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FLEXTRONICS SELECTS PORT OF TANJUNG PELEPAS AS NEW SITE FOR EXPANSION

Johor Bahru, Malaysia, July 13, 2005 – Flextronics, the world's premier electronics manufacturing services provider, today announced the signing of an agreement with the fast emerging Port of Tanjung Pelepas (PTP) to build a vertically integrated industrial campus in the Pelepas Free Zone.

This 1.2 million feet² facility will bring together several Flextronics' current operations in South Malaysia. In addition, Flextronics will continue its existing operations in other parts of Malaysia. The campus will develop into a fully integrated state-of-the-art manufacturing center, combining into a single location – engineering, printed circuit board assembly, plastics injection molding and logistic operations. Additionally, it will co-locate strategic suppliers on-site to reduce material procurement costs, transportation time and enhance time-to-market.

Established in 1999, PTP serves as a catalyst for the development of Southern Johor as an international logistics hub. The Pelepas Free Zone offers over 1,000 acres of land with excellent infrastructure to link global and local suppliers through the seaport, airport, highways and railway infrastructure in Johor.

“Flextronics’ investment marks another important milestone in the development of PTP and Johor’s south-western corridor in entirety. We are confident that Flextronics’ move will incite more investors to follow suit and take advantage of the unique opportunities offered by the Pelepas Free Zone,” said PTP Chief Executive Officer, Datuk Mohd Sidik Shaik Osman. He added, “This agreement represents a big start for us. By virtue of setting up more industrial facilities at Pelepas Free Zone, we expect more independent shipping lines to make calls at the port to transform the PTP into South East Asia’s premier transshipment hub.”

Located in 32 countries and five continents, Flextronics focuses on delivering innovative design and manufacturing services to technology companies. With 2005 fiscal revenues of USD15.9 billion, Flextronics is a major global operating company that helps customers design, build, ship and service electronics products through its network of global facilities. In Malaysia, Flextronics is servicing leading multinational companies across the communications, printing & digital imaging, computing and automotive industries.

“The strategic location of the Pelepas Free Zone provides an excellent platform for our growth plans in South Malaysia. The country’s strong infrastructure, competitive workforce, economic and political stability are the reasons behind our continuing investments in the country. This expansion solidifies our commitment to Malaysia,” said Peter Tan, President & Managing Director of Flextronics Asia. He added, “This vertically integrated industrial campus will further increase our competitive edge through cost optimization, seamless offerings and a more responsive supply chain.” Mr. Tan also expressed, “We are especially appreciative of the Malaysian Industrial Development Authority (MIDA) who has been extremely supportive of Flextronics’ investments into the country. Their responsiveness and commitment in facilitating our requirements were key to our investment decision.”

Flextronics currently operates six other industrial campuses in low cost regions around the world such as Mexico, Brazil, Hungary, Poland and China. This new addition is targeted to be fully operational by April 2006 and will be Flextronics' second industrial campus in Asia.

Background Information - Port of Tanjung Pelepas, the gateway to Southeast Asia

PTP, South East Asia's fastest growing port is strategically located at the southwest shoulder of Johor with a minimum diversion time from the confluence of the main international shipping lanes. PTP's strategic location presents significant geographical advantages through its deep waters, sheltered bay and wide access channel. PTP offers 8 berths of 360m each totalling 2.88km in length, backed by one of the largest container yards in the region with a storage capacity of 154,000 teu.

For further information, please contact Nasser Ismail of PTP at Tel: +607 504 2222; Mobile at +6019-7201082 or Fax: +607 504 2166.