of Solectron Corporation (SLR) will vote to approve the proposed merger with Flextronics International Ltd. (FLEX). Pursuant to the merger terms each SLR share will be converted as follows:

Stock Consideration: No more than 70% of all outstanding SLR Common shares will be converted into an amount of FLEX Ordinary Shares

Cash Consideration: No more than 50% of all outstanding SLR Common shares will be converted into an amount of cash

Within the terms of the merger, SLR shareholders may choose one of the following:

Cash Election: Elect to receive \$3.89 cash for each SLR Common Share; OR

Stock Election: Elect to receive 0.3450 FLEX Ordinary Shares for each SLR Common Share; OR

Mixed Election: Elect to receive a combination of cash and FLEX Ordinary Shares; OR

Non-Election: Register no preference with no respect to cash or FLEX Ordinary Shares

All elections will be subject to prorations as described in the Proxy Statement. Electing SLR shareholders may receive cash, FLEX Ordinary Shares or a combination of cash and stock; while non-electing SLR shareholders may receive cash, stock or a combination of cash and stock.

**ELECTION DEADLINE:**

**Elections must be submitted to the Exchange Agent prior to the election deadline, which is 5:00 P.M., New York City Time, on the later of (i) the date of the shareholders meeting and (ii) a date that is approximately ten (10) business days prior to the expected closing date of the merger .** SLR shares MAY be delivered under "Notices of Guaranteed Delivery", which allows delivery of such shares within three (3) NYSE trading days of submission of the notice. Elections may be made under "Notices of Guaranteed Delivery", on or before the election deadline. Call option holders wishing to participate in the election must exercise their options in advance of the election deadline.

**The merger is anticipated to become effective on Monday, October 1, 2007.**

*\*\*The foregoing is an unofficial summary of the terms of the Merger, prepared by the PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

Pursuant to Options Clearing Corporation (OCC) By-Laws, all outstanding SLR options will be adjusted as follows:

<b>EFFECTIVE DATE:</b>	<b>Option changes are expected to become effective on Tuesday, October 2, 2007</b>
<b>SYMBOL(s):</b>	<b>SLR/VRL/WRL becomes SAJ/VOU/WCO respectively</b>
<b>STRIKE PRICE:</b>	No Change
<b>POS/EXERCISE LIMIT:</b>	No Change
<b>MULTIPLIER:</b>	100*(eg., Premium of 1.00 = \$100)
<b>NEW DELIVERABLE:</b>	<b>The deliverable for adjusted SAJ/VOU/WCO options will be based on the merger consideration which accrues to Non-Electing shareholders.</b>

Solectron Corporation (SLR)  
(Before - Date To Be Announced)  
100 shares SLR

			Call	Put
SLR	SEP	2 1/2	IZ	UZ
SLR	SEP	5	IA	UA
SLR	SEP	7 1/2	IR	UR
SLR	SEP	10	IB	UB
SLR	SEP	12 1/2	IS	US
SLR	SEP	15	IC	UC
SLR	SEP	17 1/2	IT	UT
SLR	OCT	2 1/2	JZ	VZ
SLR	OCT	5	JA	VA
SLR	OCT	7 1/2	JR	VR
SLR	OCT	10	JB	VB
SLR	OCT	12 1/2	JS	VS
SLR	OCT	15	JC	VC
SLR	OCT	17 1/2	JT	VT
SLR	JAN	2 1/2	AZ	MZ
SLR	JAN	5	AA	MA
SLR	JAN	7 1/2	AR	MR
SLR	JAN	10	AB	MB
SLR	APR	2 1/2	DZ	PZ
SLR	APR	5	DA	PA
SLR	APR	7 1/2	DR	PR
SLR	APR	10	DB	PB
SLR	APR	12 1/2	DS	PS

Solectron Corporation (SAJ)  
(Beginning - Date To Be Announced)  
(See New Deliverable Above)

			Call	Put
SAJ	SEP	2 1/2	IZ	UZ
SAJ	SEP	5	IA	UA
SAJ	SEP	7 1/2	IR	UR
SAJ	SEP	10	IB	UB
SAJ	SEP	12 1/2	IS	US
SAJ	SEP	15	IC	UC
SAJ	SEP	17 1/2	IT	UT
SAJ	OCT	2 1/2	JZ	VZ
SAJ	OCT	5	JA	VA
SAJ	OCT	7 1/2	JR	VR
SAJ	OCT	10	JB	VB
SAJ	OCT	12 1/2	JS	VS
SAJ	OCT	15	JC	VC
SAJ	OCT	17 1/2	JT	VT
SAJ	JAN	2 1/2	AZ	MZ
SAJ	JAN	5	AA	MA
SAJ	JAN	7 1/2	AR	MR
SAJ	JAN	10	AB	MB
SAJ	APR	2 1/2	DZ	PZ
SAJ	APR	5	DA	PA
SAJ	APR	7 1/2	DR	PR
SAJ	APR	10	DB	PB
SAJ	APR	12 1/2	DS	PS

Solectron Corp - 2009 Leap (SLR/VRL)  
(Before - Date To Be Announced)  
100 shares SLR

			Call	Put
VRL	JAN	2 1/2	AZ	MZ
VRL	JAN	5	AA	MA
VRL	JAN	7 1/2	AU	MU

Solectron Corp - 2009 Leap (SLR/VOU)  
(Beginning - Date To Be Announced)  
(See New Deliverable Above)

			Call	Put
VOU	JAN	2 1/2	AZ	MZ
VOU	JAN	5	AA	MA
VOU	JAN	7 1/2	AU	MU

Solectron Corp - 2010 Leap (SLR/WRL)  
(Before - Date To Be Announced)  
100 shares SLR

			Call	Put
WRL	JAN	2 1/2	AZ	MZ
WRL	JAN	5	AA	MA
WRL	JAN	7 1/2	AU	MU

Solectron Corp - 2010 Leap (SLR/WCO)  
(Beginning - Date To Be Announced)  
(See New Deliverable Above)

			Call	Put
WCO	JAN	2 1/2	AZ	MZ
WCO	JAN	5	AA	MA
WCO	JAN	7 1/2	AU	MU

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-5380.