

SOLECTRON CORP
Form 425
August 10, 2001

Filed by C-MAC Industries, Inc.
Pursuant to Rule 425 of the Securities Act of 1933
Subject Company: Solectron Corp.
Commission File No. 001-11098

The following slide presentation contains both historical and forward-looking statements about the expectations, beliefs, plans, intentions and strategies of Solectron and C-MAC. The ability of Solectron and C-MAC to achieve their planned business objectives involves many risks and uncertainties. Forward-looking statements relating to expectations about future events or results are based upon information available to Solectron and C-MAC as of today's date. Solectron and C-MAC assume no obligation to update any of these statements and these statements are not guarantees of Solectron or C-MAC. Solectron and C-MAC's financial results and product development could differ materially from current expectations. The factors that may affect Solectron or C-MAC's ability to achieve planned business objectives include, but are not limited to, the following: 1) the company's revenues and earnings are subject to a number of factors that make estimation of operating results extremely uncertain; 2) competition for the company's products is intense; 3) the uncertainties of whether new products, product extensions or product strategies will be successful; 4) risks associated with the combination including: (a) conditions in the financial markets relevant to the proposed transaction, (b) the failure to achieve expected synergies and efficiencies of operations, (c) risk of price fluctuation, (d) loss of major customers, (e) the ability to manage business integration, (f) risks associated with international sales and (g) operations and environmental regulations; 5) loss of key personnel; 6) litigation, including litigation over intellectual property rights; and 7) general technological and economic factors. The risks associated with Solectron's business are discussed in Solectron's Annual Report on Form 10-K for the year ended August 25, 2000, and in subsequent quarterly reports on Form 10-Q. The risks associated with C-MAC's business are discussed in C-MAC's Annual Information Form and Annual Report on Form 40-F for the year ended December 31, 2000, and in subsequent quarterly reports to shareholders and reports on Form 6-K. You are encouraged to read this information carefully. Solectron and C-MAC and their respective executive officers, directors and certain other members of management and employees may be soliciting proxies from Solectron stockholders, or C-MAC shareholders, as the case may be, in favor of the business combination. Information concerning the participants in the solicitation will be set forth in a proxy statement that will be filed with the SEC and in a circular that will be filed with the Canadian Securities Administrators (CSA). Information regarding such officers and directors is included in Solectron's Proxy Statement for its 2000 Annual Meeting of Stockholders held on January 18, 2001 and filed with the SEC on December 11, 2000 and in C-MAC's Notice of Meeting and Management Proxy Circular for its 2000 Annual Meeting held May 3, 2001 and filed with the CSA on March 30, 2001. Solectron's documents are available free of charge at the SEC's web site at <http://www.sec.gov> and from Solectron. C-MAC's documents are available at <http://www.sedar.com> (the web site maintained by the CSA.)

Pro Forma Capital Structure

| | Solectron (5/31/01) | C-MAC ⁽¹⁾ (6/30/01) | Pro Forma Combined |
|------------------------------|------------------------|-----------------------------------|-----------------------|
| Cash | \$2,176 | \$181 | \$2,357 |
| Total Debt | 5,315 | 209 | 5,524 |
| Stockholders' Equity | <u>5,410</u> | <u>1,437</u> | <u>8,069</u> |
| Total Capitalization | \$10,725 | \$1,646 | \$13,593 |
| Net Debt/ Net Capitalization | 36.7% | 1.9% | 28.2% |
| Total Debt/ Capitalization | 49.6% | 12.7% | 40.6% |

(1) Data translated from Canadian dollars using an exchange rate of .6515 US\$/C\$.
C-MAC and Pro Forma Combined Stockholders' Equity includes
C-MAC minority interest of \$2 million.

Financial Returns

| | FY 99 | FY 00 | 5/31/01 | CY 99 | CY 00 | 6/30/01 | Combined Target |
|------------------|-------|----------|---------|----------|----------|---------|--------------------|
| Gross Margin | 9.7% | 9.0% | 7.7% | 15.0% | 15.4% | 15.3% | 11.0%-12.0% |
| Operating Margin | 5.3% | 5.2% | 0.8% | 7.4% | 8.6% | 6.7% | 6.0%-7.0% |

| | | | | | | | |
|------|-------|------|------|-------|------|------|--------|
| ROA | 8.5% | 6.7% | 0.1% | 5.5% | 6.5% | 4.0% | >10.0% |
| ROIC | 11.8% | 8.9% | 3.1% | 11.1% | 9.9% | 6.6% | >20.0% |

Financial Outlook⁽¹⁾

| | Fiscal Q4 Ended Aug-01 | Fiscal Year Ended Aug-02 |
|-------------------------|--|---|
| Revenues | US\$3.0 US\$3.5 bn | US\$16.0-\$18.5 bn |
| Cash EPS ⁽²⁾ | US\$0.05-US\$0.09 ⁽³⁾ | US\$0.62-US\$0.66 |
| | Fiscal Q3 Ended Sept-01 | 6 Months Ended Dec-01 |
| Revenues | >C\$575mm | Comparable to first six months of 2001 |
| Cash EPS ⁽⁴⁾ | C\$0.10 C\$0.15 | |

(1) As of 8/8/01.

(2) Cash EPS excludes certain non-cash items, restructuring and impairment costs and other one-time and non recurring charges and interest on zero-coupon convertible debt. The shares used to calculate cash EPS assumes conversion of all convertible debt into common stock.

(3) Before restructuring and one-time charges.

(4) Earnings before goodwill amortization per share.

Additional Information and Where to Find It

Solectron plans to file a registration statement on Form S-4 in connection with the combination and plans to mail a proxy statement/prospectus containing information about the combination. C-MAC plans to distribute a circular to its shareholders containing information about the combination. Investors and security holders are urged to read the registration statement, the proxy statement/prospectus and the circular carefully when they are available. The registration statement, the proxy statement/prospectus, and the circular will contain important information about Solectron, C-MAC, the combination, the persons soliciting proxies relating to the combination, their interests in the combination, and related matters. Investors and security holders will be able to obtain free copies of the U.S. documents through the Web site maintained by the SEC at www.sec.gov. Free copies of the proxy statement/prospectus may also be obtained from Solectron by mail to Solectron Corporation, 777 Gibraltar Drive, Milpitas, CA 95035, Attention: Investor Relations. Solectron's telephone number is (408) 957-8500. Copies of the circular will be available to the public on the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators at www.sedar.com

In addition to the registration statement and the proxy statement/prospectus, Solectron files annual, quarterly and special reports, proxy statements and other information with the SEC. C-MAC files annual and quarterly financial statements, annual reports, annual information forms, management proxy circulars and other documents and information with the Canadian Securities Administrators in Canada and annual and special reports with the SEC. You may read and copy any reports, statements or other information filed with the SEC by Solectron or C-MAC at the SEC Public Reference Rooms at 450 Fifth Street NW, Washington, DC 20549 or at any of the SEC's other public reference rooms in New York, Chicago and Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Solectron's filings with the SEC are also available to the public from commercial document-retrieval services and at the Web site maintained by the SEC at www.sec.gov. Since January 1997, C-MAC's filings with the Canadian Securities Administrators are available to the public on the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators at www.sedar.com.

Information Concerning Participants

Solectron, C-MAC and their respective directors, executive officers and certain other members of management and employees may be soliciting proxies from Solectron and C-MAC stockholders in favor of combination. Information concerning the participants in the solicitation will be set forth in the proxy statement/prospectus.