

SOLECTRON CORP
Form S-4/A
February 09, 2005

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As filed with the Securities and Exchange Commission on February 9, 2005
Registration No. 333-122032

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2

to

Form S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Solectron Corporation

(Exact name of Registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

3670

*(Primary Standard Industrial
Classification Code Number)*

94-2447045

*(I.R.S. Employer
Identification Number)*

847 Gibraltar Drive

Milpitas, California 95035

(408) 957-8500

*(Address, including zip code, and telephone number,
including area code, of Registrant's principal executive offices)*

Kiran Patel

Executive Vice President and Chief Financial Officer

Solectron Corporation

847 Gibraltar Drive

Milpitas, California 95035

(408) 957-8500

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Palo Alto, California 94301

(650) 470-4500

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

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If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit or Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
0.50% Convertible Senior Notes, Series B due 2034 (New Notes)	\$450,000,000	100%	\$450,000,000	\$52,965(3)
Common Stock, \$0.001 par value	46,551,060(2)	(2)	(2)	(2)

- (1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) under the Securities Act of 1933. The price per unit is based on the book value of the currently outstanding 0.50% Convertible Senior Notes due 2034 as of January 12, 2005.
- (2) Represents the maximum number of shares of common stock, and associated preferred stock purchase rights, that may be issued upon conversion of the new notes registered hereby, which shares are not subject to an additional fee pursuant to Rule 457(i) of the Securities Act. Pursuant to Rule 416 under the Securities Act, such number of shares of common stock registered hereby shall include an indeterminate number of shares of common stock that may be issued in connection with stock splits, stock dividends, recapitalizations or similar events.
- (3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information contained in this prospectus may change. We may not complete the exchange offer and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer is not permitted.

Not Yet Effective. Dated February 9, 2005.

Solectron Corporation

Offer to Exchange

\$450,000,000 Principal Amount of its 0.50% Convertible Senior Notes, Series B due 2034
Plus up to \$1,125,000 in Cash (\$2.50 per \$1,000 Principal Amount) for any or all of its Outstanding 0.50% Convertible Senior Notes due 2034
subject to the terms and conditions described in this prospectus

The Exchange Offer

Solectron Corporation is offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, \$1,000 principal amount of our newly issued 0.50% Convertible Senior Notes, Series B due 2034, which we refer to as the new notes, and \$2.50 in cash, which we refer to as the cash consideration, for each \$1,000 principal amount of validly tendered and accepted outstanding 0.50% Convertible Senior Notes due 2034, which we refer to as the outstanding notes.

The exchange offer expires at midnight, New York City time, on February 10, 2005, which date we refer to as the expiration date, unless earlier terminated or extended by us.

Tenders of outstanding notes may be withdrawn at any time before midnight, New York City time, on the expiration date of the exchange offer.

As explained more fully in this prospectus, the exchange offer is subject to the exchange not resulting in any adverse tax consequences to us and certain other customary conditions, which we may waive.

The New Notes

Comparison: The terms of the new notes differ from the terms of the outstanding notes in the following ways:

The new notes are convertible into cash or, at our election, cash and shares of our common stock, in each case having a combined aggregate value equal to the conversion rate multiplied by the applicable stock price described in this prospectus, subject to adjustment, under the circumstances and during the periods described in this prospectus. The outstanding notes are convertible in accordance with their terms only into shares of our common stock, other than fractional shares which may be settled in cash.

The conversion rate will be increased if we become a party to a consolidation, merger or sale of all or substantially all of our assets that constitutes a change in control as described in this prospectus, subject to certain exceptions.

Maturity: The new notes will mature on February 15, 2034.

Regular Interest Payments: We will pay regular interest in cash at 0.50% per annum on the principal amount of the new notes on each February 15 and August 15 beginning on August 15, 2005, as described in this prospectus.

Ranking: The new notes will be our general, unsecured obligations and will rank equally with all of our existing and future unsecured, unsecured obligations.

Redemption by Solectron: On or after February 20, 2011, we will have the option to redeem any or all of the new notes at a price equal to 100% of their principal amount as described in this prospectus under the caption Description of the New Notes Optional Redemption by Solectron.

Optional Repurchase: You may require us to repurchase all or a portion of your new notes on February 15 of each of 2011, 2014, 2019, 2024 and 2029 at a price equal to 100% of the principal amount of the new notes as described below under Description of the New

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Notes Purchase of New Notes at the Option of the Holder.

Repurchase Upon a Change in Control: If we experience a change in control, you will have the right to require us to repurchase your new notes as described in this prospectus under the caption Description of the New Notes Repurchase at Option of Holders Upon a Change in Control. Holder of new notes submitted for repurchase upon a change in control will be entitled to convert the new notes up to and including the business day immediately preceding the date fixed for repurchase.

See Risk Factors beginning on page 19 to read about factors you should consider before tendering your outstanding notes in exchange for new notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The dealer manager for the exchange offer is:

Goldman, Sachs & Co.

Prospectus dated _____, 2005.

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front cover of this prospectus or that the information contained in any document incorporated by reference in this prospectus is accurate as of any date other than the date of the document incorporated by reference.

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*This prospectus incorporates important business and financial information about us from documents that we have filed with the Securities and Exchange Commission, or the SEC, but have not included in, or delivered with, this prospectus. For a listing of the documents that we have incorporated by reference into this prospectus, please see the section of this prospectus entitled *Additional Information* on page 78. We will provide you with copies of this information, without charge, upon written request to:*

Solelectron Corporation

*847 Gibraltar Drive
Milpitas, California 95035
(408) 957-8500
Attention: Investor Relations*

To obtain timely delivery of requested documents before the expiration of the exchange offer, you should request them no later than February 4, 2005, which is five business days before the date the exchange offer expires.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

In addition to the other information contained or incorporated by reference in this prospectus, investors should carefully consider the risk factors appearing in this prospectus in evaluating an investment in the new notes or the common stock issuable upon conversion of the new notes. The information contained in or incorporated by reference into this prospectus includes forward-looking statements relating to matters including, but not limited to:

future sales and operating results;

our anticipation of the timing and amounts of our future obligations and commitments;

our belief that our cash and cash equivalents, lines of credit and cash to be generated from continuing operations will be sufficient for us to meet our obligations for the next twelve months;

the capabilities and capacities of our business operations;

the anticipated financial impact of recent and future acquisitions and divestitures and the adequacy of our provisions for indemnification obligations pursuant to such transactions;

our belief that our current environmental liability exposure related to our facilities will not be material to our business, financial condition or results of operations; and

various other forward-looking statements based on the expectations of our management as of the date of this prospectus.

Our forward-looking statements are generally accompanied by words such as intend, anticipate, believe, estimate, expect and other similar words and statements and variations or negatives of these words. Our forward-looking statements are based on current expectations, forecasts and assumptions and are subject to risks, uncertainties and changes in condition, significance, value and effect, including those discussed under the heading "Risk Factors" in this prospectus and in the documents incorporated by reference into this prospectus.

Such risks, uncertainties and changes in condition, significance, value and effect could cause our actual results to differ materially from anticipated outcomes. Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. Therefore, we can give no assurance that the results implied by these forward-looking statements will be realized. The inclusion of forward-looking information should not be regarded as a representation by us or any other person that the future events, plans or expectations contemplated by us will be achieved. Furthermore, past performance in operations and the prices of our securities are not necessarily indicative of future performance.

We caution you that forward-looking statements speak only as of the date made. You should carefully review the risk factors included in other reports or documents filed by us from time to time with the SEC, particularly our most recent Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K filed with the SEC after our most recent 10-K.

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SUMMARY

This summary highlights information contained, or incorporated by reference, in this prospectus. It is qualified in its entirety by the more detailed information contained, or incorporated by reference, in this prospectus. You should read the full text of, and consider carefully the more specific details contained, or incorporated by reference, in this prospectus before you decide whether to tender your outstanding notes in the exchange offer. In addition, you should carefully consider the information set forth or referred to under the heading Risk Factors. Unless the context otherwise requires or we state otherwise, the terms Solectron, we, us and our refer to Solectron Corporation, a Delaware corporation, together with its subsidiaries.

Solectron Corporation

We provide electronics supply chain services to original equipment manufacturers (OEMs) around the world. These companies contract with us to build their products or to obtain services related to product design, manufacturing and post-manufacturing requirements. We primarily design, build and service products that carry the brand names of our customers.

We serve several electronics products and technology markets. Much of our business is related to the following products:

Computing and storage equipment, including servers, storage systems, workstations, notebooks, and peripherals;

Networking equipment such as routers and switches that move traffic across the Internet;

Communications equipment, including wireless and wireline infrastructure products;

Consumer products such as cellular phones, set-top boxes and personal/handheld communications devices;

Automotive electronics systems, including audio and navigation systems, system control modules, and body electronics;

Industrial products, including semiconductor manufacturing and test equipment, wafer fabrication equipment controls, process automation equipment and home appliance electronics controls;

Medical products such as X-ray equipment, ultrasound fetal monitors, MRI scanners, blood analyzers, ECG patient monitors, surgical robotic systems, HPLCs, spectrometers and laser surgery equipment; and

Other electronics equipment and products.

Our customers include many of the world's leading technology companies, such as Cisco Systems, Ericsson, Hewlett-Packard, IBM, Lucent Technologies, Motorola, NEC, Nortel Networks and Sun Microsystems.

We have a comprehensive range of services designed to meet customer supply chain needs throughout the product life cycle. Our services include:

Collaborative design;

Design for Six Sigma and manufacturability;

Design for cost reduction;

Product launch;

Product life extension;

Sustaining engineering;

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Printed circuit board assembly (PCBA) and subsystem manufacturing;

Systems assembly and test;

Product fulfillment;

Repair;

Product logistics; and

End-of-life product support.

We bring these services together to provide integrated supply chain solutions for our customers. By utilizing our services, customers gain cost, time and quality advantages that help improve their competitiveness and enable them to focus on their core competencies of sales, marketing, and research and development.

We were originally incorporated in the State of California in August 1977. In February 1997, we reincorporated in Delaware. Our principal executive offices are located at 847 Gibraltar Drive, Milpitas, California 95035. Our telephone number is (408) 957-8500 and our internet address is www.solelectron.com. The information contained or incorporated in our website is not a part of, or incorporated into, this prospectus and should not be relied upon in deciding whether or not to accept the exchange offer by tendering outstanding notes for new notes and the cash consideration.

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The Exchange Offer

Background

We issued the outstanding notes in February 2004 in a transaction exempt from the registration requirements of the Securities Act. In April 2004, we filed a registration statement on Form S-3 (File No. 333-114447), which became effective in July 2004, covering resales from time to time by selling securityholders of our outstanding notes and shares of our common stock issuable upon conversion of the outstanding notes. In the event that any outstanding notes that have not been resold under the resale registration statement remain outstanding after the exchange offer, we are required to keep that registration statement open no later than February 17, 2006 as required by the registration rights agreement related to the outstanding notes. We commenced this exchange offer on January 13, 2005 for the reasons stated below. The following is a brief summary of the terms of the exchange offer. For a more complete description, see the section of this prospectus entitled "The Exchange Offer."

Purpose of the Exchange Offer

The purpose of this exchange offer is to exchange outstanding notes for new notes with certain different terms. The Financial Accounting Standards Board's (FASB) adoption of Emerging Issues Task Force (EITF) EITF 04-8, "The Effect of Contingently Convertible Instruments on Diluted Earnings per Share," adopted after the issuance of the outstanding note, requires us to include, in our calculation of diluted earnings per share, shares potentially issuable upon conversion of all of the outstanding notes into our reported shares of common stock outstanding using the "if converted" method, whether or not the outstanding notes may then be converted pursuant to their terms. The "if converted" method requires us, when calculating diluted earnings per share, to add back the after-tax interest expense on the outstanding notes to net income for each reporting period that we have income from continuing operations and include the potentially issuable shares as if the outstanding notes had been converted into common stock at the beginning of the reporting period. EITF 04-8 requires restatement of earnings per share using this methodology for every reporting period since the outstanding notes were issued in February 2004 even though none of the conditions permitting conversion had been met. If none of the outstanding notes are exchanged for the new notes, for every quarter beginning with the second quarter of fiscal 2004, when the outstanding notes were issued and we had income from continuing operations, we would include an additional 46.6 million shares in diluted weighted average shares outstanding which is less than 5% of the weighted average shares outstanding. Additionally, in those same periods, we would also add back to net income after-tax interest expense of approximately \$1 million for the second quarter of fiscal 2004 and approximately \$1 million for each quarter thereafter. This restatement would reduce our previously reported diluted earnings per share by less

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than \$0.01 for the quarter ended November 26, 2004 and would not change the previously reported diluted (loss) earnings per share for the other quarters since the second quarter of fiscal 2004. Assuming the exchange of substantially all of the outstanding notes for the new notes, in future reporting periods we expect our reported diluted earnings per share will be slightly higher than had we not undertaken the exchange offer because fewer shares will be included in the diluted earnings per share calculation. For a more detailed description of these differences, see the section of this prospectus entitled Summary Material Differences Between the Outstanding Notes and the New Notes.

The terms of the new notes will have a net share settlement feature requiring us to settle all conversions for cash and, in certain circumstances and at our option, shares of our common stock. By committing to pay a portion of the consideration upon conversion of the new notes in cash, we will be able to account for the new notes under the treasury stock method as if the new notes were outstanding since February 2004, when the outstanding notes were issued. Under this method, the number of shares of our common stock deemed to be outstanding for the purpose of calculating diluted earnings per share will not be increased until the closing sale price of our common stock exceeds the base conversion price of the new notes (initially \$9.67 per share). Whenever the closing sale price of our common stock exceeds the base conversion price, the number of additional shares will be determined by the following formula:

$$\left[\frac{(\text{closing sale price on the last trading day of the applicable reporting period} \times \text{applicable conversion rate}) - \$1,000}{\text{closing sale price on the last trading day of the applicable reporting period}} \right] \times \text{the number of outstanding new notes}$$

The Exchange Offer	We are offering to exchange \$1,000 principal amount of new notes and \$2.50 in cash for each \$1,000 principal amount of outstanding notes accepted for exchange.
Conditions to the Exchange Offer	The exchange offer is subject to the exchange not resulting in any adverse tax consequences to us and certain other customary conditions, including that the registration statement and any post-effective amendment to the registration statement covering the new notes be effective under the Securities Act of 1933. See the section of this prospectus entitled The Exchange Offer Conditions to the Exchange Offer.
Expiration Date	The exchange offer will expire at midnight, New York City time, on February 10, 2005, which date we refer to as the expiration date, unless extended or earlier terminated by us. We may extend the expiration date for any reason. If we decide to extend it, we will announce any extensions by press release or other permitted means no later than

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9:00 a.m., New York City time, on the business day immediately following the scheduled expiration of the exchange offer.

Withdrawal of Tenders

Tenders of outstanding notes may be withdrawn by a request in writing at any time prior to midnight, New York City time, on the expiration date.

Procedures for Exchange

In order to exchange outstanding notes, you must tender the outstanding notes together with a properly completed letter of transmittal and the other agreements and documents described in the letter of transmittal. If you own outstanding notes held through a broker or other third party, or in street name, you will need to follow the instructions in the letter of transmittal on how to instruct your custodian to tender the outstanding notes on your behalf, as well as submit a letter of transmittal and the other agreements and documents described in this prospectus. We will determine in our reasonable discretion whether any outstanding notes have been validly tendered. Outstanding notes may be tendered by electronic transmission of acceptance through The Depository Trust Company's, which we refer to as DTC, Automated Tender Offer Program, which we refer to as ATOP, procedures for transfer or by delivery of a signed letter of transmittal pursuant to the instructions described therein. Custodial entities that are participants in DTC must tender outstanding notes through DTC's ATOP, by which the custodial entity and the beneficial owner on whose behalf the custodial entity is acting agree to be bound by the letter of transmittal. A letter of transmittal need not accompany tenders effected through ATOP. Please carefully follow the instructions contained in this document on how to tender your securities.

We will deposit the cash consideration for the exchange offer with the exchange agent prior to the settlement date for the exchange offer, which will be promptly after the expiration date.

If you decide to tender outstanding notes in the exchange offer, you may withdraw them at any time prior to the expiration date. If we decide for any reason not to accept any outstanding notes for exchange, they will be returned without expense promptly after the expiration or termination of the exchange offer.

Please see pages 36 through 45 for instructions on how to exchange your outstanding notes for new notes.

Acceptance of Outstanding Notes

We will accept all outstanding notes validly tendered and not withdrawn as of the expiration date and will issue the new notes promptly after the expiration date, upon the terms and subject to the conditions in this prospectus and the letter of transmittal. We will accept outstanding notes for exchange after the exchange agent has received a timely book-entry confirmation of transfer of outstanding notes into the ex-

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change agent's DTC account and a properly completed and executed letter of transmittal. Our oral or written notice of acceptance to the exchange agent will be considered our acceptance of all validly tendered outstanding notes in the exchange offer.

Amendment of the Exchange Offer We reserve the right not to accept any of the outstanding notes tendered, and otherwise to interpret or modify the terms of this exchange offer, provided that we will comply with applicable laws that require us to extend the period during which outstanding notes may be tendered or withdrawn as a result of changes in the terms of or information relating to the exchange offer.

Use of Proceeds We will not receive any cash proceeds from this exchange offer. Outstanding notes that are validly tendered and exchanged for new notes pursuant to the exchange offer will be retired and canceled.

Fees and Expenses of the Exchange Offer We estimate that the approximate total cost of the exchange offer, assuming all of the outstanding notes are exchanged for new notes, will be approximately \$3.2 million.

Taxation The U.S. federal income tax consequences of the exchange offer and of the ownership and disposition of the new notes are not entirely clear because there is no statutory, administrative or judicial authority that specifically addresses an exchange with the terms of the exchange offer. The modifications to the outstanding notes resulting from the exchange of outstanding notes for new notes should not constitute a significant modification of the outstanding notes for U.S. federal income tax purposes. Assuming that this position is correct, the new notes should be treated for tax purposes as a continuation of the outstanding notes and, except for the cash consideration, there should be no U.S. federal income tax consequences to a holder who exchanges outstanding notes for new notes pursuant to the exchange offer. There is no statutory, administrative or judicial authority that specifically addresses a payment of cash consideration to the holders of notes as part of a transaction such as the exchange offer. Although the matter is not free from doubt, the payment of the cash consideration should be treated as ordinary income to holders participating in the exchange offer. Accordingly, unless an exception applies, we intend to withhold tax at a rate of 30% from the payment of the cash consideration to any non-U.S. holder participating in the exchange.

If the exchange were to constitute a significant modification, the exchange should be characterized as a non-taxable recapitalization in which an exchanging holder, except for the cash consideration, would not recognize gain or loss but may be required to accrue, in each year in which such holder holds the new notes, a greater amount of interest for U.S. federal income tax purposes than such holder would

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otherwise have been required to accrue on the outstanding notes.

See the section of this prospectus entitled "Material U.S. Federal Income Tax Considerations" beginning on page 69.

Outstanding Notes Not Tendered or Accepted for Exchange

Any outstanding notes not accepted for exchange for any reason will be returned without expense to you promptly after the expiration or termination of this exchange offer. If you do not exchange your outstanding notes in this exchange offer, or if your outstanding notes are not accepted for exchange, you will continue to hold your outstanding notes and will be entitled to all the rights and subject to all the limitations applicable to the outstanding notes.

Dealer Manager

Goldman, Sachs & Co. is the dealer manager for this exchange offer. Its address and telephone numbers are located on the back cover of this prospectus.

Exchange Agent

U.S. Bank National Association is the exchange agent for this exchange offer. Its address and telephone number is located in the section on the back cover of this prospectus.

Information Agent

Georgeson Shareholder Communications Inc. is the information agent for this exchange offer. Its address and telephone numbers are located on the back cover of this prospectus.

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Material Differences Between the Outstanding Notes and the New Notes

The material differences between the outstanding notes and the new notes are illustrated in the table below. The table below is qualified in its entirety by the information contained in this prospectus and the documents governing the outstanding notes and the new notes, copies of which will be filed as exhibits to the registration statement of which this prospectus forms a part. For a more detailed description of the new notes, see the section of this prospectus entitled "Description of the New Notes."

	<u>Outstanding Notes</u>	<u>New Notes</u>
Settlement Upon Conversion	Upon conversion of the outstanding notes, we will deliver shares of our common stock at the applicable conversion rate.	<p>Upon conversion of the new notes, we will deliver, in respect of each \$1,000 principal amount of new notes:</p> <p style="padding-left: 40px;">cash in an amount (the "principal return") equal to the lesser of (1) the principal amount of each new note to be converted and (2) the "conversion value," which is equal to (a) the applicable conversion rate, multiplied by (b) the applicable stock price, as defined under "Description of the New Notes - Conversion Rights - Conversion Settlement," and</p> <p style="padding-left: 40px;">if the conversion value is greater than the principal amount of each new note, at our election, a number of shares of our common stock (the "net shares") equal to the sum of the daily share amounts, calculated as described under "Description of the New Notes - Conversion Rights - Conversion Settlement," or a cash amount equal to the sum of the daily cash amounts, calculated as described under "Description of the New Notes - Conversion Rights - Conversion Settlement."</p>

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	Outstanding Notes	New Notes
Accounting Treatment	<p>On October 13, 2004, the FASB ratified EITF 04-8. EITF 04-8 requires us to include, in our calculation of diluted earnings per share, shares potentially issuable upon conversion of all of the outstanding notes into our reporting shares of common stock outstanding using the if converted method, whether or not the outstanding notes may then be converted pursuant to their terms. The if converted method requires us, when calculating diluted earnings per share, to add back the after-tax interest expense on the outstanding notes to net income for each reporting period that we have income from continuing operations, and include the potential issuable shares as if the outstanding notes had been converted into common stock at the beginning of the reporting period. EITF 04-8 requires restatement of earnings per share using this methodology for every reporting period since the outstanding notes were issued in February 2004 even though none of the conditions permitting conversion had been met. For every quarter beginning with the second quarter of fiscal 2004, when the outstanding notes were issued and we had income from continuing operations, we would include an additional 46.6 million shares in diluted weighted average shares outstanding which is less than 5% of the weighted average shares outstanding. Additionally, in those same periods, we would also add back to net income after-tax interest expense of approximately \$1 million for the second quarter of fiscal 2004 and approximately \$1 million for each quarter thereafter. This restatement would reduce our previously reported diluted earnings per share by less than \$0.01 for the quarter ended November 26, 2004 and would not change the previously reported diluted (loss) earnings per share for the other quarters since the second quarter of fiscal 2004.</p>	<p>As the terms of the new notes require us to settle the par value of the notes in cash and deliver shares or cash only for the difference between the stock price on the date of conversion and the conversion price (initially \$9.67 per share), Generally Accepted Accounting Principles in the United States of America (GAAP) require us to use the treasury stock method to calculate diluted earnings per share, as if the new notes were outstanding since February 2004, when the outstanding notes were issued. The treasury stock method requires us to include in our calculation of diluted earnings per share, shares issuable if the new notes were to be converted at the end of the reporting period. After-tax interest expense is not added back to net income for purposes of calculating diluted earnings per share under the treasury stock method. Under the treasury stock method, the number of shares of our common stock deemed to be outstanding for the purpose of calculating diluted earnings per share will not be increased unless the closing sale price of our common stock at the end of a reporting period exceeds the base conversion price of the new notes. Whenever the closing sale price of our common stock at the end of a reporting period exceeds the base conversion price, the number of additional shares will be determined by the formula noted below.</p> <p>As our stock price was less than \$9.67 per share at the end of each reporting period since the outstanding notes were issued in February 2004, for purposes of restating diluted earnings per share for fiscal 2004 and fiscal 2005 in accordance with GAAP, we would not include any additional shares in diluted weighted average shares outstanding. Therefore, the restatement would have no impact on our previously reported diluted earnings per share.</p>

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	<u>Outstanding Notes</u>	<u>New Notes</u>
		The conditions for conversion of the new and outstanding notes are not materially different and, for the new notes, are described under Description of the New Notes Conversion Rights.
	$\frac{[(\text{closing sale price on the last trading day of the applicable reporting period} \times \text{applicable conversion rate}) - \$1,000]}{\text{closing sale price on the last trading day of the applicable reporting period}}$	$\times \text{the number of outstanding new notes}$
Risks Associated with the Outstanding Notes and the New Notes	Apart from the differences appearing in the paragraph to the right, in general, the risks associated with the outstanding notes and the new notes are the same. See the section entitled Risk Factors.	In general, the risks associated with the outstanding notes and the new notes are the same. As a result of the cash settlement feature of the new notes, however, we may not have the funds or the ability to raise the funds necessary to finance the conversion of the new notes or the purchase of the new notes if required by the holders pursuant to the indenture. Also, since the new notes are a new issue of securities and there is no condition as to the minimum amount of outstanding notes that must be tendered in the exchange offer, we cannot assure you that an active trading market for the new notes will develop or be sustained or that the new notes will have sufficient liquidity to avoid price volatility and trading disadvantages. See the section entitled Risk Factors Risks Related to the New Notes and the Outstanding Notes and Risks Related to the New Notes and the Exchange Offer.
Securities Act Registration	Outstanding notes bearing CUSIP No. 834182 AR 8 are restricted securities under Rule 144 of the Securities Act, and may not be offered or sold in the public market absent registration under the Securities Act or an exemption from Securities Act registration. Outstanding notes bearing CUSIP No. 834182 AS 6 are freely transferable by the	The new notes will be freely transferable by the holders thereof, unless such holders are our affiliates.

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	<u>Outstanding Notes</u>	<u>New Notes</u>
	holders thereof, unless such holders are our affiliates.	
Adjustment to the Conversion Rate Upon a Change in Control	None.	<p>If we become a party to a consolidation, merger or sale of all or substantially all of our assets that constitutes a change in control prior to February 15, 2011 (as described under Description of the New Notes Conversion Rights Adjustment to Conversion Rate Upon a Change in Control) we will increase the conversion rate for the new notes surrendered for conversion by a number of additional shares, which we refer to as the additional shares , as described below, subject to certain exceptions, provided, however, that no increase will be made in the case of a change in control if at least 90% of the consideration paid for our common stock (excluding cash payments for fractional shares and cash payments made pursuant to dissenters appraisal rights) in such change in control transaction consists of shares of capital stock traded on the New York Stock Exchange or another U.S. national securities exchange or quoted on The Nasdaq Stock Market or a successor automated over-the-counter trading market in the United States (or that will be so traded or quoted immediately following the transaction).</p> <p>The number of additional shares will be determined based on the effective date of the change in control and the price (the stock price) paid per share of our common stock in such change in control transaction. A description of how the number of additional shares will be determined and a table showing the additional share amounts at various stock prices and change in control effective dates appears under Description of the New Notes Conversion</p>

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Outstanding Notes

New Notes

Rights Adjustment to Conversion Rate
Upon a Change in Control. In no event will
the conversion rate (taking into account any
increases in the conversion rate for the
additional shares) exceed 186.5468 per
\$1,000 principal amount of new notes,
subject to adjustment.

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The New Notes

New Notes offered	\$450,000,000 aggregate principal amount of 0.50% Convertible Senior Notes, Series B due 2034.
Maturity	February 15, 2034.
Interest	The new notes bear interest at an annual rate of 0.50% of principal amount. We will pay interest on the new notes on February 15 and August 15 of each year, commencing on August 15, 2005.
Conversion	<p>Unless we have previously redeemed, purchased or repurchased the new notes, you will have the right, at your option, to convert your new notes, in whole or in part, into cash and, under certain circumstances, shares of our common stock, subject to adjustments described herein, initially at a rate equal to 103.4468 shares of common stock per \$1,000 principal amount of notes (which is equivalent to an unadjusted conversion price of approximately \$9.67 per share), as follows:</p> <p>if, on or prior to February 15, 2029, the closing sale price of our common stock for at least 20 trading days in the period of the 30 consecutive trading days ending on the eleventh trading day of any fiscal quarter is more than 120% of the then current conversion price of the new notes (which is equivalent to an unadjusted price per share of common stock of approximately \$11.60), then you will have such conversion right until and including the eleventh trading day of the following fiscal quarter;</p> <p>if, on any date after February 15, 2029, the closing sale price of our common stock is more than 120% of the then current conversion price of the new notes (which is equivalent to an unadjusted price per share of common stock of approximately \$11.60), then you will have such conversion right at all times thereafter;</p> <p>if we elect to call the new notes for redemption on or after February 20, 2011, then you will have the right to convert the new notes (or the portion of the new notes called for redemption if fewer than all) from the date of the notice of redemption until the close of business on the business day immediately prior to the redemption date;</p> <p>if we distribute to all or substantially all holders of our common stock rights, options or warrants entitling them to purchase common stock at less than the closing sale price of our common stock on the trading day immediately preceding the declaration for such distribution, then once we have given notice to you of such event, you will have such conversion right until a specified date unless you may participate in the distribution without converting;</p> <p>if we distribute to all or substantially all holders of our common stock cash, assets, debt securities or capital</p>

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stock, which distribution has a per common share value as determined by our board of directors exceeding 5% of the closing sale price of our common stock on the day preceding the declaration for such distribution, then once we have given notice to you, you will have such conversion right until a specified date unless you may participate in the distribution without converting; or

if we become a party to a consolidation, merger or sale of all or substantially all of our assets that constitutes a change in control, as that term is defined in this prospectus under the caption entitled Description of the New Notes Repurchase at Option of Holders Upon a Change in Control, or such an event occurs that would have been a change in control but for one or more of the exceptions to the definition of change in control as specified under the caption entitled Description of the New Notes Conversion Rights, then you will have such conversion right beginning 15 days prior to the anticipated effective date of the transaction until 15 days following its effective date.

The most recent date on which the sale price of our common stock was at or above \$11.60 was February 1, 2002.

You may also convert your new notes for the five business day period after any five consecutive trading-day period in which the average trading prices for the new notes for such five trading-day period was less than 95% of the average reference period conversion value (as defined in this prospectus under the section Description of the New Notes Conversion Rights) for the new notes during that period; provided, however, if, at the time of the conversion, the closing sale price of shares of our common stock is greater than the then current conversion price on the new notes and less than or equal to 120% of the then current conversion price of the new notes, you surrender your new notes for conversion and the new notes are not otherwise convertible, you will receive cash with a value equal to the principal amount of your new notes on such conversion date.

The conversion rate is subject to adjustment upon certain events.

Settlement upon conversion

Subject to certain exceptions, if a holder surrenders new notes for conversion, such holder will receive, in respect of each \$1,000 principal amount of new notes:

cash in an amount (the principal return) equal to the lesser of (1) the principal amount of each new note to be converted and (2) the conversion value, which is equal to (a) the applicable conversion rate, multiplied by (b) the applicable stock price, as defined under Description of the New Notes Conversion Rights Conversion Settlement, and

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if the conversion value is greater than the principal amount of each new note, at our election, a number of shares of our common stock (the "net shares") equal to the sum of the daily share amounts, calculated as described under "Description of the New Notes—Conversion Rights—Conversion Settlement," or a cash amount equal to the sum of the daily cash amounts, calculated as described under "Description of the New Notes—Conversion Rights—Conversion Settlement."

Without regard to any possible adjustment to the conversion rate upon certain changes in control as described below, at the initial conversion price, our common stock must be trading at or above \$9.67 for a holder to have the possibility of receiving shares of our common stock. The most recent date on which the sale price of our common stock was at or above \$9.67 was March 12, 2002.

Ranking The new notes are our general, unsecured obligations, and rank equally in right of payment with all of our existing and future unsubordinated, unsecured indebtedness.

The new notes are subordinated to any unsubordinated secured indebtedness to the extent of the value of the assets securing such indebtedness and are structurally subordinated to any liabilities of our subsidiaries to the extent of the assets of those subsidiaries. As of November 30, 2004, the aggregate amount of liabilities of our subsidiaries, excluding intercompany liabilities, was approximately \$2.1 billion. The indenture generally does not restrict the incurrence of debt by us or any of our subsidiaries.

Optional redemption by Solectron On or after February 20, 2011, we have the option to redeem all or a portion of the new notes at 100% of the principal amount of the new notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.

Purchase of the new notes at the option of the holder You may require us to purchase all or a portion of your new notes in cash on February 15 of each of 2011, 2014, 2019, 2024 and 2029 at 100% of the principal amount of the new notes to be repurchased plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase.

Repurchase upon a change in control Upon a change in control you will have the right, subject to conditions and restrictions, to require us to repurchase some or all of your new notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest and liquidated damages owed, if any, to, but excluding, the date of repurchase.

Adjustment to conversion rate upon certain changes in control We will increase the conversion rate for the new notes surrendered for conversion prior to February 15, 2011 by a number of additional shares as described below, subject to certain exceptions, provided, however, that no increase will be made in the case of a change in control if at least 90% of

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the consideration paid for our common stock (excluding cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights) in such change in control transaction consists of shares of capital stock traded on the New York Stock Exchange or another U.S. national securities exchange or quoted on The Nasdaq Stock Market or a successor automated over-the-counter trading market in the United States (or that will be so traded or quoted immediately following the transaction). The number of additional shares will be determined based on the effective date of the change in control and the price (the "stock price") paid per share of our common stock in such change in control transaction. A description of how the number of additional shares will be determined and a table showing the additional share amounts at various stock prices and change in control effective dates is set forth under "Description of the New Notes - Adjustment to Conversion Rate Upon a Change in Control." In no event will the conversion rate (taking into account any increases in the conversion rate for the additional shares) exceed 186.5468 per \$1,000 principal amount of new notes, subject to adjustment.

Use of proceeds

We will not receive any of the proceeds from the issuance of the new notes or the sale by any selling securityholder of the new notes or the underlying common stock into which the new notes may be converted.

Events of default

The following are events of default under the indenture for the new notes:

we fail to pay the principal of any note when due;

we fail to pay interest, if any, on any new note when due, and such failure continues for 30 days;

we fail to pay the principal return (and cash in lieu of fractional shares) or the net cash amount or deliver the net shares, in each case when due;

we fail to provide the notice that we are required to give in the event of a change in control;

we breach or fail to perform any other covenant or agreement in the indenture and that failure continues for 60 days following written notice to us by the trustee or the holders of at least 25% in aggregate principal amount of the new notes then outstanding;

we fail to pay when due, either at its maturity or upon acceleration, any indebtedness for borrowed money by us under any bonds, debentures, new notes or other evidences of indebtedness, or any guarantee by us thereof, of \$50 million or more (or, following a "fall away event", as defined under the caption "Description of the New Notes - Events of Default", \$100 million or more) if the indebtedness is not discharged, or the acceleration is not annulled, within 30 days after written notice by the trustee or the

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holders of at least 25% in aggregate principal amount of the then outstanding new notes; and

certain events of bankruptcy, insolvency or reorganization involving us or any significant subsidiary, as specified in the indenture.

Trading of new notes; Listing of common stock

Our common stock is listed for trading on the New York Stock Exchange Composite Tape under the symbol SLR. The new notes are not listed for trading on any securities exchange or for inclusion in any automated quotation system.

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The following summary consolidated financial data should be read in conjunction with our consolidated financial statements and related notes thereto, which are incorporated into this prospectus by reference. The summary information for the year ended August 31, 2002 through the year ended August 31, 2003 was derived from our Current Report on Form 8-K filed February 9, 2004, which was issued to reflect the reclassification of our discontinued operations. The summary information for the year ended August 31, 2004 was derived from our audited consolidated statements of operations in our Form 10-K for the period ended August 31, 2004. The summary financial information for the three months ended November 30, 2003 and 2004 was derived from our unaudited condensed consolidated statements of operations for the periods included in our Form 10-Q for the period ended November 30, 2004. This historical information is not necessarily indicative of the results to be expected in the future.

	Year Ended August 31,			Three Months Ended November 30,	
	2002	2003	2004	2003	2004
	(in millions)				
Statement of Operations Data:					
Net sales	\$ 10,738.7	\$ 9,828.3	\$ 11,638.3	\$ 2,696.8	\$ 2,690.6
Cost of sales	10,233.8	9,386.3	11,058.0	2,569.3	2,534.4
Gross profit	504.9	442.0	580.3	127.5	156.2
Operating expenses:					
Selling, general and administrative	658.2	566.1	440.9	114.7	95.5
Restructuring and impairment costs	3,293.6	2,235.7	176.8	27.0	1.6